

Company Registration No. 08134861 (England and Wales)

SALVATORIAN COLLEGE

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

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SALVATORIAN COLLEGE
CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 20
Statement on regularity, propriety and compliance	21
Statement of trustees' responsibilities	22
Independent auditor's report on the accounts	23 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities	27
Balance sheet	28
Cash flow statement	29
Notes to the accounts	30 - 51

SALVATORIAN COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Fr Alexander McAllister (Vice Chair of Governors) *
Mr Paul Kassapian (Accounting Officer) *
Mrs Linda McDonald
Ms Louise McKenna (Chair of the Performance, Effectiveness and Catholic Life of the College Committee)
Mrs Lorraine Elliot
Mr Brendan Morahan (Chair of the Resources Committee) (Appointed 1 October 2014) *
Mr Gary Prazer (Chair of Governors) *
Ms Brigitte Osayi *
Mrs Margaret Mary Reynolds (Appointed 1 October 2014) *
Mrs Theresa Mary O'Sullivan (Appointed 1 October 2014)
Mrs Renee Conception Caiado (Appointed 1 October 2014 and resigned 7 July 2015) *
Fr Richard Mway Zeng
Mr K S Daly (Appointed 1 October 2014) *
Mrs Bernadette O'Reilly (Appointed 6 October 2014)
Mrs Margaret Newton (Appointed 1 October 2014)
Mrs Debbie Carroll (Appointed 6 October 2014)
Mr Patrick O'Connell (Resigned 30 September 2014)
Mr Shane Davey (Resigned 1 October 2014)
Mrs Nicole Mansbridge (Resigned 1 October 2014)
Mrs Marion Ann Hicks (Resigned 1 October 2014)
Mrs Nancy Chan Maguire (Resigned 1 October 2014)
Mr Vincent Howard (Resigned 1 October 2014)
Ms Emma Watson (Resigned 1 October 2014)
Mr John McAleer (Appointed 1 April 2015)

* members of the Finance Committee

Members

Mr Patrick O'Connell (left 30 Sept 2014)
Fr Alexander McAllister
Mr Paul Kassapian
Ms Louise McKenna
Mr Jude Umeh
Fr. Richard Mway
Mrs Linda McDonald
Mr Gary Prazer
Mr Jose Rivadulla-Rey
Ms Brigitte Lawal
Ms Emma Watson

SALVATORIAN COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Senior management team

- Headteacher	Mr P Kassapian
- Deputy Headteacher	Mr A Coker
- School Business Manager	Miss S Mepani
- Assistant Headteacher	Mr J Kerr
- Assistant Headteacher	Miss L O'Hara (Maternity)
- Assistant Headteacher	Mr D Cooper
- Assistant Headteacher	Mrs L Coker
- Associate Assistant Headteacher	Mrs K Wilkinson (joined 12th January 2015)
- Associate Assistant Headteacher	Mr M McLaughlin (joined 5th May 2015)

Company registration number 08134861 (England and Wales)

Principal address High Road
Harrow Weald
Middlesex
HA3 5DY

Registered office High Road
Harrow Weald
Middlesex
HA3 5DY

Independent auditor UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

SALVATORIAN COLLEGE

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E1W 1YW

SALVATORIAN COLLEGE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 – 16 years old serving a catchment area mainly in Harrow, with pupils also from Brent and other neighbouring boroughs. It has a pupil capacity of 750 and had a roll of 595 in the school census on 1st October 2015.

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 Trustees of Salvatorian College 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 year 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.

Trustees' indemnities

There are no qualifying third party indemnity provisions in respect of trustees, other than trustees' and officers' insurance, which is in place. The Academy from 1st August 2015 purchases insurance through the EFA's Risk Protection Arrangement (RPA).

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;
- 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 appointments were made in the period under review.

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

A Trustee shall cease to hold office if he resigns his office by 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. The Article does not apply in respect of a Parent trustee.

New Trustees will be 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 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. Governors complete an annual skills audit to inform training needs.

New Trustees are mentored by existing Trustees.

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

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 the Catholic Life of the School and Performance Committee and the Resources Committee.

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 Head teacher. In addition the Academy has 5 Assistant Head teachers, 1 Associate Assistant Headteachers and a School Business Manager. These 9 staff are the Senior Leadership Team.

The Headteacher is the 'Accounting Officer' of Salvatorian College.

The School Business Manager is the 'Chief Financial Officer' of Salvatorian College.

Connected organisations including related party relationships

The school operates on land owned by the Society of the Divine Saviour. The school does not raise funds for or contribute to the society. The school works closely with the 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, unless staff are employed to support events. If this is the case, then staff are remunerated through the payroll system.

Objectives and activities

Objects and aims

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 designated as such ("the Academy") 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.

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Within the objects the Academy aims to provide a high standard of teaching and learning to ensure pupils can achieve their highest potential. We will 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.

The objective is to provide a high standard of teaching and learning 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 2015/16 are:

1. To raise standards of education for pupils, by ensuring they have high quality teaching by improving the quality of teaching to be consistently good with outstanding practice.
2. Make effective use of assessment data to track and monitor progress for all pupils.
3. To continue to improve capacity of Leadership and Management to raise standards in all areas of the school.
4. To embed Spiritual, Moral, Social and Cultural across the curriculum.
5. Improving the Personal Development , behaviour and welfare of pupils.
6. Reduce the revenue deficit and ensure the budget is balanced.
7. Ensure the Priority Schools Building Project commences and is completed according to the agreed schedule and specification.

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

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 (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

1st September 2014-31st August 2015

Students' attainment and progress for the academic year 2014/15 reduced slightly compared to 2013/14, but was still up on 2012/13. Attainment is 4% lower than last year when using 5 A-C including English and Maths as the measure.

Our percentage of 5+ A*-C including English and Maths was 59% in 2015, which is above the 2015 provisional average for all schools in England of 52.8%.

76% of students achieved A*-C grades in mathematics, 45% achieved such grades in core science, and 75% and 77% in English language and literature respectively. These were all below the targets for the year, however areas performed above target include Statistics (where 99% achieved grades A*-C) and Art & Design (where 86% achieved grades A*-C).

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

Destinations of KS4 students

Each of last year's students have stayed in education and training or entered the workplace. Over two thirds of the year have enrolled with our local Catholic Sixth Form, St Dominic's in Harrow with the remaining students either in training or on apprenticeships.

	Predicted 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
5A&-C inc English and maths	72% (75%)	59%	63%	52%
5A&-C	86%	67%	68%	75%
Best 8 points score	367	320	326	329
Attainment 8	B-	C	-	-
Progress 8	+.26	-.46	-	-
English				
A*-C	82% (85%)	71%	76%	58%
3 Levels progress	82% (78%)	65%	77%	56%
4 Levels progress	44% (42%)	27%	41%	21%
Maths**				
A*-C	83% (85%)	74%	79%	74%
3 Levels progress	85% (79%)	62%	70%	64%
4 Levels progress	43% (43%)	30%	29%	38%
English Baccalaureate	44%	32%	32% *(24%)	39%

*National average () targets

**99% of Year 10 pupils achieved a high level pass in their Statistics GCSE, of which 42% achieved a grade A or A*. This result is a very positive indicator for improved GCSE success in 2016.

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Vulnerable Groups

PUPIL PREMIUM - 33 students 32 students with KS2 results	SEN - 13 students 13 students with KS2 results	EAL- 35 students 33 students with KS2 results
5A*-C inc EM 52% (Non PP 61%, National Average *36%) English A*-C 66% Maths A*-C 66%	5A*-C inc EM 18% (*20%) English A*-C 38% Maths A*-C 38%	5A*-C inc EM 69% (*56%) English A*-C 80% Maths A*-C 70%
English 3LP 69% (*58%) English 4LP 22% Maths 3LP 72% (*48%) Maths 4LP 31%	English 3LP 69% (*56%) English 4LP 31% Maths 3LP 100% (*44%) Maths 4LP 8%	English 3LP 91% (*76%) English 4LP 51% Maths 3LP 73% (*72%) Maths 4LP 46 %

*(2014 National average of that grouping)

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Results – by ability

	Predicted 2016	2015	2014	2013
HIGH				
5A*-C inc English and maths	94% *(92%)	80% *(92%)	90%	82%
English 3 levels progress	87%	74%	89%	69%
Maths 3 levels progress	64%	69%	81%	69%
English 4 levels progress	43%	35%	56%	20%
Maths 4 levels progress	36%	36%	40%	54%
Number of students	86	80	70	49
MIDDLE				
5A*-C inc English and maths	50% *(50%)	39% *(50%)	39%	39%
English 3 levels progress	95%	74%	63%	48%
Maths 3 levels progress	72%	62%	58%	64%
English 4 levels progress	42%	35%	23%	21%
Maths 4 levels progress	38%	24%	16%	45%
Number of students	46	42	62	75
LOWER				
5A*-C inc English and maths	0 *(5%)	0 *(5%)	0	0
English 3 levels progress	40%	38%	57%	44%
Maths 3 levels progress	32%	63%	27%	22%
English 4 levels progress	28%	13%	43%	40%
Maths 4 levels progress	20%	25%	14%	20%
Number of students	9	8	7	9

* (2014 National average)

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Going concern

During the year ended 31 August 2015 the school had net expenditure for the year of £304,947 (2014: net expenditure of £164,374). At the year end date the school had net current liabilities of £48,630 (2014: net current assets of £282,178) and net assets of £4,968,956 (2014: £5,320,803).

The school has been supported with additional funding from the EFA and is aware of the falling roll impacting on income, and to this end the budget is being reviewed to reduce expenditure.

The deficit is partly a result of a decrease in income as a result of pupil numbers falling. This is due to the Ofsted outcome, and the commencement date of Priority School Building Project changing from May 2014 to possibly January 2016.

The school is reviewing the budget and cashflow closely on a fortnightly basis to ensure value for money and additional savings are identified quickly to reduce and eradicate the deficit. There is a five year plan in place, which includes reviewing expenditure, eliminating any unnecessary expenditure, increase income, workforce remodelling based on changing pupil numbers and the changes within the curriculum requirements. We are working closely with local primary schools to increase pupil numbers through stronger marketing and collaborative work. We are also making improvements within teaching and learning to continue to raise standards to ensure the high quality provision is in place to secure excellent outcomes for learners. We anticipate reducing the deficit on a year on year basis to eliminate it as quickly as possible to ensure a balanced and sustained budget.

The Trustees have adopted the Going Concern basis as they expect to obtain continued support from the EFA. The Trustees have made preliminary enquiries with the EFA regarding this continued support, and although they recognise that such support has not been guaranteed to be in place, they will continue to work hard to ensure such support is obtained. In the event of continuing difficulties, the EFA have the power to issue Salvatorian College with a Financial Notice To Improve and there is then a risk of being taken over by a Multi Academy Trust.

Financial review

Since 1st 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 school has had to borrow money from the EFA in May 2015 to support cash flow, and a deficit outcome. The school is working with the EFA to reduce the deficit and repay the amount borrowed, whilst improving standards.

The School bank account is held with Lloyds 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 (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Reserves policy

The Governors have agreed that there should be an appropriate level of free reserve (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 'Requires Improvement' and it has been agreed that funds should be used to raise standards within the school.

With the school funds currently being in deficit the Governors have assessed this and aim for the reserves to be at £20,000 when there is a balanced budget. The level of reserves will be reviewed regularly.

Investment policy and powers

There are currently no investments that have been made or being considered for 2015 – 2016. If the school does 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.

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 and used financial probity within the budget for the next financial year as well as the following five years, but recognise that there are savings to be made to balance the income and expenditure.

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

The pupil roll is continuing to fall and it has been acknowledged that this may impact funding in the future.

On 1st May, the Academy purchased land adjoining to the school to support space needed for the Priority School Building Programme (PSBP). This was funded through donations collected in the Governors fund. As there was a shortfall of immediate funds being available to make a large purchase for the land, a loan from the Diocese of Westminster was secured and repaid in the year.

The school is part of the PSBP and the initial meetings process has begun. There will be a 26 week feasibility study, followed by design and planning. Building work was due to start in September 2015 and this has been delayed by the EFA to September 2016. The engagement process is due to start in January 2016 and the build to be completed on late 2018/early 2019.

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

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 raising attainment and progress. 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 to accelerate learning
 - improve CPD opportunities for staff and share good practice
 - improve pupil progress and achievement to close the gap
 - tender for contracts together to make efficiency savings

2. School Improvement Plan 2015-2016

We will focus on our key priorities which are:

- Catholic Life and Ethos
- Improvement in the Achievement of Students
- Improvement in the Quality of Teaching and Learning
- Improving Personal Development Behaviour and Welfare
- Strengthening the effectiveness of 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

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.

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the members of the governing body on **16/11/15** and signed on its behalf by:



Mr Gary Prazer
Chair of Governors

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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.

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

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 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
Fr Alexander McAllister (Vice Chair of Governors)	6	6
Mr Paul Kassapian (Accounting Officer)	6	6
Mrs Linda McDonald	3	6
Ms Louise McKenna (Chair of the Performance, Effectiveness and Catholic Life of the College Committee)	5	6
Mrs Lorraine Elliot	5	6
Mr Brendan Morahan (Chair of the Resources Committee) (Appointed 1 October 2014)	5	5
Mr Gary Prazer (Chair of Governors)	5	6
Ms Brigitte Osayi	2	6
Mrs Margaret Mary Reynolds (Appointed 1 October 2014)	5	5
Mrs Theresa Mary O'Sullivan (Appointed 1 October 2014)	4	5
Mrs Renee Conception Caiado (Appointed 1 October 2014 and resigned 7 July 2015)	1	5
Fr Richard Mway Zeng	4	6
Mr K S Daly (Appointed 1 October 2014)	4	5
Mrs Bernadette O'Reilly (Appointed 6 October 2014)	5	5
Mrs Margaret Newton (Appointed 1 October 2014)	4	5
Mrs Debbie Carroll (Appointed 6 October 2014)	1	5
Mr Patrick O'Connell (Resigned 30 September 2014)	0	0
Mr Shane Davey (Resigned 1 October 2014)	0	0
Mrs Nicole Mansbridge (Resigned 1 October 2014)	0	0
Mrs Marion Ann Hicks (Resigned 1 October 2014)	0	0
Mrs Nancy Chan Maguire (Resigned 1 October 2014)	0	0
Mr Vincent Howard (Resigned 1 October 2014)	0	0
Ms Emma Watson (Resigned 1 October 2014)	0	0
Mr John McAleer (Appointed 1 April 2015)	1	3

There were 8 Governors that left during the year and 8 Governors that joined the Governing Body. The new additions were to support and strengthen the Governing Body.

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

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 year was as follows:

Trustees	Meetings attended	Out of possible
Fr Alexander McAllister (Vice Chair of Governors)	3	3
Mr Paul Kassapian (Accounting Officer)	3	3
Mr Brendan Morahan (Chair of the Resources Committee) (Appointed 1 October 2014)	2	2
Mr Gary Prazer (Chair of Governors)	3	3
Ms Brigitte Osayi	1	3
Mrs Margaret Mary Reynolds (Appointed 1 October 2014)	2	2
Mrs Renee Conception Caiado (Appointed 1 October 2014 and resigned 7 July 2015)	0	2
Mr K S Daly (Appointed 1 October 2014)	1	2

Value for Money Statement

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

The Schools approach to achieving value for money

The Governors and school Senior Leadership Team will apply the principles of best value as outlined above when making decisions about:

- The allocation of resources to best promote the aims and values of the school
- The targeting and use of resources to best improve standards and the quality of provision
- The use of resources to best support the various educational needs of the pupils
- The awarding of contracts and services that support high quality teaching and learning within the school.

How will the School ensure that it achieves value for money?

The Governors and school will monitor all areas of curriculum and financial performance through the following methods:

- In-house monitoring by the Headteacher and other Senior Leaders of teacher's performance through annual appraisal and the awarding of pay progression for those eligible meeting the standards
- On-going monitoring of attendance, punctuality, behaviour and pupil's academic outcomes and standards
- Weekly Senior Leadership Team meetings to review overall performance
- Analysis of school performance data e.g. Raise on-line, FFT in comparison to other schools nationally
- Governors cycle of review of policies
- Annual Budget Planning process which ensures that the budget planning is driven by the School Improvement Plan
- Weekly meetings between Headteacher , Deputy Head teacher and Business Manager to ensure strategic leadership
- Headteachers' review of the monthly management accounts with the School Business Manager and Chair of Resources Committee
- Governors review of management accounts at termly business committee meetings
- Governors review of Annual audit

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

What has the school done to achieve best value in 2014/15 Financial Year?

The Governing Body has adopted policy and procedures to improve the monitoring of internal controls over the day to day management of the schools resources. This can be evidenced through the scheme of delegation and the results of the annual audit.

Salvatorian Colleges' Finance Team:

- Undertook review of contracts to review value for money which has resulted in savings for the school for services no longer being used

- Are continuing to look at investing surplus funds in short and long term deposits in line with the Academy Investment Policy. This year there were no investments

- Continued to use a LA broker for obtaining the best rates for Gas & Electricity services

- Maintained a list of all contracts with renewal dates which will be reviewed and re-tendered where necessary

- Benchmarked against other schools to review costs and value for money with contracts and services.

Improving educational outcomes

Targeted improvement:

The school has reviewed its staffing structure and continues to deploy staff efficiently to support an improved curriculum. The school has increased the pastoral support to improve pupil outcomes. The school will lead curriculum and staff review for 2016-7.

Focus on individual pupils

Pupil Premium has been directed at driving up standards and support has been offered to pupils as after school support, group work and mentoring. Pupils that are gifted and talented are given activities that provide more stretch.

Collaboration

The school has engaged with other schools and external providers to provide training for staff, support for pupils and review of departments to ensure high impact on pupil outcomes.

New initiatives

The school has introduced study support session for year 11 pupils and their parents. This has ensured pupils are equipped to manage revision and provided them with exam techniques.

Quantifying improvements

The pupil attainment has been consolidated in many key subjects, in spite of a small dip in overall Head line figures. Results for GCSEs 5 A* – C's including English and Maths was 59%.

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Value for Money

Demonstrated through:

- All pupils gaining a place in further education or securing an apprenticeship/employment, therefore reducing NEETs
- Continuing to focus on closing the achievement gap between free school meals (FSM) and non-FSM pupils
- Provision of a summer school for transition for new year 7 pupils aimed at improving standards
- Discussion and challenge of financial information at Resources Committee and full Governing body and correlation to pupil outcomes
- Additional support from Governors to address the in year and projected future deficit.

Future considerations regarding best value

- Following the change in funding for Insurance, Salvatorian College intend to review the Audit requirements and will tender for these services in 15/16
- The school is undertaking a review of Governors skills, to ensure the appropriate support and training is in place, to focus support on the Resources Committee
- Salvatorian College are reviewing ways to maximise income generation and this has been reflected in initial plans with the EFA in regards to the new school build
- Salvatorian College is part of the Priority Schools Building Programme (PSBP) and is considering how the school can attain value for money with use of new capital resources.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is annually reviewed by the board of trustees.

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

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 School Management Services, to complete checks as the Responsible Officer ('RO'). A tender for auditors and responsible officer will take place in January 2016.

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 termly basis, the RO reports are provided to the Governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of effectiveness

As accounting officer, the Headteacher 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 Responsible Officer;
- the work of the external auditor;
- 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 16/12/15 and signed on its behalf by:

Mr Paul Kassapian
Accounting Officer



Mr Gary Prazer
Chair of Governors



SALVATORIAN COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

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.

Approved on 16/12/15 and signed by:

Mr 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 ~~14/15~~ and signed on its behalf by:



Mr Gary Prazer

Chair of Governors

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SALVATORIAN COLLEGE**

We have audited the accounts of Salvatorian College for the year ended 31 August 2015 set out on pages 27 to 51. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the trustees, who are also the directors of Salvatorian College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Emphasis of matter - Going Concern

In forming our opinion on the accounts, which is not qualified, we have considered the adequacy of the disclosures made in note 1.2 to the accounts concerning the academy school's ability to continue as a going concern. The academy school incurred net expenditure of £304,947 for the year and at the financial year end, the school had net current liabilities of £48,630. A 5 year recovery plan is in place, however, a budget surplus is forecast to be achieved [only] in 2019-20. As disclosed in note 1.2 although the trustees have made preliminary enquiries with the EFA and expect for them to provide continued support, such support has not been guaranteed to be in place. This condition, along with the other matters discussed in note 1.2 and referred to above, indicates the existence of a material uncertainty which may cast doubt on the academy school to continue as a going concern. The accounts do not include the adjustments that would result if the academy school was unable to continue as a going concern.

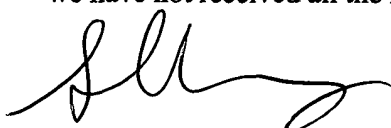
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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 accounts 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)
UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: 16-12-15

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO 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 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salvatorian College during the period 1 September 2014 to 31 August 2015 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 work has been undertaken so that we might state to the Salvatorian College and the EFA 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 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 2014, 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 2015. 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 1 September 2014 to 31 August 2015 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 2014 to 2015 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 SALVATORIAN COLLEGE AND THE EDUCATION FUNDING
AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- 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 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 respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Gregory Chong
Reporting Accountant
UHY Hacker Young

Dated: 16-12-15

SALVATORIAN COLLEGE

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	27,726	-	-	27,726	27,760
- Other income	2	-	26,519	-	26,519	-
- Activities for generating funds	3	47,173	-	-	47,173	89,349
- Investment income	4	408	-	-	408	502
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	4,034,426	17,740	4,052,166	4,188,814
Total incoming resources		75,307	4,060,945	17,740	4,153,992	4,306,425
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	5,275	-	-	5,275	31,337
<i>Charitable activities</i>						
- Educational operations	7	5,277	4,184,478	250,837	4,440,592	4,405,083
Governance costs	8	-	13,072	-	13,072	34,379
Total resources expended	6	10,552	4,197,550	250,837	4,458,939	4,470,799
Net incoming/(outgoing) resources before transfers		64,755	(136,605)	(233,097)	(304,947)	(164,374)
Gross transfers between funds		(356,214)	89,056	267,158	-	-
Net income/(expenditure) for the year		(291,459)	(47,549)	34,061	(304,947)	(164,374)
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(47,000)	-	(47,000)	(211,000)
Net movement in funds		(291,459)	(94,549)	34,061	(351,947)	(375,374)
Fund balances at 1 September 2014		278,112	(1,208,734)	6,251,425	5,320,803	5,696,177
Fund balances at 31 August 2015		(13,347)	(1,303,283)	6,285,486	4,968,856	5,320,803

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

SALVATORIAN COLLEGE
BALANCE SHEET
AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11	6,285,486		6,251,425	
Current assets					
Debtors	12	97,042		115,420	
Cash at bank and in hand		23,711		246,924	
		120,753		362,344	
Creditors: amounts falling due within one year	13	(169,383)		(80,166)	
Net current (liabilities)/assets		(48,630)		282,178	
Total assets less current liabilities		6,236,856		6,533,603	
Creditors: amounts falling due after more than one year	15	-		(3,800)	
Net assets excluding pension liability		6,236,856		6,529,803	
Defined benefit pension liability	18	(1,268,000)		(1,209,000)	
Net assets		4,968,856		5,320,803	
Funds of the academy trust:					
Restricted income funds	16				
- Fixed asset funds		6,285,486		6,251,425	
- General funds		(35,283)		266	
- Pension reserve		(1,268,000)		(1,209,000)	
Total restricted funds		4,982,203		5,042,691	
Unrestricted funds	16	(13,347)		278,112	
Total funds		4,968,856		5,320,803	

The accounts were approved by order of the board of trustees and authorised for issue on 16/12/15

G. Prazer

Mr Gary Prazer
Chair of Governors

Company Number 08134861

SALVATORIAN COLLEGE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	(91,463)	(85,654)
Returns on investments and servicing of finance			
Investment income	408	502	
Net cash inflow/(outflow) from returns on investments and servicing of finance		408	502
		(91,055)	(85,152)
Capital expenditure and financial investments			
Capital grants received	17,740	37,402	
Payments to acquire tangible fixed assets	(284,898)	(7,406)	
Net cash flow from capital activities		(267,158)	29,996
Net cash inflow/(outflow) before financing		(358,213)	(55,156)
Financing			
Receipt of EFA Loan	135,000	-	
Receipt of Diocese loan	230,000		
Repayment of Diocese Loan	(230,000)		
Net cash inflow/(outflow) from funding		135,000	-
Increase/(decrease) in cash	20	(223,213)	(55,156)

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts 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 Education Funding Agency (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.

1.2 Going concern

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

During the year ended 31 August 2015 the school had net expenditure for the year of £304,947 (2014: net expenditure of £164,374). At the year end date the school had net current liabilities of £48,630 (2014: net current assets of £282,178) and net assets of £4,968,956 (2014: £5,320,803).

The school has been supported with additional funding from the EFA and is aware of the falling roll impacting on income, and to this end the budget is being reviewed to reduce expenditure.

The deficit is partly a result of a decrease in income as a result of pupil numbers falling. This is due to the Ofsted outcome, and the commencement date of Priority School Building Project changing from May 2014 to possibly January 2016.

The school is reviewing the budget and cashflow closely on a fortnightly basis to ensure value for money and additional savings are identified quickly to reduce and eradicate the deficit. There is a five year plan in place, which includes reviewing expenditure, eliminating any unnecessary expenditure, increase income, workforce remodelling based on changing pupil numbers and the changes within the curriculum requirements. We are working closely with local primary schools to increase pupil numbers through stronger marketing and collaborative work. We are also making improvements within teaching and learning to continue to raise standards to ensure the high quality provision is in place to secure excellent outcomes for learners. We anticipate reducing the deficit on a year on year basis to eliminate it as quickly as possible to ensure a balanced and sustained budget.

The Trustees have adopted the Going Concern basis as they expect to obtain continued support from the EFA. The Trustees have made preliminary enquiries with the EFA regarding this continued support, and although they recognise that such support has not been guaranteed to be in place, they will continue to work hard to ensure such support is obtained. In the event of continuing difficulties, the EFA have the power to issue Salvatorian College with a Financial Notice To Improve and there is then a risk of being taken over by a Multi Academy Trust.

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.3 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

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 the academy trust's policies.

1.4 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.

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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 trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	30 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 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.

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.8 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 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 18, 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 are 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.

1.9 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

2 Voluntary and other income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	27,726	-	27,726	27,760
Other income	-	26,519	26,519	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SALVATORIAN COLLEGE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2015****2 Voluntary and other income****(Continued)**

Other income relates to funds received from the academies insurers to pay for damages caused by a water leak.

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	-	-	-	2,180
Catering income	341	-	341	31,936
Music tuition	5,290	-	5,290	5,870
Other income	41,542	-	41,542	49,363
	<u>47,173</u>	<u>-</u>	<u>47,173</u>	<u>89,349</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	408	-	408	502
	<u>408</u>	<u>-</u>	<u>408</u>	<u>502</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	3,741,936	3,741,936	3,889,782
Capital grants	-	17,740	17,740	37,402
Other DfE / EFA grants	-	133,893	133,893	139,753
	-	3,893,569	3,893,569	4,066,937
Other government grants				
Local authority grants	-	158,597	158,597	112,782
Other grants	-	-	-	9,095
	-	158,597	158,597	121,877
Total funding	-	4,052,166	4,052,166	4,188,814

6 Resources expended

	Staff costs & £	Premises equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	2,805,727	-	323,439	3,129,166	2,966,730
- Allocated support costs	669,601	268,011	373,814	1,311,426	1,438,353
	3,475,328	268,011	697,253	4,440,592	4,405,083
Other expenditure					
Costs of activities for generating funds	-	-	5,275	5,275	31,337
Governance costs	-	-	13,072	13,072	34,379
	-	-	18,347	18,347	65,716
Total expenditure	3,475,328	268,011	715,600	4,458,939	4,470,799

SALVATORIAN COLLEGE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2015**

6 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2015	2014
	£	£
Fees payable to auditor		
- Audit	6,500	6,500
- Other services	4,075	16,800
	<u> </u>	<u> </u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2015
	£
- Items over £5,000: Compensation payment for the termination of employment	11,000
	<u> </u>

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	2,740,036	2,740,036	2,673,031
Educational supplies and services	-	166,530	166,530	127,246
Examination fees	-	53,275	53,275	49,187
Staff development	-	65,691	65,691	48,813
Educational consultancy	-	28,442	28,442	23,205
Other direct costs	5,277	69,915	75,192	45,248
	<u>5,277</u>	<u>3,123,889</u>	<u>3,129,166</u>	<u>2,966,730</u>
Allocated support costs				
Support staff costs	-	669,601	669,601	641,003
Depreciation	-	250,837	250,837	257,320
Technology costs	-	60,460	60,460	85,233
Maintenance of premises and equipment	-	17,174	17,174	62,003
Cleaning	-	9,650	9,650	12,474
Energy costs	-	49,913	49,913	51,936
Rent and rates	-	41,491	41,491	8,058
Insurance	-	31,772	31,772	35,187
Security and transport	-	9,324	9,324	14,013
Catering	-	6,345	6,345	53,689
Interest and finance costs	-	20,000	20,000	33,000
Other support costs	-	144,859	144,859	184,437
	<u>-</u>	<u>1,311,426</u>	<u>1,311,426</u>	<u>1,438,353</u>
Total costs	<u>5,277</u>	<u>4,435,315</u>	<u>4,440,592</u>	<u>4,405,083</u>

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

8 Governance costs

	Unrestricted funds	Restricted funds	Total 2015	Total 2014
	£	£	£	£
Legal and professional fees	-	2,497	2,497	27,792
Auditor's remuneration				
- Audit of financial statements	-	10,575	10,575	6,500
Other governance costs	-	-	-	87
	<u>-</u>	<u>13,072</u>	<u>13,072</u>	<u>34,379</u>

9 Staff costs

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

	2015 Number	2014 Number
Teachers	38	45
Administration and support	40	46
Management	2	2
	<u>80</u>	<u>93</u>

Costs included within the accounts:

	2015 £	2014 £
Wages and salaries	2,228,474	2,349,090
Social security costs	178,984	175,232
Other pension costs	383,784	347,813
	<u>2,791,242</u>	<u>2,872,135</u>
Supply teacher costs	607,395	429,399
Compensation payments	11,000	12,500
Staff development and other staff costs	65,691	48,813
	<u>3,475,328</u>	<u>3,362,847</u>

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs (Continued)

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1
	<u> </u>	<u> </u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	2	2
	£	21,065	20,894
		<u> </u>	<u> </u>
Local Government Pension Scheme	Numbers	-	-
	£	-	-
		<u> </u>	<u> </u>

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £nil (2014: £nil) were reimbursed to nil trustees (2014: nil trustees).

The value of trustees' remuneration was as follows:

P Kassapian (Principal and trustee) £75,000 - £80,000 (2014: £75,000-£80,000)
S Davey (staff governor) £45,000 - £50,000 (2014: £40,000-£45,000)

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,855 (2014: £1,855).

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2014	6,633,261	77,511	42,627	6,753,399
Additions	282,640	2,258	-	284,898
	<u>6,915,901</u>	<u>79,769</u>	<u>42,627</u>	<u>7,038,297</u>
At 31 August 2015	6,915,901	79,769	42,627	7,038,297
Depreciation				
At 1 September 2014	442,273	50,592	9,109	501,974
Charge for the year	221,109	21,203	8,525	250,837
	<u>663,382</u>	<u>71,795</u>	<u>17,634</u>	<u>752,811</u>
At 31 August 2015	663,382	71,795	17,634	752,811
Net book value				
At 31 August 2015	<u>6,252,519</u>	<u>7,974</u>	<u>24,993</u>	<u>6,285,486</u>
At 31 August 2014	<u>6,190,988</u>	<u>26,919</u>	<u>33,518</u>	<u>6,251,425</u>

The financial statements reflect the current rate of fixed asset annual depreciation for school buildings whose costs are written off over 30 years. As the school is due to be rebuilt under the Priority Schools Building Programme, the current building's value will be depreciated over the period between EFA commitment to commence the rebuild process and the point at which the building is no longer capable of operating as a fully functioning school. The rate of depreciation will be agreed by Governors, in consultation with the school's auditors.

12 Debtors	2015	2014
	£	£
Trade debtors	-	431
VAT recoverable	21,394	59,456
Other debtors	10,816	-
Prepayments and accrued income	64,832	55,533
	<u>97,042</u>	<u>115,420</u>

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

13 Creditors: amounts falling due within one year	2015	2014
	£	£
EFA Loan	135,000	-
Accruals	17,986	45,166
Deferred income	16,397	35,000
	<u>169,383</u>	<u>80,166</u>
14 Deferred income	2015	2014
	£	£
Deferred income is included within:		
Creditors due within one year	16,397	35,000
Creditors due after more than one year	-	3,800
	<u>16,397</u>	<u>38,800</u>
Total deferred income at 1 September 2014	38,800	233,231
Amounts credited to the statement of financial activities	(35,000)	(233,231)
Amounts deferred in the year	12,597	38,800
Total deferred income at 31 August 2015	<u><u>16,397</u></u>	<u><u>38,800</u></u>
15 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Deferred income	-	3,800
	<u><u>-</u></u>	<u><u>3,800</u></u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general funds					
General Annual Grant	266	3,741,936	(3,867,060)	89,056	(35,802)
Other DfE / EFA grants	-	133,893	(133,893)	-	-
Other government grants	-	158,597	(158,597)	-	-
Other restricted funds	-	26,519	(26,000)	-	519
	<u>266</u>	<u>4,060,945</u>	<u>(4,185,550)</u>	<u>89,056</u>	<u>(35,283)</u>
Funds excluding pensions	266	4,060,945	(4,185,550)	89,056	(35,283)
Pension reserve	(1,209,000)	-	(12,000)	(47,000)	(1,268,000)
	<u>(1,208,734)</u>	<u>4,060,945</u>	<u>(4,197,550)</u>	<u>42,056</u>	<u>(1,303,283)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	123,461	17,740	(18,432)	267,158	389,927
Inherited fixed asset fund	6,127,964	-	(232,405)	-	5,895,559
	<u>6,251,425</u>	<u>17,740</u>	<u>(250,837)</u>	<u>267,158</u>	<u>6,285,486</u>
Total restricted funds	<u>5,042,691</u>	<u>4,078,685</u>	<u>(4,448,387)</u>	<u>309,214</u>	<u>4,982,203</u>
Unrestricted funds					
General funds	<u>278,112</u>	<u>75,307</u>	<u>(10,552)</u>	<u>(356,214)</u>	<u>(13,347)</u>
Total funds	<u>5,320,803</u>	<u>4,153,992</u>	<u>(4,458,939)</u>	<u>(47,000)</u>	<u>4,968,856</u>

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

(Continued)

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

General Annual Grant

The General Annual Grant must be used for 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 2015.

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.

Pension Reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (See note 18)

Transfer between funds

The transfer from unrestricted funds to restricted funds was necessary due to the overspend on restricted activities during the year.

The transfer from unrestricted funds to restricted fixed asset funds was necessary to fund the purchase of the land that was not funded through capital grants provided during the year.

The academy trust is carrying a net deficit of £47,030 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds due to an overspend over and above funding provided to run the academy. The purchase of the land during the year also pushed the unrestricted funds into deficit.

The school is taking the following action to return these funds to surplus (as set out in the recovery plan issues to the EFA):

- Review of agency staff
- Review of internal financial control
- Review of budget expenditure
- Review use of 6th form building/income
- GB to look at different school models inc. MAT

SALVATORIAN COLLEGE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2015****17 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	6,285,486	6,285,486
Current assets	3,050	117,703	-	120,753
Creditors: amounts falling due within one year	(16,397)	(152,986)	-	(169,383)
Defined benefit pension liability	-	(1,268,000)	-	(1,268,000)
	<u>(13,347)</u>	<u>(1,303,283)</u>	<u>6,285,486</u>	<u>4,968,856</u>

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Harrow. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 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 year.

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.

The Teachers' Pensions Regulations require an annual 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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and

an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust 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 trust has set out above the information available on the scheme.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.2% per cent for employers and 5.5-12.5% per cent for employees. The estimated value of employer contributions for the forthcoming year is £184,000.

	2015	2014
	£	£
Employer's contributions	193,000	191,000
Employees' contributions	38,000	38,000
	<hr/>	<hr/>
Total contributions	231,000	229,000
	<hr/>	<hr/>

Principal actuarial assumptions

	2015	2014
	%	%
Rate of increase in salaries	4.0%	3.9%
Rate of increase for pensions in payment	2.6%	2.6%
Discount rate for scheme liabilities	3.7%	3.7%
Expected return on assets (%)	3.7%	5.8%
	<hr/>	<hr/>

	Approximate % increase to employers liability	Approx monetary amount
	%	£'000
0.5% decrease in Real Discount Rate	11	291
1 year increase in member life expectancy	3	77
0.5% increase in the Salary Increase Rate	5	123
0.5% increase in the Pension Increase Rate	6	161

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

	2015	2014
	Years	Years
Retiring today		
- Males	22.1	22.1
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.9	26.9
	<hr/>	<hr/>

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

	2015	2015	2014	2014
	Expected	Fair value	Expected	Fair value
	return		return	
	%	£	%	£
Equities	3.7%	1,002,000	6.3%	820,000
Bonds	3.7%	167,000	3.5%	136,000
Cash	3.7%	13,000	3.3%	10,000
Property	3.7%	103,000	4.5%	84,000
Total market value of assets		1,285,000		1,050,000
Present value of scheme liabilities - funded		(2,553,000)		(2,259,000)
Net pension asset / (liability)		(1,268,000)		(1,209,000)

Salary increases are assumed to be 1% p.a. until 31 March 2015 reverting to the long term assumptions shown thereafter.

The assumptions at the accounting date are consistent with the duration of the employer's past service liabilities. As at 31 March 2013 the weighted average duration of the past service liability was 20.6 years. Please note this reflects funded obligations only and does not include the unfunded pensioner liabilities.

Operating costs and income recognised in the statement of financial activities

	2015	2014
	£	£
Financial expenditure/(income)		
Expected return on pension scheme assets	(67,000)	(46,000)
Interest on pension liabilities	87,000	79,000
	20,000	33,000
Other expenditure/(income)		
Current service cost	185,000	159,000
Past service cost	-	-
	185,000	159,000
Total operating charge/(income)	205,000	192,000

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015	2014
	£	£
Actuarial (gains)/losses on assets: actual return less expected	27,000	(156,000)
Experience (gains)/losses on liabilities	20,000	367,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	47,000	211,000
Cumulative (gains)/losses to date	258,000	211,000

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

	2015	2014
	£	£
Opening defined benefit obligations	(2,259,000)	(1,631,000)
Current service cost	(185,000)	(159,000)
Interest cost	(87,000)	(79,000)
Contributions by employees	(38,000)	(38,000)
Actuarial gains/(losses)	(20,000)	(367,000)
Benefits paid	36,000	15,000
	(2,553,000)	(2,259,000)

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

	2015	2014
	£	£
Opening fair value of scheme assets	1,050,000	634,000
Expected return on assets	67,000	46,000
Actuarial gains/(losses)	(27,000)	156,000
Contributions by employers	193,000	191,000
Contributions by employees	38,000	38,000
Benefits paid	(36,000)	(15,000)
	1,285,000	1,050,000

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations	(Continued)		
History of experience gains and losses:			
	2015	2014	2013
	£	£	£
Present value of defined benefit obligations	(2,553,000)	(2,259,000)	(1,631,000)
Fair value of share of scheme assets	1,285,000	1,050,000	634,000
	<u></u>	<u></u>	<u></u>
Surplus / (deficit)	(1,268,000)	(1,209,000)	(997,000)
	<u></u>	<u></u>	<u></u>
Experience adjustment on scheme liabilities	(20,000)	(367,000)	(35,000)
Experience adjustment on scheme assets	(27,000)	156,000	42,000
	<u></u>	<u></u>	<u></u>
19 Reconciliation of net income to net cash inflow/(outflow) from operating activities	2015	2014	
	£	£	
Net income	(304,947)	(164,374)	
Capital grants and similar income	(17,740)	(37,402)	
Investment income	(408)	(502)	
FRS17 pension costs less contributions payable	(8,000)	(32,000)	
FRS17 pension finance income	20,000	33,000	
Depreciation of tangible fixed assets	250,837	257,320	
(Increase)/decrease in debtors	18,378	7,569	
Increase/(decrease) in creditors	(49,583)	(149,265)	
	<u></u>	<u></u>	
Net cash inflow/(outflow) from operating activities	(91,463)	(85,654)	
	<u></u>	<u></u>	
20 Reconciliation of net cash flow to movement in net funds	2015	2014	
	£	£	
Increase/(decrease) in cash	(223,213)	(55,156)	
Repayment of other loan	(135,000)	-	
Net funds at 1 September 2014	246,924	302,080	
	<u></u>	<u></u>	
Net funds at 31 August 2015	(111,289)	246,924	
	<u></u>	<u></u>	

SALVATORIAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

21 Analysis of net funds

	At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£
Cash at bank and in hand	246,924	(223,213)	-	23,711
Debt due within one year	-	(135,000)	-	(135,000)
	<u>246,924</u>	<u>(358,213)</u>	<u>-</u>	<u>(111,289)</u>
Net balances	<u>246,924</u>	<u>(358,213)</u>	<u>-</u>	<u>(111,289)</u>

22 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	4,580	10,241
- Between two and five years	5,579	9,160
	<u>10,159</u>	<u>19,401</u>

23 Related parties

The Academy operates from buildings which occupy 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, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

During the year, a loan was provided to the Academy from the diocese of £230,000 to enable the Academy to purchase land for the build of a new school. This loan was fully repaid during the year.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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