

Company Registration No. 08134861 (England and Wales)

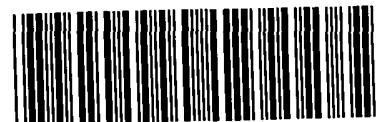
SALVATORIAN COLLEGE

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

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SALVATORIAN COLLEGE

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SALVATORIAN COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Fr Alexander McAllister (Vice Chair of Directors)
Mr Paul Kassapian (Accounting Officer)
Mrs Linda McDonald (Resigned 1 August 2016)
Ms Louise McKenna (Resigned 20 July 2016)
Mrs Lorraine Elliot
Mr Brendan Morahan (Chair of the Resources Committee)
Mr Gary Prazer (Resigned 26 October 2016)
Ms Bridgette Lawal
Mrs Margaret Mary Reynolds
Mrs Theresa Mary O'Sullivan
Fr Richard Mway Zeng
Mr K S Daly
Mrs Bernadette O'Reilly
Mrs Margaret Newton
Mrs Debbie Carroll
Mr John McAleer (Chair of Directors)
Ms Monica Clifford (Appointed 4 March 2016)

Members

Fr Alex McAllister
Fr Richard Mway
Fr Paul Harris
Mr Gary Prazer (Resigned 26 October 2016)
Mr John McAleer (Chair of Directors) (Appointed 19 September 2016)

Senior management team

- Headteacher	Mr P Kassapian
- Deputy Headteacher	Mr A Coker
- School Business Manager	Miss S Mepani (resigned 31 August 2016)
- Assistant Headteacher	Mr J Kerr (resigned 31 August 2016)
- Assistant Headteacher	Miss L O'Hara (resigned 31 August 2016)
- Assistant Headteacher	Mr D Cooper
- Assistant Headteacher	Ms L Problemi (resigned 31 August 2016)
- Assistant Headteacher	Mrs K Wilkinson (appointed 29 September 2016)
- Assistant Headteacher	Mr M McLaughlin

Company registration number

08134861 (England and Wales)

Principal address

High Road
Harrow Weald
Middlesex
HA3 5DY

SALVATORIAN COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 533 in the school census on 1st October 2015.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS102).

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 2.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up 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

In accordance with the Articles of Association, subject to the provisions of the Companies Act 2006 and Article 6.3 every Trustee or other officer or auditor of the Company and every member of any Local Governing Body and/or Advisory Body (in so far as necessary) shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Method of recruitment and appointment or election of Trustees

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.

Trustees are given information on:

- 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 2016

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 School Improvement Committee, Pupil Welfare, Ethos and Admissions Committee, Human Resources 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 Headteacher. In addition the Academy has 3 Assistant Head teachers and a School Business Manager (Post vacant).

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

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

Arrangements for setting pay and remuneration of key management personnel

The pay arrangements for senior leadership team are based on similar sized school profiles. There is a differential between the Assistant Headteachers and the Deputy Headteacher, allowing for scaled pay progression. There is a differential between the Deputy Headteacher and the Headteacher, allowing for scaled pay progression. The School Business manager was remunerated as a member of the leadership team.

Pay progression is linked to Performance Management Review (PMR).

Related parties and other connected charities and organisations

The school operates on land owned by the Society of the Divine Saviour (SDS). The school does not raise funds for or contribute to the society. The school works closely with 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, in which case a donation is made to the school. If this is the case, then staff are remunerated through the payroll system.

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

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 2016/17 are:

- To continue to raise standards of education for pupils, by ensuring they have high quality teaching by improving the quality of teaching to consistently good with outstanding practice.
- Make effective use of assessment data to track and monitor progress for all pupils.
- To continue to improve capacity of Leadership and Management to raise standards in all areas of the school.
- To embed Spiritual, Moral, Social and Cultural across the curriculum.
- Improving the Personal Development, behaviour and well fare of pupils.
- To secure a successful Ofsted inspection.
- To meet the terms and conditions of the FNtI.
- Manage the decant and school rebuild.

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 2016

Strategic report

Key performance indicators

Targeted improvement

The school has reviewed its staffing structure and continues to deploy staff efficiently to support an improved curriculum. The school has improved the pastoral provision which has directly led to improved 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 who are gifted and talented are given activities that provide more stretch and challenge.

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 improved in many key subjects. Head line figure results for GCSEs 5 A* – C, including English and Maths was 75% in summer 2015.

The Trustees regularly review Salvatorian College's actual income and expenditure against the authorised budget. Changes to the budget to reflect new information with regard to income or expenditure are approved in line with the authorisation limits established in the Salvatorian College Financial Regulations.

Ratio analysis and benchmarking is performed annually to ensure that the Academy is applying its resources efficiently and effectively to achieve the best possible educational outcomes.

Academy Financial Benchmarking

1. The most recent data published by the EFA is taken from 2013-14 audited accounts.
2. Income and expenditure has been compared to all other Harrow secondary academies.
3. Total income per pupil is lower than average

Total Income Per Pupil

Salvatorian College	£6,258
Harrow Academies Average	£6,529

4. Overall staff costs are higher than average

Staff Costs Per Pupil

Salvatorian College	£5,486	Increase in staff to raise standards
Harrow Academies Average	£5,066	

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5. Teaching staff costs are higher than average
Teaching Staff Costs Per Pupil
Salvatorian College £3,932 Increase in staff to raise standards
Harrow Academies Average £3,737
6. Non-teaching staff costs are higher than average
Non-Teaching Staff Costs Per Pupil
Salvatorian College £1,554 Higher number of learning support assistants
Harrow Academies Average £1,329
7. Premises costs are lower than average
Premises Costs Per Pupil
Salvatorian College £244
Harrow Academies Average £844
8. Learning Resources costs are higher than average
Learning Resources Costs Per Pupil
Salvatorian College £358
Harrow Academies Average £285
9. Admin and professional costs are lower than average
Admin & Professional Costs Per Pupil
Salvatorian College £466
Harrow Academies Average £494
10. Insurance costs are higher than average
Insurance Costs Per Pupil
Salvatorian College £51
Harrow Academies Average £45
11. Examination costs are lower than average
Exam Costs Per Pupil
Salvatorian College £72
Harrow Academies Average £105
12. Staff development costs are higher than average
Staff Development Costs Per Pupil
Salvatorian College £72 Raising standards after Ofsted 2012
Harrow Academies Average £22
13. Catering costs are higher than average
Catering Costs Per Pupil
Salvatorian College £79 Catering now managed externally
Harrow Academies Average £73
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SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

General Overview

	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
5A&-C inc English and maths	75%	59%	63%	52%
5A&-C	82%	67%	68%	75%
Best 8 points score	370	320	326	329
Attainment 8	B-	C	-	-
Progress 8	+1.19	-.46	-	-
Value Added score	1013.69	984	983.9	977.4
English				
A*-C	93%	71%	76%	58%
3 Levels progress	97% (69%)	65%	77%	56%
4 Levels progress	69% (30%)	27%	41%	21%
Maths**				
A*-C	79%	74%	79%	74%
3 Levels progress	73% (69%)	62%	70%	64%
4 Levels progress	41% (30%)	30%	29%	38%
English Baccalaureate	42%(*24%)	34%	32%	39%

()2015 National average

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Vulnerable Groups

PUPIL PREMIUM - 28 students 26 students with KS2 results	SEN - 11 students 11 students with KS2 results	EAL – 34 students 32 students with KS2 results
5A*-C inc EM 39% (Non PP 82%, *36%)	5A*-C inc EM 27% (*23%)	5A*-C inc EM 76% (*%)
English A*-C 88%	English A*-C 91%	English A*-C 94%
Maths A*-C 50%	Maths A*-C 36%	Maths A*-C 79%
English 3LP 96% (*58%)	English 3LP 100% (*54%)	English 3LP 96% (69%)
English 4LP 48%	English 4LP 70%	English 4LP 45%
Maths 3LP 46% (*49%)	Maths 3LP 64% (*42%)	Maths 3LP 76% (66%)
Maths 4LP 29%	Maths 4LP 9%	Maths 4LP 50%
P8 Score -.4	P8 Score +.34	P8 Score +.68

(*2015 National Average)

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 2016

	2016 Entries	2016 A*-C	%2015 A*-C	% 2014 A*-C	% 2013 A*-C	% 2012 A*-C
Biology	57	93%	86%	100	100	100
Chemistry	57	95%	81%	100	100	100
Physics	57	93%	81%	100	100	100
Core Science	74	58%	45%	76	81	72
Science Additional	76	63%	40%	76	82	72
Science Level 2	145	73%	57%	-	-	-
Mathematics	145	78%	76%	79	73	76
Statistics	98	98%	99%	100	-	-
Computer Science	43	51%	50%	37	79	100
Business Studies	80	78%	75%	83	35	55
Art	23	70%	86%	70	30	81
Geography	67	57%	38%	29	37	42
History	88	81%	65%	68	84	79
RE	137	85%	67%	65	70	61
English Language	145	93%	74%	76	58	73
English Literature	143	75%	77%	84	74	80
French	81	83%	73%	73	81	81
PE	46	85%	83%	76	64	78
Food	35	71%	57%	100	22	41
Leisure & Tourism	3	0%				
Product Design	30	60%	47%	30	36	38
BTEC Science	9	22%	33%	35	89	

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Going concern

During the year ended 31 August 2016 the school had net expenditure for the year of £235,097 (2015: net expenditure of £304,947). At the year end date the school had net current liabilities of £45,892 (2015: net current liabilities of £48,630) and net assets of £4,132,823 (2015: £4,968,956).

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 Easter 2016.

The school is reviewing the budget and cash flow 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.

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.

The EFA issued Salvatorian College with a Financial Notice To Improve in January 2016. The school has worked with the EFA to meet the terms and conditions of the FNtI, which are on-going. The school has been advanced £200,000 from the EFA to undertake a staff restructure, which has been concluded in 2015-6. The school has worked to reduce the deficit in the year from £48,630 in 2015 to £45,892 in 2016. The school recognises that it is still reliant on continued support from the EFA for cash flow considerations, and are working hard with the EFA to meet the terms of the Financial Notice To Improve and to secure the needed support.

Financial review

The majority of Salvatorian College's income is derived from the Education Funding Agency (EFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The school is due to be rebuilt as part of the Priority Schools Building Programme in 2017-19. This will be fully funded by the EFA. The school will be partially decanted and will operate on 2 sites, for approximately 15 months. The EFA will fully support the costs of the decant.

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Reserves policy

The Governors have agreed that there should be an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds), that represents the amounts deemed necessary to deal with unexpected emergencies. The school is in a category of 'Requires Improvement' and it has been agreed that funds should be used to raise standards within the school.

With the school funds currently in deficit, the Governors have assessed the current position of the school and aim for the reserves to be at £20,000 when there is a balanced budget. The level of reserves will be reviewed regularly. The school are currently working with the EFA, under the terms of the Financial Notice to Improve issued in January 2016, to eliminate the deficit.

As at the balance sheet date, the Trust had general reserves of £45,892 deficit. This consists of restricted general reserves only.

The total pension reserves at the 31 August 2016 was £1,903,000. The total restricted fixed assets reserves at the balance sheet date were £6,081,715.

Investment policy and powers

The Trustees' investment powers are set down in the Academy Trust's Memorandum and Articles of Association. These permit the investment of monies of the Academy Trust that are not immediately required. The Trust pursues a policy to keep all investments surplus to funds required in short term cash deposits.

Principal risks and uncertainties

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

As the majority of the Academy Trust's funding is derived from the EFA, via the Department for Education, the Trustees consider this element of funding to be reasonably secure. The most significant risks relating to this income result from changing government policy on school funding, the effect of increasing contribution rates for stakeholder pensions and NI rebate deletion, and the effect of changing pupil numbers. The Trustees have laid out their strategies for dealing with these risks within the Academy Trust's risk register.

The Trust has adopted a policy whereby risks are monitored on a likelihood and impact basis. As such, the key risks facing the Trust are detailed below:

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Decant and rebuild

The school is due to be rebuilt as part of the Priority Schools Building Programme in 2017-19. This will be fully funded by the EFA. The school will be partially decanted and will operate on 2 sites, for approximately 15 months. The school will be required to operate over the 2 sites for the full period. This will present operational challenges in ensuring progress and maintaining standards, and financial challenges in meeting the additional costs of operating across multiple sites. The school has held detailed discussions with the EFA and staff over the planned operations and costs of the decant. The EFA is expected to fully support the costs of the site, and the senior leadership team has plans for monitoring and review of the operations of the decant.

Other risks

The Academy Trust's risk register also considers the operational and reputational risks involved in the running of the school within the risk register. Whilst it has been identified that the likely occurrence of these risks is low, it is also accepted that the impact if they were to occur is potentially high, therefore the trustees seek professional advice whenever necessary to mitigate against these risks.

Pupil numbers

The school has been faced with a falling roll for the last 5 years. This has been compounded by the uncertainty of the rebuild since 2012. The school is working closely with the local community of primary schools, to improve pupil numbers. The rebuild allows for an expansion of pupil numbers to 900.

Reserve balances and Financial Notice to Improve

The school funds are currently in deficit, and the school was issued with a Financial Notice to Improve (FNtI) in January 2016. The school has worked with the EFA to meet the terms and conditions of the FNtI, which are on-going. The school has been advanced £200k from the EFA to undertake a staff restructure, which has been concluded in 2015-6. This has assisted in the reduction in the deficit. The school is working to eliminate the deficit in future periods. The school is aware that failure to comply with the terms of the FNtI could result in termination of the funding agreement. The school is working hard with the EFA to ensure continued support of the school.

Financial and risk management objectives and policies

Credit Risk

The Trustees consider the Trust to have a low level of credit risk exposure. The Trust has a low level of debtor balances and transactions, and the finance department located at each academy regularly monitor any debtor balances that do occur.

Cash flow and liquidity

The main risks are considered to be related to not meeting the terms and conditions of the Financial Notice to Improve. The school has indicated that further borrowing from the EFA must only be a consideration after the period of uncertainty following the decant and rebuild.

The school has communicated regularly with the Academies Team at the EFA, about the medium and longer term financial matters. The decant and rebuild are signposted as financial risks for the school, which the EFA has acknowledged and committed to supporting. This includes the costs of the decant and the full costs of the rebuild. A school expansion is planned to accommodate 900 pupils from 2017. When the school's numbers increase, the deficit will be reduced.

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Equal Opportunities and Disabled persons policies (Equalities Policy)

The trustees believe that equality at the Trust should permeate all aspects of Trust life and is the responsibility of every member of the Trust and wider community. Every member of the Trust community should feel safe, secure, valued and of equal worth.

At Salvatorian College, equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs, sexual orientations, age or any other recognised area of discrimination.

Salvatorian College is an Equal Opportunities Employer and is committed to the employment of people with disabilities and guarantees an interview for those who meet minimum selection criteria. Academy Trust provides training and development for all its employees, including people with disabilities, tailored where appropriate, to ensure they have the opportunity to achieve their potential. If a Academy Trust employee becomes disabled while in our employment, Academy Trust will do its best to retain them, including consulting them about their requirements, making reasonable and appropriate adjustments, and providing alternative suitable provisions.

Employee Information Policy

Salvatorian College includes the Principal as ex-officio Governor. This ensures that:

- employees views are taken into account on decisions affecting their interests; and
- there is a common awareness on the part of all employees of all factors that affect the academy trust's performance

Salvatorian College also undertakes discussions with employees and their unions when making decisions that affect employee interests to ensure that employees' views are reflected in decisions made and their interests are protected.

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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. Working in partnership with other Academies, Schools and Organisations;

We will continue 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; and
- tender for contracts together to make efficiency savings.

2. School Improvement Plan 2016-2017

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.
- Meet the terms and conditions of the FNtI.

Funds held as custodian trustee on behalf of others

Neither the Academy Trust nor any of its Trustees act as a custodian trustee.

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

In so far as the Trustees are aware:

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

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 14 December and signed on its behalf by: 2016



Fr Alexander McAllister
Vice Chair of Directors

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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 , as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Salvatorian College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Fr Alexander McAllister (Vice Chair of Directors)	4	5
Mr Paul Kassapian (Accounting Officer)	5	5
Mrs Linda McDonald (Resigned 1 August 2016)	3	5
Ms Louise McKenna (Resigned 20 July 2016)	2	5
Mrs Lorraine Elliot	5	5
Mr Brendan Morahan (Chair of the Resources Committee)	5	5
Mr Gary Prazer (Resigned 26 October 2016)	5	5
Ms Bridgette Lawal	5	5
Mrs Margaret Mary Reynolds	5	5
Mrs Theresa Mary O'Sullivan	5	5
Fr Richard Mway Zeng	2	5
Mr K S Daly	4	5
Mrs Bernadette O'Reilly	4	5
Mrs Margaret Newton	4	5
Mrs Debbie Carroll	2	5
Mr John McAleer (Chair of Directors)	5	5
Ms Monica Clifford (Appointed 4 March 2016)	1	1

Changes to the Board in the financial year include:

- Ms Louise McKenna resigned on 20 July 2016.
- Mrs Linda McDonald reached Term of Office on 1 August 2016, this has not been renewed.
- Father Richard Mway reached Term of Officer on 1 August 2016, this was renewed for a further 4 years to 1 August 2020.
- Ms Monica Clifford was appointed a Foundation Director on 4 March 2016.
- John McAleer was elected Chair of Directors on 19 September 2016.

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Resources Committee

The Resources Committee is a sub-committee of the main governing body. The purpose of the Resources Committee is to share the workload of the Accounting Officer in managing and monitoring the organisation's finances and premises matters. The Resources Committee has formally met 4 times during the year; 3 times for monitoring meetings and 1 extraordinary meeting to approve the annual accounts.

This Resources Committee provides an opportunity for detailed discussion and consideration of financial and property matters, with regular reporting to the full board of trustees. It is given delegated authority for most financial decision-making, but the full board of trustees as a whole remains accountable and must still remain actively engaged in financial and premises matters.

Benefits of the Resources committee include:

- Helping to prevent fraud by ensuring that all tasks associated with the finance function are not performed by one person without supervision from others (segregation of duties).
- Allowing the Full Governing Body meetings to focus on a wider range of issues, as detailed financial and property discussions can take place within the sub-committee.
- Enabling more democratic control of the organisation's finances and estate.
- Spreading the burden of financial and premises management, thereby also potentially improving its quality.
- Helping train new committee members in financial and premises related matters.

Matters discussed during the year to 31 August 2016 include:

- Full review of Resources policies
- Agreement of financial regulations and scheme of delegation
- Regular review of the current financial position
- Review of long term (3-5 years) financial position
- Assurance work on health and safety matters relating to the estate
- Investigations into furthering the trusts charitable aim through community involvement
- Continuation of the audit committee to meet statutory needs
- Review of capital grants received in year for the improvement of the estate
- Consideration of the schools assets and fulfilment of the Trusts charitable obligations to maximise the benefit of those assets with regard to asset disposal and reinvestment
- Meeting the Terms and conditions of the FNI
- Staff restructure proposal
- Agreeing and submitting a financial recovery plan to the EFA

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Fr Alexander McAllister (Vice Chair of Directors)	2	4
Mr Paul Kassapian (Accounting Officer)	4	4
Mr Brendan Morahan (Chair of the Resources Committee)	4	4
Mr Gary Prazer (Resigned 26 October 2016)	1	4
Ms Bridgette Lawal	2	4
Mrs Margaret Mary Reynolds	4	4
Mrs Theresa Mary O'Sullivan	3	4
Mr K S Daly	4	4

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Audit Committee

The Audit Committee is a sub-committee of the main board of trustees. Its purposes are to:

- Recommend the appointment of the auditors
- Remove the burden of audit matters from the Finance & Estates Committee
- Act as the investigating body in the event of any accusation of fraud
- Oversee the year end process
- Receive the response from the appointed Auditors
- Recommend adjustments to the practice of the finance function based on the auditors findings
- Receive and recommend the adoption or rejection of the Annual Accounts to the Board of Trustees

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Paul Kassapian (Accounting Officer)	2	2
Mr Brendan Morahan (Chair of the Resources Committee)	2	2
Mrs Margaret Mary Reynolds	0	0
Mr K S Daly	0	0

Review of value for money

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

- 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
- Discussion and challenge of financial information at finance 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 requirements and will tender for these services.
- The school is undertaking a review of Governors skills, to ensure the appropriate support and training is in place.
- 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 resources.

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 in Salvatorian College for the period 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a responsible officer. The responsible officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase systems
- testing of control / bank reconciliations

On an annual basis, the internal audit reports to the board of trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Recommendations raised to date have been addressed and action plans put in place where appropriate.

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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:

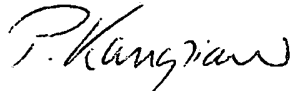
- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 board of trustees on 14/12/2016 and signed on its behalf by:



Fr Alexander McAllister
Vice Chair of Directors



Mr Paul Kassapian
Accounting Officer

SALVATORIAN COLLEGE

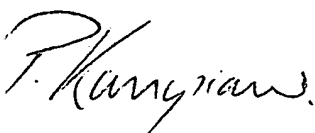
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of directors and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- The school received a Financial Notice to Improve in the year.
I confirm the school is compliant with the current terms and conditions of the Financial Notice to Improve, and is compliant with the revised guidance about Financial Notice to Improve, in the Academies Financial Handbook.
- The school's restricted general funds are in a deficit position at the 31 August 2016.
I confirm that the school's deficit position has been communicated to the EFA and the school is actively addressing the structural causes. The Directors are committed to taking actions to reduce the deficit and following the decant and rebuild are committed to increasing pupil numbers and expanding the school to 900 pupils, in line with the admissions code of practise.



Mr Paul Kassapian
Accounting Officer

14/12/16

SALVATORIAN COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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:

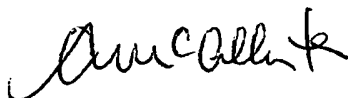
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 DECEMBER 2016 and signed on its behalf by:



Fr Alexander McAllister
Vice Chair of Directors

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF SALVATORIAN COLLEGE

We have audited the accounts of Salvatorian College for the year ended 31 August 2016 set out on pages 29 to 55. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 24, 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

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

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

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

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 £235,033 for the year and at the financial year end, the school had net current liabilities of £45,892. A 5 year recovery plan is in place, however, a budget surplus is forecast to be achieved in 2019-20. As disclosed in note 1.2 the trust is subject to a Financial Notice to Improve (FNtI) and is reliant on further EFA funding. Trustees are working with the EFA to meet the terms of the FNtI and expect them to provide continued support, though 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 including the incorporated strategic 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)
for and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: 14 December 2016

**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 2015 to 2016, 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 2015 to 31 August 2016 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 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 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 Salvatorian College and 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 2015, 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 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by 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 2015 to 31 August 2016 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: 14 December 2016

SALVATORIAN COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	22,825	3,750	14,817	41,392
Charitable activities:					
- Funding for educational operations	3	-	3,785,832	-	3,785,832
Other trading activities	4	106,743	-	-	106,743
Investments	5	333	-	-	333
Total income and endowments		129,901	3,789,582	14,817	3,934,300
Expenditure on:					
Raising funds	6	35,720	-	-	35,720
Charitable activities:					
- Educational operations	7	-	3,886,186	247,427	4,133,613
Total expenditure	6	35,720	3,886,186	247,427	4,169,333
Net income/(expenditure)		94,181	(96,604)	(232,610)	(235,033)
Transfers between funds		(80,834)	51,995	28,839	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(601,000)	-	(601,000)
Net movement in funds		13,347	(645,609)	(203,771)	(836,033)
Reconciliation of funds					
Total funds brought forward		(13,347)	(1,303,283)	6,285,486	4,968,856
Total funds carried forward		-	(1,948,892)	6,081,715	4,132,823

SALVATORIAN COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	27,726	26,519	17,740	71,985
Charitable activities:					
- Funding for educational operations	3	-	4,034,426	-	4,034,426
Other trading activities	4	47,173	-	-	47,173
Investments	5	408	-	-	408
Total income and endowments		<u>75,307</u>	<u>4,060,945</u>	<u>17,740</u>	<u>4,153,992</u>
Expenditure on:					
Raising funds	6	5,275	-	-	5,275
Charitable activities:					
- Educational operations	7	5,277	4,197,550	250,837	4,453,664
Total expenditure	6	<u>10,552</u>	<u>4,197,550</u>	<u>250,837</u>	<u>4,458,939</u>
Net income/(expenditure)		64,755	(136,605)	(233,097)	(304,947)
Transfers between funds		(356,214)	89,056	267,158	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(47,000)	-	(47,000)
Net movement in funds		<u>(291,459)</u>	<u>(94,549)</u>	<u>34,061</u>	<u>(351,947)</u>
Reconciliation of funds					
Total funds brought forward		278,112	(1,208,734)	6,251,425	5,320,803
Total funds carried forward		<u>(13,347)</u>	<u>(1,303,283)</u>	<u>6,285,486</u>	<u>4,968,856</u>

SALVATORIAN COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		6,081,715		6,285,486
Current assets					
Debtors	13	79,440		97,042	
Cash at bank and in hand		453,712		23,711	
		<u>533,152</u>		<u>120,753</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(579,044)		(169,383)	
Net current liabilities			(45,892)		(48,630)
Net assets excluding pension liability			6,035,823		6,236,856
Defined benefit pension liability	18		(1,903,000)		(1,268,000)
Net assets			<u>4,132,823</u>		<u>4,968,856</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			6,081,715		6,285,486
- Restricted income funds			(45,892)		(35,283)
- Pension reserve			(1,903,000)		(1,268,000)
Total restricted funds			<u>4,132,823</u>		<u>4,982,203</u>
Unrestricted income funds	16		-		(13,347)
Total funds			<u>4,132,823</u>		<u>4,968,856</u>

The accounts set out on pages 29 to 55 were approved by the board of trustees and authorised for issue on 19/12/16 and are signed on its behalf by:



Fr Alexander McAllister
Vice Chair of Directors

Company Number 08134861

SALVATORIAN COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19	393,507		(91,463)	
Cash flows from investing activities					
Dividends, interest and rents from investments		333		408	
Capital grants from DfE and EFA		14,817		17,740	
Payments to acquire tangible fixed assets		(43,656)		(284,898)	
			(28,506)		(266,750)
Cash flows from financing activities					
Repayment of other advances		65,000		135,000	
			65,000		135,000
Change in cash and cash equivalents in the reporting period			430,001		(223,213)
Cash and cash equivalents at 1 September 2015			23,711		246,924
Cash and cash equivalents at 31 August 2016			<u>453,712</u>		<u>23,711</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Salvatorian College is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Salvatorian College meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Salvatorian College prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 2016 the school had net expenditure for the year of £235,033 (2015: net expenditure of £304,947). At the year end date the school had net current liabilities of £45,892 (2015: net current liabilities of £48,630) and net assets of £4,132,823 (2015: £4,968,956).

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 Easter 2016.

The school was issued with a Financial Notice to Improve (FNtI) from the EFA in January 2016. The trustees are working hard with the EFA to meet the terms of the (FNtI) and receive continued support and advances from the EFA to meet its cash flow requirements.

The school is reviewing the budget and cash flow 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.

The Trustees have adopted the Going Concern basis as they expect to obtain continued support from the EFA. The Trustees have made 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 terminate the funding agreement or require the school to be taken over by a Multi Academy Trust. The trustees have worked with the EFA throughout the year to meet the terms of the FNtI to ensure that they are able to continue receiving support until the FNtI is removed and the school is no longer in deficit or reliant on advanced funding.

1.3 Income

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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

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

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.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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
Motor vehicles	

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 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.

1.8 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.

1.9 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 quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

1.11 Financial instruments

The Academy Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's statement of financial position when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.12 Financial assets

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.13 Financial liabilities

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities.

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Pension Liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 33, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The Trustees estimate the useful economic lives and residual values of Buildings, Computer Equipment, Furniture and Fittings and Motor Vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the profit and loss account and the balance sheet.

Critical areas of judgement

The Trustees do not consider that they have made any critical judgements in the preparation of the financial statements.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	14,817	14,817	17,740
Other donations	22,825	3,750	26,575	54,245
	<u>22,825</u>	<u>18,567</u>	<u>41,392</u>	<u>71,985</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	3,556,707	3,556,707	3,741,936
Other DfE / EFA grants	-	128,551	128,551	133,893
	-	3,685,258	3,685,258	3,875,829
Other government grants				
Local authority grants	-	94,909	94,909	158,597
Other funds				
Other incoming resources	-	5,665	5,665	-
Total funding	-	3,785,832	3,785,832	4,034,426

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	5,280	-	5,280	2,950
Catering income	9	-	9	341
Music tuition	-	-	-	2,340
Trips	53,272	-	53,272	13,717
Other income	48,182	-	48,182	27,825
	106,743	-	106,743	47,173

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	333	-	333	408

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs & £	Premises equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	2,679,092	-	280,389	2,959,481	3,129,166
- Allocated support costs	544,763	258,756	370,613	1,174,132	1,324,498
	<u>3,223,855</u>	<u>258,756</u>	<u>651,002</u>	<u>4,133,613</u>	<u>4,453,664</u>
Other expenditure					
Raising funds	-	-	35,720	35,720	5,275
	<u>-</u>	<u>-</u>	<u>35,720</u>	<u>35,720</u>	<u>5,275</u>
Total expenditure	<u>3,223,855</u>	<u>258,756</u>	<u>686,722</u>	<u>4,169,333</u>	<u>4,458,939</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	16,000	6,500
- Other services	8,025	4,075
Depreciation of tangible fixed assets	<u>247,427</u>	<u>250,837</u>

7 Charitable activities

	2016 £	2015 £
All from restricted funds:		
Direct costs - educational operations	2,959,481	3,129,166
Support costs - educational operations	1,174,132	1,324,498
	<u>4,133,613</u>	<u>4,453,664</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities (Continued)

	2016 £	2015 £
Analysis of support costs		
Support staff costs	544,763	669,601
Depreciation and amortisation	247,427	250,837
Technology costs	45,989	60,460
Premises costs	75,556	118,228
Other support costs	229,592	212,300
Governance costs	30,805	13,072
	<u>1,174,132</u>	<u>1,324,498</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	2,143,903	2,228,474
Social security costs	192,372	178,984
Operating costs of defined benefit pension schemes	378,562	383,784
Staff costs	<u>2,714,837</u>	<u>2,791,242</u>
Supply staff costs	255,441	607,395
Staff restructuring costs	204,441	11,000
Staff development and other staff costs	49,136	65,691
Total staff expenditure	<u>3,223,855</u>	<u>3,475,328</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	33	38
Administration and support	31	40
Management	2	2
	<u>66</u>	<u>80</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by two of the key management personnel for their services to the academy trust was £25,505 (2015: £21,065).

One employee participated in the Local Government Pension Scheme; employer's pension contributions amounted to £587 (2015: £nil).

9 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 (2015: £nil) were reimbursed to nil Trustees (2015: nil Trustees).

The value of trustees' remuneration was as follows:

P Kassapian (Principal and trustee) £80,000 - £85,000 (2015: £75,000-£80,000)
S Davey (staff governor) £45,000 - £50,000 (2015: £45,000-£50,000)

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

10 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2015	6,915,901	79,769	42,627	-	7,038,297
Additions	-	26,656	-	17,000	43,656
At 31 August 2016	6,915,901	106,425	42,627	17,000	7,081,953
Depreciation					
At 1 September 2015	663,382	71,795	17,634	-	752,811
Charge for the year	221,109	14,393	8,525	3,400	247,427
At 31 August 2016	884,491	86,188	26,159	3,400	1,000,238
Net book value					
At 31 August 2016	6,031,410	20,237	16,468	13,600	6,081,715
At 31 August 2015	6,252,519	7,974	24,993	-	6,285,486

The school is due to be rebuilt as part of the Priority Schools Building Programme in 2017-19. This will be fully funded by the EFA. During the period of decant and rebuild, the school will continue to partially operate on the existing site and will operate on split sites from May 2017. It is envisaged that the school will be partially decanted and operated on 2 sites for approximately 15 months. For those buildings that are no longer in use during the period of rebuild, the trustees consider that these assets will require impairment at the date of decant. The entire cost of the existing school buildings will be fully written off over the 15 month period.

Included in land and buildings is an amount for the value of land at £282,610. The land will not be impaired at the date of decant as it will be occupied by part of the new school build.

SALVATORIAN COLLEGE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016**

12 Financial instruments	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	533,152	116,492
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	430,423	152,986
Measured at fair value through the statement of financial activities	1,903,000	1,268,000
	<u> </u>	<u> </u>

The trustees have considered the Academy Trust's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the Academy Trust's risk register and monitored throughout the year. The trustees do not consider the Academy Trust to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

13 Debtors	2016	2015
	£	£
VAT recoverable	33,643	21,394
Other debtors	-	10,816
Prepayments and accrued income	45,797	64,832
	<u> </u>	<u> </u>
	79,440	97,042
	<u> </u>	<u> </u>

14 Creditors: amounts falling due within one year	2016	2015
	£	£
EFA advances	200,000	135,000
Other taxation and social security	102,015	-
Accruals and deferred income	277,029	34,383
	<u> </u>	<u> </u>
	579,044	169,383
	<u> </u>	<u> </u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

15	Deferred income				2016	2015
					£	£
	Deferred income is included within:					
	Creditors due within one year				46,606	16,397
					<u></u>	<u></u>
	Deferred income at 1 September 2015				16,397	38,800
	Released from previous years				(16,397)	(35,000)
	Amounts deferred in the year				46,606	12,597
					<u></u>	<u></u>
	Deferred income at 31 August 2016				46,606	16,397
					<u></u>	<u></u>
16	Funds					
		Balance at 1	Incoming	Resources	Gains, losses	Balance at 31
		September	resources	expended	& transfers	August 2016
		2015				
		£	£	£	£	£
	Restricted general funds					
	General Annual Grant	(35,802)	3,556,707	(3,576,792)	51,995	(3,892)
	Other DfE / EFA grants	-	128,551	(128,551)	-	-
	Other government grants	-	94,909	(136,909)	-	(42,000)
	Other restricted funds	519	9,415	(9,934)	-	-
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	Funds excluding pensions	(35,283)	3,789,582	(3,852,186)	51,995	(45,892)
	Pension reserve	(1,268,000)	-	(34,000)	(601,000)	(1,903,000)
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
		(1,303,283)	3,789,582	(3,886,186)	(549,005)	(1,948,892)
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	Restricted fixed asset funds					
	DfE / EFA capital grants	389,927	14,817	(26,318)	28,839	407,265
	Inherited funds	5,895,559	-	(221,109)	-	5,674,450
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
		6,285,486	14,817	(247,427)	28,839	6,081,715
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	Total restricted funds	4,982,203	3,804,399	(4,133,613)	(520,166)	4,132,823
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	Unrestricted funds					
	General funds	(13,347)	129,901	(35,720)	(80,834)	-
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	Total funds	4,968,856	3,934,300	(4,169,333)	(601,000)	4,132,823
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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 2016

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	6,081,715	6,081,715
Current assets	-	533,152	-	533,152
Creditors falling due within one year	-	(579,044)	-	(579,044)
Defined benefit pension liability	-	(1,903,000)	-	(1,903,000)
	-	(1,948,892)	6,081,715	4,132,823

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.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £266,129 (2015: £231,347).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

Total contributions made	2016 £	2015 £
Employer's contributions	141,000	193,000
Employees' contributions	71,000	38,000
Total contributions	212,000	231,000
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.6%	4.0%
Rate of increase for pensions in payment	2.1%	2.6%
Discount rate	2.0%	3.7%

	Approximate % increase to employers liability %	Approx monetary amount £'000
0.5% decrease in Real Discount Rate	11	415
1 year increase in member life expectancy	3	109
0.5% increase in the Salary Increase Rate	4	139
0.5% increase in the Pension Increase Rate	7	264

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

	2016 Years	2015 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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2016	2015
	Fair value	Fair value
	£	£
Equities	1,339,260	1,002,000
Bonds	240,380	167,000
Cash	17,170	13,000
Property	120,190	103,000
Total market value of assets	<u>1,717,000</u>	<u>1,285,000</u>
Actual return on scheme assets - gain/(loss)	<u>459,000</u>	<u>(40,000)</u>

Amounts recognised in the statement of financial activities

	2016	2015
	£	£
Current service cost (net of employee contributions)	164,000	185,000
Net interest cost	<u>47,000</u>	<u>20,000</u>

Changes in the present value of defined benefit obligations

	2016
	£
Obligations at 1 September 2015	2,259,000
Current service cost	349,000
Interest cost	184,000
Employee contributions	(3,000)
Actuarial loss	864,000
Benefits paid	(33,000)
At 31 August 2016	<u>3,620,000</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets	2016 £
Assets at 1 September 2015	67,000
Interest income	23,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	436,000
Employer contributions	141,000
Employee contributions	71,000
Benefits paid	979,000
At 31 August 2016	<u>1,717,000</u>

19 Reconciliation of net expenditure to net cash flows from operating activities

	2016 £	2015 £
Net expenditure for the reporting period	(235,033)	(304,947)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(14,817)	(17,740)
Investment income	(333)	(408)
Defined benefit pension costs less contributions payable	(13,000)	(8,000)
Defined benefit pension net finance cost/(income)	47,000	20,000
Depreciation of tangible fixed assets	247,427	250,837
(Increase)/decrease in debtors	17,602	18,378
Increase/(decrease) in creditors	344,661	(49,583)
Net cash provided by operating activities	<u>393,507</u>	<u>(91,463)</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

20 Related party transactions

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.

21 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.