

Registered company number: 08134861 (England and Wales)

COMPANIES HOUSE COPY

SALVATORIAN COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013



SALVATORIAN COLLEGE

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

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SALVATORIAN COLLEGE

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

Reference and Administrative Details

Board of Trustees

Foundation Governors

Mr Patrick O'Connell OBE (Chair of Governors and of the Finance Committee)*	-appointed 9 July 2012
Fr A McAllister (Vice Chair of Governors and Chair of Catholic Life of the College)*	-appointed 9 July 2012
Fr Richard Mway Zeng	-appointed 9 July 2012
Mr Paul Kassapian (Head Teacher and Accounting Officer)*	-appointed 1 September 2012
Mrs Linda McDonald	-appointed 1 September 2012
Ms Louise McKenna	-appointed 1 September 2012
Mr Jude Umeh	-appointed 1 September 2012
Ms Brigitte Osayi*	-appointed 1 March 2013
Mr Gary Prazer	-appointed 1 March 2013
Mr José Rivadulla-Rey	-appointed 1 March 2013
Ms Gertrude Simpungwe*	-appointed 1 September 2012
	-resigned 1 March 2013

Support Staff Governor

Helen Watt	-appointed 1 August 2012
	-resigned 8 August 2013

Teacher Governor

Mr S Davey*	-appointed 1 August 2012
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Parent Governors

Mrs Nancy Chan-Maguire	-appointed 1 August 2012
Mrs Marion Hicks	-appointed 1 August 2012
Mr Vincent Howard*	-appointed 1 August 2012
Mrs Nicole Mansbridge	-appointed 1 August 2012
Mrs Lorraine Elliot	-appointed 24 April 2013
Mrs Loise Elliot-Johnson	-appointed 1 August 2012
	-resigned 1 March 2013

Co-opted Governor

Ms Seeta Mepani (School Business Manager)*	-appointed 21 September 2012
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Associate Governor

Mr Gary Dean-Andrews	-appointed 1 April 2013
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*** Member of the Finance Committee**

Leadership Team

Headteacher	Mr P Kassapian
Deputy Headteacher	Mr A Coker
Assistant Headteacher	Mr J McCraith
Assistant Headteacher	Miss K Meehan
Assistant Headteacher	Mr J Kerr
Assistant Headteacher	Miss L O'Hara
Associate Assistant Headteacher	Mr D Cooper
School Business Manager	Miss S Mepani
Lead Child Protection Officer	Mr J McCraith

SALVATORIAN COLLEGE

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Reference and Administrative Details (continued)

Principal and Registered Office

High Road
Harrow Weald
Harrow
Middlesex
HA3 5DY

Company Registration Number

08134861 (England and Wales)

Independent Auditor

UHY Hacker Young LLP
Quadrant House
4 Thomas Square
London
E1W 1YW

Bankers

Lloyds TSB Commercial
254 Northolt Road
Harrow
Middlesex
HA2 8DZ

Solicitors

Stone King LLP
16 St John's Lane
London
EC1M 4BS

SALVATORIAN COLLEGE

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements, independent auditor's report and independent reporting accountant's assurance report on regularity of the charitable company for the period ended 31 August 2013

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The academy trust was incorporated on 9 July 2012, in the name of Salvatorian College, and commenced as an academy on 1 August 2012. The Academy has entered into a funding agreement with the Department for Education which provides the framework within which the Academy must operate.

The Governors act as Trustees of Salvatorian College and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Salvatorian College.

Details of the trustees who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Principal Activities

The Academy's objects are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and in particular relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Society of the Divine Saviour ("SDS")

Method of Recruitment and Appointment or Election of Trustees

The initial Members of the Academy shall be the subscribers to the Memorandum of Association.

The subsequent Members of the Academy shall comprise:

- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose,
- the chairman of the Trustees,
- the Provincial Superior of the Society of the Divine Saviour ("SDS"),
- 2 representatives appointed by the Provincial Superior of the Society of the Divine Saviour, and,
- any person appointed under Article 16.

The Secretary of State for Education may appoint Trustees in certain circumstances, no such appointment was made in the period under review.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to either the Head Teacher or the SDS trustee. Subject to remaining eligible to be a particular type of trustee, any Trustee may be re-appointed or re-elected.

SALVATORIAN COLLEGE

TRUSTEES' REPORT

A Trustee shall cease to hold office if he resigns his office by giving notice to the Academy (but only if at least 3 Trustees will remain in office when the notice of resignation is to take effect)

A Trustee shall cease to hold office if he is removed by the person or persons who appointed him. This does not apply in respect of a Parent trustee

New Trustees are recruited through the following ways

- Foundation Governor Appointed by the Society of the Divine Saviour
- Parent and Staff Governor Through nomination and election process held by the school
- Co-opted and Associate Governor Nominated and elected by the Board of Governors

Policies and Procedures Adopted for the Induction and Training of trustees

Trustees are provided with copies of all essential documentation needed to undertake their role, including the memorandum and articles of association, Academies Financial Handbook and Salvatorian College's Funding Agreement

A Trustees Handbook with key information is available for all Trustees. This includes such aspects as

- the structure of the academy and the relationship with the Board of Trustees
- a statement of values and expectations
- key elements of effective governance and the link to the Ofsted Handbook
- the committee structure of the Board of Trustees
- a brief description of the role of the chair and the role of the clerk/company secretary
- terms of reference for committees

The Board of Trustees subscribes to London Harrow Council Governor Services provision and in-house training is organised as and when required. Governors are informed of external training opportunities

New Trustees are mentored by existing Trustees

Organisational Structure

The Board of Trustees of Salvatorian College is constituted under the memorandum and articles of association. The Board of Trustees is responsible for ensuring high standards of corporate governance are maintained

The Trustees are responsible for the strategic direction of the Academy, setting policy and agreeing the annual budget. Trustees are also responsible for monitoring the work of the Academy and ensuring the objectives of the academy are achieved

In addition to the full board of Trustees meetings, the Salvatorian College has a committee structure. The main committees are Finance, Premises, Personnel and Effectiveness, and Catholic Life of the School

The Chair of Trustees meets regularly with the Headteacher and all Trustees visit Salvatorian College to make first hand observations of the work of the Academy. Reports of these visits are shared with all Trustees

The Headteacher is required to provide strategic leadership and management of the Academy, he is assisted by 1 Deputy Headteacher. In addition the Academy has 5 Assistant Headteachers, 1 Associate Assistant Headteacher, a School Business Manager and a Lead Child Protection Officer. These 9 staff are the Senior Leadership Team

The Headteacher is the 'Accounting Officer' of Salvatorian College. The School Business Manager is the 'Principal Finance Officer' of Salvatorian College

SALVATORIAN COLLEGE

TRUSTEES' REPORT

Risk Management

The Academy has a formal risk management process in place to identify and assess all risks associated with the organisation, this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Trustees are involved in the preparation of the Risk Register, overseen by the Finance committee. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk. The Risk Register identifies the types of risk the Academy might encounter and rates the risks in terms of likelihood and impact. This ensures that the most significant risks are highlighted, appropriate strategies to be implemented and the allocation of resources.

Connected Organisations, including Related Party Relationships

The school operates on land owned by the Society of the Divine Saviour ("SDS"). The school does not raise funds for or contribute to the Society. The school works closely with St Josephs' Parish, which is part of SDS. The school shares use of the hall with the parish and no payment is exchanged for the use of the hall, unless staff are employed to support events. If this is the case, then staff are paid through the payroll system and reimbursed by SDS.

Objectives and Activities

Objects and aims

The Academy's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Society of the Divine Saviour.

Within the objects the Academy aims to provide a high standard of education to ensure pupils can achieve their highest potential. We draw upon Catholic values to ensure pupils are able to learn in a safe and nurturing environment, which allow pupils to develop as confident and independent individuals.

This objective is to provide a high standard of education for all pupils and make adjustments where necessary. Pupils will be admitted according to the school's admission code and funding agreement.

Objectives, Strategies and Activities

The Academy's key objectives for 2012/13 and 2013/14 are

1. To raise standards of education for pupils by ensuring they have high quality teaching by improving the quality of teaching to consistently good with outstanding practice emerging
2. To ensure the Academy conversion activities for the first year has been reviewed and any changes needed implemented in regards to Governance and Financial compliance
3. Make effective use of assessment data to track and monitor progress for all pupils as well as set targets
4. To continue to improve capacity of Leadership and Management to raise standards
5. To embed Spiritual, Moral, Social and Cultural within the curriculum

Public Benefit

In setting the objectives and aims as well as reviewing the strategies, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit as well as to the supplementary public benefit guidance on advancing education. The impact of the Academy is demonstrated through the continued success of the school in improving outcomes for pupils.

SALVATORIAN COLLEGE

TRUSTEES' REPORT

Achievements and Performance

1st August 2012 – 31st August 2013

- Our percentage 5+ A*-C including English and Maths was 64% in 2012, which is above the national average, but below our FFT D target (79%) It was a third continuous year of decline
- Our percentage 5+ A*-G was 98%, was above the national average
- 18% of the cohort achieved the EBAC, above the national average of 16%
- Students who made three or more levels of progress in English was 73%, above the 2012 national average of 67%
- Students who made over three levels of progress in English was 35%, above the 2012 national average of 28%
- Students who made three or more levels of progress in Mathematics was 70%, above the 2012 national average of 68%
- Students who made over three levels of progress in Maths was 29%, below the 2012 national average of 31%

	2012	2013	Forecast 2014
5A&-C	72%	75%	81%
5A&-C inc English and maths	64%	52%	70%
5A*-G	98%	99%	100%
Best 8 points score	325	329	338
Total points score	357	369	385
Average points score English	41.4	39.11	42.96
Average points score Maths	41.2	40.94	44.1

Going Concern

After making appropriate enquiries, the board of trustees 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 Statement of Accounting Policies.

Key Financial Performance Indicators and Financial Review

The Academy received £109,448 as a carry forward from the Local Authority from the previous school's accounts following conversion on 1 August 2012 (excluding capital grants).

Since 1 August 2012, funding has been provided by the EFA to cover operational and capital costs. Additional funds were received from letting facilities and bank interest.

The main bank account is held with Lloyds TSB Commercial for day to day transactions. Both financial and educational Key Performance Indicators are used to monitor track progress against objectives to ensure that any issues are identified quickly and solutions put in place.

The school has put in place Academy policies such as a Financial Handbook, Budget Holder Guidelines, Business Continuity Plan, Investment Policy, Whistleblowing Policy, Asset and Accounting Policy and Risk Register to ensure financial compliance to the EFA.

SALVATORIAN COLLEGE

TRUSTEES' REPORT

Financial and Risk Management Objectives and Policies

Principal Risks and Uncertainties

In common with every Academy and maintained school in the country, funding is dependent on Government policy and the Academy Trust is working with the other Academies in the Local Authority and with the Local Authority to identify potential implications of the Government's proposals to change the funding methodology. Governors have been prudent with in the budgeting for the next financial year as well as the following three years.

The deficit for the Local Government Pension Scheme has risen and this is currently being reviewed by the Local Authority. There continues to be uncertainty in any final salary scheme of this type.

The pupil roll has fallen slightly and it has been acknowledged that this may impact funding in the future.

Reserves Policy

The Governors have agreed that there should be an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds, that represents the amounts deemed necessary to deal with unexpected emergencies). The school is in a category of 'Notice to Improve' and it has been agreed that funds should be used to raise standards within the school. The Governors have assessed this and currently it stands at £191,000. The level of reserves will be reviewed regularly. As experienced nationally, the trustees are aware of a net deficit on both the teachers and local government pension funds. However this doesn't present an immediate liability and drain on reserves, as the deficit is being addressed by means of an actuarially calculated long term increase in the employer's contribution towards the fund. This increase will have an effect on the cash flow of the school annually, but will not result in a direct impact on the free reserves.

Investment Policy

There are currently no investments that have been made or being considered for 2013-14. If the Academy make any investments in the future then they will be low risk based. Funds will only be lodged with organisations with a good credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

Plans for Future Periods

Our key objective as an Academy is to raise standards through improving opportunities to our pupils by offering a broad curriculum and raise attainment. We will continue with the development and progress of the Academy and build on the strong foundation that has already been built.

- 1 We will continue to work in partnership with other Academies, Schools and Organisations
 - To strengthen teaching and learning
 - Improve CPD opportunities for staff and share good practice
 - Improve pupil progress and achievement
 - Tender for contracts together to make efficiency savings
- 2 School Improvement Plan 2013-14- we will focus on our key priorities
 - Catholic Life and Ethos
 - Rapid Improvement in the Achievement of Students
 - Rapid Improvement in the Quality of Teaching and Learning
 - Improving Behaviour and Safety
 - Strengthening Leadership and Management
- 3 Work with the EFA and School Community
 - Consult with the school and local community on proposed Priority Schools Building Programme
 - Ensure we meet the needs of the school during planning and building process

SALVATORIAN COLLEGE

TRUSTEES' REPORT

Auditor

In so far as the governors are aware

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

Approved by order of the Board of Trustees on 12 December 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'P O'Connell', written in a cursive style.

Patrick O'Connell
Chair of Trustees

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring 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 Salvatorian College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Patrick O'Connell	6	7
Fr Alex McAllister	6	7
Paul Kassapian	7	7
Louise McKenna	6	7
Jude Umeh	4	7
Fr Richard Mway	6	7
Linda McDonald	7	7
Gertrude Simpungwe	1	3
José Rivadulla-Rey	3	4
Gary Prazer	3	4
Brigitte Lawal	3	4
Nancy Chan-Maguire	6	7
Vincent Howard	3	7
Nicole Mansbridge	7	7
Marion Hicks	7	7
Loise Elliot-Johnson	1	3
Lorraine Elliott	2	3
Shane Davey	3	7
Helen Watt	7	7
Seeta Mepani	6	7
Gary Dean-Andrews	1	2

There were 3 Governors that left during the period and 4 Governors that have joined the Governing Body since the time of conversion. The new additions were to support and strengthen the Governing Body.

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT

The Finance Committee is a sub-committee of the board of trustees. Its purpose is to review and discuss expenditure, monitor the budget and ensure money is being spent for the intended purpose. Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Patrick O'Connell	2	2
Helen Watt	2	2
Paul Kassapian	2	2
Vincent Howard	1	2
Seeta Mepani	2	2
Brigitte Osayi	1	1
Shane Davey	1	1
Gertrude Simpungwe	0	1

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Salvatorian College for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Barry Walder – a financial consultant who is employed from School Management Services, as the Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT


Review of Effectiveness

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


- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 governing body on 12 December 2013 and signed on its behalf by



Patrick O'Connell
Chair of Trustees



Paul Kassapian
Accounting Officer

SALVATORIAN COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Salvatorian College Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A handwritten signature in black ink, appearing to read 'P. Kassapian', with a stylized flourish at the end.

Paul Kassapian
Accounting Officer

SALVATORIAN COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as Governors of Salvatorian College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

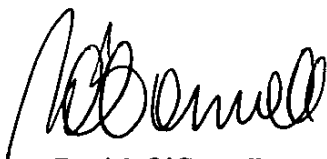
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the governing body on 12 December 2013 and signed on its behalf by



Patrick O'Connell
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALVATORIAN COLLEGE

We have audited the financial statements of Salvatorian College for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction issued in May 2013 by the Education 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the Trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Accounts Direction issued in May 2013 by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Opinion on other matter prescribed by the academy funding agreement with the Secretary of State for Education

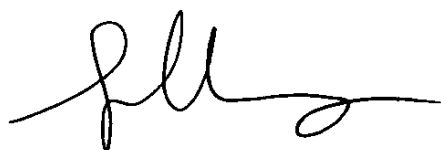
In our opinion the grants made by the Education Funding Agency have been applied for the intended purposes.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALVATORIAN COLLEGE (continued)

Matters on which we are required to report by exception

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

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



Gregory Chong (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP, Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW

12 December 2013

UHY Hacker Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF SALVATORIAN COLLEGE AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 May 2013 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salvatorian College during the period 9 July 2012 to 31 August 2013 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 Salvatorian College and the EFA, in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to Salvatorian College and the EFA those matters we are required to state to it 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 Salvatorian College and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Salvatorian College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Salvatorian College's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies' Financial Handbook, extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that, in all material respects, expenditure disbursed and income received during the period 9 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013, issued by the EFA. We performed a limited assurance engagement, as defined in our engagement letter

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF SALVATORIAN COLLEGE AND THE EDUCATION FUNDING AGENCY

The work undertaken to draw our conclusion includes

- Review and corroboration of the most recent Financial Management and Governance Evaluation,
- Evaluation of the general control environment,
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education,
- Review of the declaration of interests to ensure completeness,
- Review of minutes for evidence of declaration of interest,
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities,
- A sample of cash payments were reviewed for unusual transactions,
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement,
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

Conclusion

In the course of our work, nothing has come to our attention which suggests that, in all material respect, the expenditure disbursed and income received during the period 9 July 2012 to 31 August 2013, has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Gregory Chong
Senior Statutory Auditor
For and on behalf of UHY Hacker Young LLP, Statutory Auditor
Quadrant House
4 Thomas More Square
London
E1W 1YW

12 December 2013

SALVATORIAN COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2013 [INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES]

	Note	Unrestricted funds £	Restricted General funds £	Restricted fixed asset funds £	Restricted total 2013 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
voluntary income	3	423,207	-	6,740,922	7,164,129
activities for generating funds	4	232,844	-	-	232,844
investment income	5	624	-	-	624
<i>Incoming resources from charitable activities</i>					
funding for the academy's educational operations	6	-	4,537,325	5,071	4,542,396
Total incoming resources		<u>656,675</u>	<u>4,537,325</u>	<u>6,745,993</u>	<u>11,939,993</u>
Resources expended					
<i>Cost of generating funds</i>					
costs of activities for generating funds	7&8	217,268	-	-	217,268
<i>Charitable activities</i>					
Academy's educational operations	7&9	-	4,737,176	244,654	4,981,830
<i>Governance costs</i>	7&10	-	36,718	-	36,718
Total resources expended	7	<u>217,268</u>	<u>4,773,894</u>	<u>244,654</u>	<u>5,235,816</u>
Net incoming/(outgoing) resources before transfers		<u>439,407</u>	<u>(236,569)</u>	<u>6,501,339</u>	<u>6,704,177</u>
Gross transfers between funds		(247,569)	247,569	-	-
Net income for the period		<u>191,838</u>	<u>11,000</u>	<u>6,501,339</u>	<u>6,704,177</u>
Other recognised gains and losses					
Inherited deficit on defined benefit pension scheme	26	-	(1,015,000)	-	(1,015,000)
Actuarial gain on defined benefit	26	-	7,000	-	7,000
Net movement in funds		<u>191,838</u>	<u>(997,000)</u>	<u>6,501,339</u>	<u>5,696,177</u>
Total funds carried forward at 31 August 2013	17	<u>191,838</u>	<u>(997,000)</u>	<u>6,501,339</u>	<u>5,696,177</u>

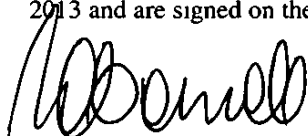
All of the academy's activities derive from acquisitions in the current financial period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

SALVATORIAN COLLEGE

BALANCE SHEET AS AT 31 AUGUST 2013

	Note	2013 £
Fixed assets		
Tangible assets	14	6,501,339
Current assets		
Debtors	15	122,989
Cash at bank		320,496
		443,485
Liabilities		
Creditors amounts falling due within one year	16	(251,647)
Net current assets		191,838
Net assets excluding pension liability		6,693,177
Pension scheme liability	26	(997,000)
Net assets including pension liability		5,696,177
The funds of the academy		
Restricted income funds		
Fixed asset fund	17	6,501,339
General fund	17	-
Pension reserve	17	(997,000)
Total restricted funds		5,504,339
Unrestricted income funds		
General fund	17	191,838
Total funds		5,696,177

The financial statements on pages 18 to 39 were approved by the trustees, and authorised for issue on 12 December 2013 and are signed on their behalf by



Patrick O'Connell
Chair of Trustees

SALVATORIAN COLLEGE**CASHFLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	£	2013 £
Net outflow from operating activities	21		(23,996)
Returns on investments and servicing of finance	22		624
Capital expenditure	23		(150,945)
			<hr/>
Decrease in cash in the period			(174,317)
			<hr/>
Cash transferred on conversion to an academy trust			476,397
			<hr/>
Net funds at 31 August 2013	24		<u>302,080</u>

All of the cash flows are derived from acquisitions in the current financial period

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 AUGUST 2013

1 Statement of accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

1 Statement of accounting policies (continued)

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

Buildings	30 years
Fixtures, fittings and equipment	5 years
Motor vehicles	5 years
ICT equipment	3 years

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.

Leased assets

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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of accounting policies (continued)

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Salvatorian College. The

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of accounting policies (continued)

Conversion to an academy trust (continued)

amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The valuation of the buildings upon conversion was carried out on behalf of the Education Funding Agency. All other fixed assets were valued estimating their remaining expected useful life and estimated value at the date of conversion. Further details of the transaction are set out in note 28.

2 General Annual Grant (GAG)

Results and carry forward for the period	2013 £
GAG allocation for current period	4,328,105
Total GAG available to spend	
Recurrent expenditure from GAG	4,571,917
GAG carried forward to next year	-

3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2013 £
Funds inherited on conversion	330,523	145,874	476,397
Assets transferred on conversion	-	6,595,048	6,595,048
Donations received in the year	92,684	-	92,684
	423,207	6,740,922	7,164,129

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2013 £
Hire of facilities	1,655	-	1,655
Catering income	141,358	-	141,358
Music tuition	10,148	-	10,148
Trip income	59,261	-	59,261
Uniform sales	5,038	-	5,038
Miscellaneous income	15,384	-	15,384
	232,844	-	232,844

SALVATORIAN COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

5. Investment income

	Unrestricted funds	Restricted funds	Total 2013
	£	£	£
Short term deposits	624	-	624
	<u>624</u>	<u>-</u>	<u>624</u>
	<u>624</u>	<u>-</u>	<u>624</u>

6 Funding for academy's educational operations

	Unrestricted fund	Restricted funds	Total 2013
	£	£	£
DfE / EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	4,328,105	4,328,105
Other DfE / EFA grants	-	109,786	109,786
	<u>-</u>	<u>4,437,891</u>	<u>4,437,891</u>
Other grants			
Local authority grants	-	92,887	92,887
Charitable donations	-	11,618	11,618
	<u>-</u>	<u>104,505</u>	<u>104,505</u>
	<u>-</u>	<u>4,542,396</u>	<u>4,542,396</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

7 Resources expended

	Staff costs (note 11) £	Depreciation £	Non pay expenditure Premises £	Other costs £	Total 2012 £
Costs of activities for generating funds (note 8)	88,631	-	-	128,637	217,268
Academy's educational operations (note 9)					
- direct costs	2,607,286	-	-	227,148	2,834,434
- allocated support costs	1,122,073	244,654	367,179	413,490	2,147,396
	<u>3,729,359</u>	<u>244,654</u>	<u>367,179</u>	<u>640,638</u>	<u>4,981,830</u>
Governance costs including					
- allocated support costs (note 10)	-	-	-	36,718	36,718
	<u>3,817,990</u>	<u>244,654</u>	<u>367,179</u>	<u>805,993</u>	<u>5,235,816</u>

Incoming/outgoing resources for the period include:

	2013 £
Fees payable to auditor - audit	6,500
- non audit	2,000
	<u>=====</u>

8 Costs of activities for generating funds

	Unrestricted fund £	Restricted funds £	Total 2012 £
Catering expenses	141,358	-	141,358
Music services expenses	16,649	-	16,649
Costs of school trips	59,261	-	59,261
	<u>217,268</u>	<u>-</u>	<u>217,268</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

9 Charitable activities – Academy’s educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £
<i>Direct costs</i>			
Teaching and educational support staff costs	-	2,607,286	2,607,286
Educational supplies	-	123,107	123,107
Examination fees	-	41,170	41,170
Staff training and recruitment	-	42,877	42,877
Other direct costs	-	19,994	19,994
	-	2,834,434	2,834,434
<i>Allocated support costs</i>			
Support staff costs	-	1,122,073	1,122,073
Depreciation	-	244,654	244,654
ICT costs	-	84,260	84,260
Maintenance of premises and equipment	-	231,078	231,078
Rent & rates	-	12,161	12,161
Insurance	-	37,162	37,162
Security and health & safety	-	12,423	12,423
Legal and professional	-	130,192	130,192
Utilities	-	74,356	74,356
Postage, printing and stationery	-	27,145	27,145
Catering expenses	-	52,254	52,254
Travel and trip expenses	-	52,003	52,003
Other support costs	-	28,635	28,635
Other finance costs (note 26)	-	39,000	39,000
	-	2,147,396	2,147,396

10 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2013 £
Legal and professional fees	-	27,555	27,555
Auditor’s remuneration			
- audit of financial statements	-	6,500	6,500
- other non-audit fees	-	2,000	2,000
Governors’ training	-	168	168
Responsible officer fees	-	495	495
	-	36,718	36,718

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

11 Staff costs

Staff costs during the period were	2013 Total £
Wages and salaries	3,011,661
Social security costs	227,269
Pension costs	439,916
	<hr/>
	3,678,846
Supply teacher costs	106,000
Other agency staff costs	14,494
Compensation expense	18,650
	<hr/>
	3,817,990
	=====

The average number of persons (including senior management team) employed by the academy during the period expressed as full time equivalents was as follows

	2013 No.
<i>Charitable Activities</i>	
Teachers	37
Administration and support	48
Management	8
	<hr/>
	93
	=====

The number of employees whose emoluments fell within the following bands was

	2013 No.
£70,001 - £80,000	1
	<hr/>

The above employee participated in the Teachers' Pension Scheme During the period ended 31 August 2013, pension contributions for this member of staff amounted to £10,931

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

12 Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

Principal	£77,525
Other staff Governor	£37,599
Other staff Governor	£19,506

During the period ended 31 August 2013, travel and subsistence expenses totalling £nil were reimbursed.

13 Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors 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 period ended 31 August 2013 was £1,855.

The cost of this insurance is included in the total insurance cost.

14 Tangible Fixed Assets

	Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
Acquired on conversion (notes 1 & 3)	6,544,000	-	50,048	1,000	6,595,048
Additions	87,000	42,627	22,318	-	151,945
Disposals	-	-	-	(1,000)	(1,000)
At 31 August 2013	6,631,000	42,627	72,366	-	6,745,993
Depreciation					
Charge in period	221,177	584	22,893	-	244,654
At 31 August 2013	221,177	584	22,893	-	244,654
Net book values					
At 31 August 2013	6,409,823	42,043	49,473	-	6,501,339
	=====	=====	=====	=====	=====

SALVATORIAN COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

15 Debtors	2013
	£
Other debtors	42,628
Prepayments and accrued income	80,061
	<hr/>
	122,989
	<hr/> <hr/>
16 Creditors: amounts falling due within one year	2013
	£
Bank overdraft	18,416
Accruals and deferred income	233,231
	<hr/>
	251,647
	<hr/> <hr/>
Deferred income	2013
	£
Resources deferred in the period	
Deferred capital grant	11,349
Parent pay- catering	6,694
2013/14 trips	16,990
	<hr/>
Deferred Income at 31 August 2013	35,033
	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds received in advance for capital expenditure, amounts paid in advance for school meals and money received in advance for trips that are taking place in the 2013/14 academic year

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

17 Funds

	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2013 £
Restricted general funds				
General Annual Grant (GAG)	4,328,105	(4,575,674)	247,569	-
Other DfE/EFA grants	104,715	(104,715)	-	-
Other government grants	102,705	(102,705)	-	-
Other charitable donations	1,800	(1,800)	-	-
Pension reserve	-	11,000	(1,008,000)	(997,000)
	<u>4,537,325</u>	<u>(4,773,894)</u>	<u>(760,431)</u>	<u>(997,000)</u>
Restricted fixed asset funds				
DfE/EFA capital grants transferred on conversion	145,874	(6,083)	-	139,791
Assets transferred on conversion	6,595,048	(238,352)	-	6,356,696
DfE/EFA capital grant received during period	5,071	(219)	-	4,852
	<u>6,745,993</u>	<u>(244,654)</u>	<u>-</u>	<u>6,501,339</u>
Total restricted funds	<u>11,283,318</u>	<u>(5,018,548)</u>	<u>(760,431)</u>	<u>5,504,339</u>
Unrestricted funds				
Unrestricted funds	656,675	(217,268)	(247,569)	191,838
Total unrestricted funds	<u>656,675</u>	<u>(217,268)</u>	<u>(247,569)</u>	<u>191,838</u>
Total funds	<u>11,939,993</u>	<u>(5,235,816)</u>	<u>(1,008,000)</u>	<u>5,696,177</u>

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. 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 2013.

Other DfE/EFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Charitable donations

Charitable donations relate to grants received from charitable organisations for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

17 Funds (continued)

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (see note 26)

Transfer between funds

Transfers from unrestricted funds to the GAG fund was necessary to fund unbudgeted refurbishment work carried out during the period

18 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	6,501,339	6,501,339
Current assets	443,485	-	-	443,485
Current liabilities	(251,647)	-	-	(251,647)
Pension scheme liability	-	(997,000)	-	(997,000)
Total net assets	191,838	(997,000)	6,501,339	5,696,177

19 Capital commitments

**2013
£**

Contracted for, but not provided in the financial statements

=====

20 Financial commitments

Operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows

**2013
£**

Other

Expiring within two and five years inclusive

15,333

=====

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

21 Reconciliation of net income to net cash outflow from operating activities

	2013 £
Net income	6,704,177
Depreciation (note 14)	244,654
Interest receivable (note 5)	(624)
FRS 17 pension cost less contributions payable (note 26)	(50,000)
FRS 17 pension finance income (note 26)	39,000
Increase in debtors	(122,989)
Increase in creditors	233,231
Donation in kind for assets transferred on conversion (note 28)	(6,595,048)
Donation recognised in respect of cash transferred on conversion (note 28)	(476,397)
Net cash outflow from operating activities	(23,996)

22 Returns on investments and servicing of finances

	2013 £
Interest received	624
Net cash inflow from returns on investment and servicing of finance	624

23 Capital expenditure and financial investment

	2013 £
Purchase of tangible fixed	(151,945)
Receipts from sale of tangible fixed assets	1,000
Net cash outflow from capital expenditure and financial investment	(150,945)

24 Analysis of changes in net funds

	Transferred on conversion £000	Cash flows £000	At 31 August 2013 £000
Cash in hand and at bank	476,397	(155,901)	320,496
Bank overdraft	-	(18,416)	(18,416)
	476,397	(174,317)	302,080

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

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 Pension and similar obligations

The academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Harrow Both are defined-benefit schemes

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £261,000, of which employer's contributions totalled £218,000 and employees' contributions totalled £43,000. The agreed contribution rates for future years are 30.7 per cent for employers and 5.5 to 7.5 per cent for employees.

Principal Actuarial Assumptions

	At 31 Aug 2013 £
Rate of increase in salaries	4.6%
Rate of increase for pension	2.8%
Expected return on assets	6.2%
Discount rate for scheme liabilities	4.6%

The below table, as produced by Hymans Robertson LLP (actuary) sets out the sensitivities regarding the principal assumptions used to measure the scheme liabilities.

	Approx % increase to employers liability %	Approx monetary amount £'000
0.5% decrease in Real Discount Rate	11	182
1 year increase in member life expectancy	3	49
0.5% increase in the Salary Increase Rate	5	86
0.5% increase in the Pension Increase Rate	6	91

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

	At 31 Aug 2013 £
Retiring today	
Males	21.6
Females	23.6
Retiring in 20 years	
Males	23.6
Females	25.9

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 Aug 2013	Fair value at 31 Aug 2013
Equities	6.6%	507,000
Bonds	4.2%	76,000
Property	4.7%	51,000
Total market value of assets	6.2%	634,000
Present value of scheme liabilities		
- Funded		(1,631,000)
Deficit in the scheme		(997,000)

The expected return on assets is based on the long term future expected investment return as at the beginning of the period which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP

The actual return on scheme assets was £66,000

Amounts recognised in the statement of financial activities

	2013 £
Current service cost	168,000
Less Employers contributions	(218,000)
Total operating income	(50,000)
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	24,000
Interest on pension liabilities	(63,000)
Pension finance income / (costs)	(39,000)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £7,000 gain

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2013 £
At 1 August 2012	1,322,000
Current service cost	168,000
Interest cost	63,000
Employee contributions	43,000
Actuarial loss	35,000
	<hr/>
At 31 August 2013	1,631,000
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Movements in the fair value of academy's share of scheme assets:

	2013 £
At 1 August 2012	307,000
Expected return on assets	24,000
Actuarial gain	42,000
Employer contributions	218,000
Employee contributions	43,000
	<hr/>
At 31 August 2013	634,000
	<hr/> <hr/>

The estimated value of employer contributions for the period ended 31 August 2014 is £220,000

The five-year history of experience adjustments is as follows:

	2013 £
Present value of defined benefit Obligations	(1,631,000)
Fair value of share of scheme assets	634,000
	<hr/>
Deficit in the scheme	(997,000)
	<hr/> <hr/>
Experience adjustments on share of scheme assets:	
Amount	£42,000
Experience adjustments on scheme liabilities:	
Amount	£-

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

27 Related Party Transactions

The Academy operates from buildings which occupies land and other grounds owned by the Society of Divine Saviour ("Society") The Society has given an undertaking to make the land available to the Academy on a rent-free basis and on certain other conditions for so long as the Academy remains as an academy trust The Academy shares use of the school hall with St Joseph Parish who is not charged for hall hire In the event however when academy school staff are used to support the Parish's events, the academy is re-imbursed for staff costs so arising

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures

28 Conversion to an academy trust

On 1 August 2012 the Salvatorian College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Salvatorian College from the London Borough of Harrow for £Nil consideration

The transfer has been accounted for by using the acquisition method The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
- Buildings	-	-	6,544,000	6,544,000
- Other tangible fixed assets	-	-	51,048	51,048
Budget surplus/(deficit) on LA funds	109,448	-	-	109,448
Budget surplus/deficit on other school funds	221,075	-	-	221,075
DfE/EFA capital grants transferred on conversion	145,874	-	-	145,874
LGPS pension surplus/(deficit)	-	(1,015,000)	-	(1,015,000)
Net assets/(liabilities)	476,397	(1,015,000)	6,595,048	6,056,445

The above net assets/(liabilities) include £476,397 that were transferred as cash on conversion