

COMPANIES HOUSE COPY

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 2014



SALVATORIAN COLLEGE

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SALVATORIAN COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Fr Alexander McAllister *

Mr Paul Kassapian (Accounting Officer) *

Mrs Linda McDonald

Ms Louise McKenna

Mr Jude Umeh (Resigned 30 May 2014)

Mr Shane Davey (Resigned 1 October 2014) *

Mrs Lorraine Elliot

Mrs Nicole Mansbridge (Resigned 1 October 2014)

Mrs Marion Ann Hicks (Resigned 1 October 2014)

Mrs Nancy Chan Maguire (Resigned 1 October 2014)

Mr Vincent Howard (Resigned 1 October 2014) *

Ms Emma Watson (Appointed 10 April 2014 and resigned 1 October 2014)

Mr Brendan Morahan (Appointed 1 October 2014)

Mr Gary Prazer (Chair of Governors)

Ms Brigitte Osayi *

Mr Jose Rivadulla-Rey (Resigned 1 April 2014)

Mrs Margaret Mary Reynolds (Appointed 1 October 2014)

Mrs Theresa Mary O'Sullivan (Appointed 1 October 2014)

Mrs Renee Conception Caiado (Appointed 1 October 2014)

Mr Patrick O'Connell (Resigned 30 September 2014) *

Fr Richard Mway Zeng

Mr K S Daly (Appointed 1 October 2014)

Mrs Bernadette O'Reilly (Appointed 6 October 2014)

Mrs Margaret Newton (Appointed 1 October 2014)

Mrs Debbie Carroll (Appointed 6 October 2014)

* members of the Finance Committee

Members

Mr Patrick O'Connell

Fr Alexander McAllister

Mr Paul Kassapian

Ms Louise McKenna

Mr Jude Umeh

Fr. Richard Mway

Mrs Linda McDonald

Mr Gary Prazer

Mr Jose Rivadulla-Rey

Ms Brigitte Lawal

Ms Emma Watson

SALVATORIAN COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Senior management team

- Headteacher	Mr P Kassapian
- Deputy Headteacher	Mr A Coker
- School Business Manager	Miss S Mepani
- Assistant Headteacher	Mr J Kerr
- Assistant Headteacher	Miss L O'Hara
- Assistant Headteacher	Mr D Cooper
- Assistant Headteacher	Ms L Problemi
- Associate Assistant Headteacher	Mrs G Sheridan
- Associate Assistant Headteacher	Mr P Kelly

Company registration number 08134861 (England and Wales)

Principal address High Road
Harrow Weald
Middlesex
HA3 5DY

Registered office High Road
Harrow Weald
Middlesex
HA3 5DY

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

SALVATORIAN COLLEGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. 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 681 in the school census on 7th November 2013.

Structure, governance and management

Constitution

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

The trustees of Salvatorian College are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Method of recruitment and appointment or election of trustees

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

The subsequent Members of the Academy shall comprise:

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

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

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to either the Head Teacher or the SDS trustee. Subject to being eligible as 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 Articles do 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

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

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 with the Education Funding Agreement (EFA).

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

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

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

New trustees are mentored by existing trustees.

Organisational structure

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

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

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

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

The Headteacher is required to provide strategic leadership and management of the academy; he is assisted by 1 Deputy Head teacher. In addition the academy has 4 Assistant Head teachers, 2 Associate Assistant Headteachers and a School Business Manager. These 9 staff are the Senior Leadership Team.

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

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

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Connected organisations including related party relationships

The school operates on land owned by the Society of the Divine Saviour ("SDS"). The school does not raise funds for or contribute to the Society. The school works closely with 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 utilised to support SDS events, in which case a donation is made to the school by SDS. Staff utilised in this way are remunerated through the school's payroll system.

Objectives and activities

Objects and aims

The Academy Trust's object is specifically restricted to advancing for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such which offers a broad and balanced curriculum and conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Society of the Divine Saviour.

Within the objects the academy aims to provide a high standard of teaching and learning to ensure pupils can achieve their highest potential. The academy 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 by providing a high standard of teaching and learning for all pupils and making 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 2013/14 and for 2014/15 are:

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

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 2014

Strategic report

Achievements and performance

1st September 2013 – 31st August 2014

Students' attainment and progress for the academic year 2013/14 improved markedly. Attainment is 11% higher than last year when using 5 A-C inc English and Maths as the measure. We are above average on six of the seven main indicators, and significantly above average in APS English, APS Maths, and 5A-G (based on 2013 raiseonline (Reporting and Analysis for Improvements through school Self-Evaluation)- which provides interactive analysis of school and pupil performance data). Students are now making excellent progress in English which is in sharp contrast to last year.

Our percentage 5+ A*-C including English and Maths was 63% in 2014, which is above the national average, but below our FFT D target. It was the first year that the Key Stage 4 results have improved since becoming an Academy.

In summer 2014:

- 63% of students achieved 5 or more A*-C grades including English and Mathematics
- 79% achieved A*- C in Mathematics
- 76% achieved A*- C grades in English Language, 83% achieved A*-C grades in English Literature
- 79% of students in Biology achieved A*/A
- 71% of students in Chemistry achieved A*/A
- 64% students in Physics achieved A*/A

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Key performance indicators

Destinations of KS4 students

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

	ACTUAL 2014	ACTUAL 2013	ACTUAL 2012
5A&-C inc English and maths	63%	52%	64%
5A&-C	68%	75%	74%
Best 8 points score	326	329	339
English Baccalaureate	32%	39%	18%
English			
A*-C	76%	58%	73%
APS	42.34	39.1	41.4
3 Levels progress	77%	56% (69)	73% (67)
4 Levels progress	41%	21% (30)	35% (28)
Maths			
A*-C	79%	74%	76%
APS	42.2	41	41.2
3 Levels progress	70%	64% (70)	70% (68)
4 Levels progress	29%	38% (32)	29% (31)

()- national average

Results – by ability	2014	2013
HIGH		
5A*-C inc English and maths	90%	82%
English 3 levels progress	89%	69% (86)
Maths 3 levels progress	81%	69% (87)
English 4 levels progress	56%	20%
Maths 4 levels progress	40%	54%
Number of students	70	49

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

MIDDLE		
5A*-C inc English and maths	39%	39%
English 3 levels progress	63%	48% (68)
Maths 3 levels progress	58%	64% (72)
English 4 levels progress	23%	21%
Maths 4 levels progress	16%	45%
Number of students	62	75
LOWER		
5A*-C inc English and maths	0	0
English 3 levels progress	57%	44% (44)
Maths 3 levels progress	27%	22% (29)
English 4 levels progress	43%	40%
Maths 4 levels progress	14%	20%
Number of students	7	9

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Funding for the period was provided by EFA by means of standard grants to cover operational and capital costs.

Additional funds were received from letting facilities to third parties, from bank interest and from donations to the amenity fund.

At 31 August 2014 cash funds of £246,924 were held in bank accounts for the Academy.

Both financial and educational Key Performance Indicators are used to track progress against objectives and to ensure that any issues arising are identified quickly and solutions put in place.

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

SALVATORIAN COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Reserves policy

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

The Governors have assessed the appropriate level of free reserves for the coming year and consider it to be £20,000. As stated above, the level of reserves will be reviewed regularly.

As experienced nationally, the trustees are aware of a net deficit on both the teachers and local government pension funds. However this doesn't present an immediate liability and drain on reserves, as the deficit is being addressed by means of an actuarially calculated long term increase in the employer's contribution towards the fund. This increase will have an effect on the cash flow of the school annually, but will not result in a direct impact on the free reserves.

Investment policy and powers

There are currently no investments that have been made or being considered for 2014 – 2015. If the school does make any investments in the future then they will be low risk based. Funds will only be lodged with organisations with a good credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

Principal risks and uncertainties

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

In common with every Academy and maintained school in the country, funding is dependent on Government policy and the Academy Trust is working with the other Academies in the Local Authority and with the Local Authority to identify potential implications of the Government's proposals to change the funding methodology.

Governors have been prudent with in the budgeting for the next financial year as well as the following three years.

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

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

The school is part of the Priority Schools Building Programme and the initial engagement process has begun. There will be a 26 week feasibility study, followed by design and planning. Building work is due to by September 2015.

SALVATORIAN COLLEGE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

Plans for future periods

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

The school will continue to work in partnership with other academies, schools and organisations:

- To strengthen teaching and learning
- Improve CPD opportunities for staff and share good practice
- Improve pupil progress and achievement
- Tender for contracts together to make efficiency savings

School Improvement Plan 2014-2015 will focus on our key priorities:

- Catholic Life and Ethos
- Rapid Improvement in the Achievement of Students
- Rapid Improvement in the Quality of Teaching and Learning
- Improving Behaviour and Safety
- Strengthening Leadership and Management

Work with the EFA and School Community:

- Consult with the school and local community on proposed Priority Schools Building Programme
- Ensure the needs of the school are met during the planning and building processes

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 board of trustees on 15 December 2014 and signed on its behalf by:

Mr Gary Prazer

Chair of Governors

G. Prazer

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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.

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Fr Alexander McAllister	4	4
Mr Paul Kassapian (Accounting Officer)	4	4
Mrs Linda McDonald	4	4
Ms Louise McKenna	4	4
Mr Jude Umeh (Resigned 30 May 2014)	1	3
Mr Shane Davey (Resigned 1 October 2014)	3	4
Mrs Lorraine Elliot	4	4
Mrs Nicole Mansbridge (Resigned 1 October 2014)	3	4
Mrs Marion Ann Hicks (Resigned 1 October 2014)	3	4
Mrs Nancy Chan Maguire (Resigned 1 October 2014)	4	4
Mr Vincent Howard (Resigned 1 October 2014)	1	4
Ms Emma Watson (Appointed 10 April 2014 and resigned 1 October 2014)	0	0
Mr Brendan Morahan (Appointed 1 October 2014)	0	0
Mr Gary Prazer (Chair of Governors)	2	4
Ms Brigitte Osayi	0	4
Mr Jose Rivadulla-Rey (Resigned 1 April 2014)	1	3
Mrs Margaret Mary Reynolds (Appointed 1 October 2014)	0	0
Mrs Theresa Mary O'Sullivan (Appointed 1 October 2014)	0	0
Mrs Renee Conception Caiado (Appointed 1 October 2014)	0	0
Mr Patrick O'Connell (Resigned 30 September 2014)	2	4
Fr Richard Mway Zeng	3	4
Mr K S Daly (Appointed 1 October 2014)	0	0
Mrs Bernadette O'Reilly (Appointed 6 October 2014)	0	0
Mrs Margaret Newton (Appointed 1 October 2014)	0	0
Mrs Debbie Carroll (Appointed 6 October 2014)	0	0

There were 9 governors that left and 9 Governors that joined the Governing Body in the period from the 1 September 2013 to the date of approval of the financial statements. The school have recruited Governors to address the skills gaps and all of the Governors have completed the skills audit for 2014 – 2015. This has informed a programme of training going forward.

SALVATORIAN COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The Finance Committee is a sub-committee of the board of trustees. Its purpose is to review and discuss expenditure, monitor the budget and ensure money is being spent for the intended purpose.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Fr Alexander McAllister	2	2
Mr Paul Kassapian (Accounting Officer)	3	3
Mr Shane Davey (Resigned 1 October 2014)	3	3
Mr Vincent Howard (Resigned 1 October 2014)	1	3
Ms Brigitte Osayi	1	3
Mr Patrick O'Connell (Resigned 30 September 2014)	0	3

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 2013 to 31 August 2014 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 2013 to 31 August 2014 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 reviews of 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 forecasts and 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 Barry Walder, a financial consultant who is employed from School Management Services, as responsible officer (RO) to perform additional checks.

SALVATORIAN COLLEGE
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of effectiveness

As accounting officer the principal 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 Finance 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 15 December 2014 and signed on its behalf by:

Mr Paul Kassapian
Accounting Officer



SALVATORIAN COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2014

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

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

Approved on 15 December 2014 and signed by:

Mr Paul Kassapian
Accounting Officer



SALVATORIAN COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Salvatorian College and are also the directors of Salvatorian College for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

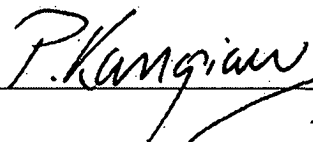
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 15 December 2014 and signed on its behalf by:

Mr Paul Kassapian
Accounting Officer



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALVATORIAN COLLEGE

We have audited the accounts of Salvatorian College for the year ended 31 August 2014 set out on pages 22 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academics Accounts Direction 2013 to 2014 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees, who are also the directors of Salvatorian College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academics Accounts Direction 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

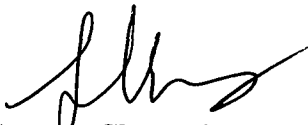
In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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

Matters on which we are required to report by exception

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

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



Gregory Chong (Senior Statutory Auditor)
UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: 15 December 2014

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

In accordance with the terms of our engagement letter dated 21 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, 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 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Salvatorian College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Salvatorian College and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Salvatorian College and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Salvatorian College's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2013, 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 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO SALVATORIAN COLLEGE AND THE EDUCATION FUNDING
AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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: 15 December 2014

SALVATORIAN COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	27,760	-	-	27,760	92,684
- Inherited on conversion		-	-	-	-	6,056,445
- Activities for generating funds	3	89,349	-	-	89,349	232,844
- Investment income	4	502	-	-	502	624
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	4,151,412	37,402	4,188,814	4,542,396
Total incoming resources		117,611	4,151,412	37,402	4,306,425	10,924,993
Resources expended						
<i>Costs of generating funds</i>						
- Fundraising trading	6	31,337	-	-	31,337	217,268
<i>Charitable activities</i>						
- Educational operations	7	-	4,147,763	257,320	4,405,083	4,981,830
Governance costs	8	-	34,379	-	34,379	36,718
Total resources expended	6	31,337	4,182,142	257,320	4,470,799	5,235,816
Net incoming/(outgoing) resources before transfers		86,274	(30,730)	(219,918)	(164,374)	5,689,177
Gross transfers between funds		-	29,996	(29,996)	-	-
Net income/(expenditure) for the year		86,274	(734)	(249,914)	(164,374)	5,689,177
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(211,000)	-	(211,000)	7,000
Net movement in funds		86,274	(211,734)	(249,914)	(375,374)	5,696,177
Fund balances at 1 September 2013		191,838	(997,000)	6,501,339	5,696,177	-
Fund balances at 31 August 2014		278,112	(1,208,734)	6,251,425	5,320,803	5,696,177

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

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

SALVATORIAN COLLEGE
BALANCE SHEET
AS AT 31 AUGUST 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	11	6,251,425	6,501,339
Current assets			
Debtors	12	115,420	122,989
Cash at bank and in hand		246,924	320,496
		362,344	443,485
Creditors: amounts falling due within one year	13	(80,166)	(251,647)
Net current assets		282,178	191,838
Total assets less current liabilities		6,533,603	6,693,177
Creditors: amounts falling due after more than one year	14	(3,800)	-
Net assets excluding pension liability		6,529,803	6,693,177
Defined benefit pension liability	18	(1,209,000)	(997,000)
Net assets		5,320,803	5,696,177
Funds of the academy trust:			
Restricted income funds	16		
- Fixed asset funds		6,251,425	6,501,339
- General funds		266	-
- Pension reserve		(1,209,000)	(997,000)
Total restricted funds		5,042,691	5,504,339
Unrestricted funds	16	278,112	191,838
Total funds		5,320,803	5,696,177

The accounts were approved by order of the board of trustees and authorised for issue on 15 December 2014.

Mr Gary Prazer

Chair of Governors *G. Prazer*

Company Number 08134861

SALVATORIAN COLLEGE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	19	(85,654)	(29,067)
Cash funds transferred on conversion		-	476,397
Returns on investments and servicing of finance			
Investment income	502	624	
Net cash inflow/(outflow) from returns on investments and servicing of finance		502	624
		(85,152)	447,954
Capital expenditure and financial investments			
Capital grants received	37,402	5,071	
Payments to acquire tangible fixed assets	(7,406)	(151,945)	
Receipts from sales of tangible fixed assets	-	1,000	
Net cash flow from capital activities		29,996	(145,874)
Increase/(decrease) in cash	20	(55,156)	302,080

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Incoming resources

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

Grants receivable

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

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

Sponsorship income

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

Donations

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

Other income

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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Donated services and gifts in kind

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

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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/reducing balance] basis over its expected useful life, as follows:

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

1.6 Leasing and hire purchase commitments

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

1.7 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.9 Fund accounting

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

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

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	27,760	-	27,760	92,684

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	2,180	-	2,180	1,655
Catering income	31,936	-	31,936	141,358
Music tuition	5,870	-	5,870	10,148
Other income	49,363	-	49,363	79,683
	89,349	-	89,349	232,844

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	502	-	502	624

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
DfE / EFA grants				
General annual grant (GAG)	-	3,889,782	3,889,782	4,328,105
Capital grants	-	37,402	37,402	5,071
Other DfE / EFA grants	-	139,753	139,753	104,715
	-	4,066,937	4,066,937	4,437,891
Other government grants				
Local authority grants	-	112,782	112,782	92,887
Other grants	-	9,095	9,095	11,618
	-	121,877	121,877	104,505
Total funding	-	4,188,814	4,188,814	4,542,396

6 Resources expended

	Staff costs & £	Premises equipment £	Other costs £	Total 2014 £	Total 2013 £
Academy's educational operations					
- Direct costs	2,721,844	-	244,886	2,966,730	3,478,077
- Allocated support costs	641,003	319,323	478,027	1,438,353	1,503,753
	3,362,847	319,323	722,913	4,405,083	4,981,830
Other expenditure					
Costs of activities for generating funds	-	-	31,337	31,337	217,268
Governance costs	-	-	34,379	34,379	36,718
	-	-	65,716	65,716	253,986
Total expenditure	3,362,847	319,323	788,629	4,470,799	5,235,816

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2014	2013
	£	£
Fees payable to auditor		
- Audit	6,500	6,500
- Other services	16,800	2,000
	<u> </u>	<u> </u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	-	2,673,031	2,673,031	3,198,926
Educational supplies and services	-	127,246	127,246	123,109
Examination fees	-	49,187	49,187	41,170
Staff development	-	48,813	48,813	42,877
Educational consultancy	-	23,205	23,205	19,994
Other direct costs	-	45,248	45,248	52,001
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	2,966,730	2,966,730	3,478,077
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allocated support costs				
Support staff costs	-	641,003	641,003	530,435
Depreciation	-	257,320	257,320	244,654
Technology costs	-	85,233	85,233	84,260
Maintenance of premises and equipment	-	62,003	62,003	231,077
Cleaning	-	12,474	12,474	8,328
Energy costs	-	51,936	51,936	53,004
Rent and rates	-	8,058	8,058	12,161
Insurance	-	35,187	35,187	37,162
Security and transport	-	14,013	14,013	12,423
Catering	-	53,689	53,689	52,254
Interest and finance costs	-	33,000	33,000	39,000
Other support costs	-	184,437	184,437	198,995
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	1,438,353	1,438,353	1,503,753
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total costs	-	4,405,083	4,405,083	4,981,830
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	27,792	27,792	29,555
Auditor's remuneration				
- Audit of financial statements	-	6,500	6,500	6,500
- Other audit costs	-	-	-	495
Other governance costs	-	87	87	168
	-	34,379	34,379	36,718

9 Staff costs

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

	2014 Number	2013 Number
Teachers	45	37
Administration and support	46	48
Management	2	8
	93	93

Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	2,349,090	3,011,663
Social security costs	175,232	227,269
Other pension costs	347,813	439,916
	2,872,135	3,678,848
Supply teacher costs	429,399	120,494
Compensation payments	12,500	18,650
Staff development and other staff costs	48,813	42,877
Total staff costs	3,362,847	3,860,869

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

(Continued)

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

	2014	2013
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
	<u> </u>	<u> </u>

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

		2014	2013
Teachers' Pension Scheme	Numbers	2	1
	£	20,894	10,931
		<u> </u>	<u> </u>
Local Government Pension Scheme	Numbers	-	-
	£	-	-
		<u> </u>	<u> </u>

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £nil (2013: £nil) were reimbursed to nil trustees (2013: nil trustees).

The value of trustees' remuneration was as follows:

P Kassapian (Principal and trustee) £75,000 - £80,000 (2013: £75,000-£80,000)

S Davey (staff governor) £45,000 - £50,000 (2013: £40,000-£45,000)

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,855 (2013: £1,855).

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2013	6,631,000	72,366	42,627	6,745,993
Additions	2,261	5,145	-	7,406
At 31 August 2014	6,633,261	77,511	42,627	6,753,399
Depreciation				
At 1 September 2013	221,177	22,893	584	244,654
Charge for the year	221,096	27,699	8,525	257,320
At 31 August 2014	442,273	50,592	9,109	501,974
Net book value				
At 31 August 2014	6,190,988	26,919	33,518	6,251,425
At 31 August 2013	6,409,823	49,473	42,043	6,501,339

12 Debtors

	2014 £	2013 £
Trade debtors	431	-
VAT recoverable	59,456	42,928
Prepayments and accrued income	55,533	80,061
	<u>115,420</u>	<u>122,989</u>

13 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank overdrafts	-	18,416
Accruals	45,166	-
Deferred income	35,000	233,231
	<u>80,166</u>	<u>251,647</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

14 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Deferred income	3,800	-
	<u>3,800</u>	<u>-</u>
15 Deferred income	2014	2013
	£	£
Deferred income is included within:		
Creditors due within one year	35,000	233,231
Creditors due after more than one year	3,800	-
	<u>38,800</u>	<u>233,231</u>
Total deferred income at 1 September 2013	233,231	-
Amounts credited to the statement of financial activities	(233,231)	-
Amounts deferred in the year	38,800	233,231
Total deferred income at 31 August 2014	<u><u>38,800</u></u>	<u><u>233,231</u></u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant	-	3,889,782	(3,919,512)	29,996	266
Other DfE / EFA grants	-	139,753	(139,753)	-	-
Other government grants	-	121,877	(121,877)	-	-
Funds excluding pensions	-	4,151,412	(4,181,142)	29,996	266
Pension reserve	(997,000)	-	(1,000)	(211,000)	(1,209,000)
	(997,000)	4,151,412	(4,182,142)	(181,004)	(1,208,734)
Restricted fixed asset funds					
DfE / EFA capital grants	144,643	37,402	(28,588)	(29,996)	123,461
Inherited fixed asset fund	6,356,696	-	(228,732)	-	6,127,964
	6,501,339	37,402	(257,320)	(29,996)	6,251,425
Total restricted funds	5,504,339	4,188,814	(4,439,462)	(211,000)	5,042,691
Unrestricted funds					
General funds	191,838	117,611	(31,337)	-	278,112
Total funds	5,696,177	4,306,425	(4,470,799)	(211,000)	5,320,803

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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 2014.

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

Transfer from restricted fixed asset fund to the GAG fund was necessary to fund non-capitalised fixed assets purchased during the year with values of under £1,000.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	6,251,425	6,251,425
Current assets	281,912	80,432	-	362,344
Creditors: amounts falling due within one year	-	(80,166)	-	(80,166)
Creditors: amounts falling due after one year	(3,800)	-	-	(3,800)
Defined benefit pension liability	-	(1,209,000)	-	(1,209,000)
	<u>278,112</u>	<u>(1,208,734)</u>	<u>6,251,425</u>	<u>5,320,803</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Harrow. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.2% per cent for employers and 5.5 to 9.9% per cent for employees. The estimated value of employer contributions for the forthcoming year is £190,000.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

	2014	2013
	£	£
Employer's contributions	191,000	218,000
Employees' contributions	38,000	43,000
Total contributions	<u>229,000</u>	<u>261,000</u>

Principal actuarial assumptions

	2014	2013
	%	%
Rate of increase in salaries	3.9	4.6
Rate of increase for pensions in payment	2.6	2.8
Discount rate for scheme liabilities	3.7	4.6
Expected return on assets (%)	<u>5.8</u>	<u>6.2</u>

	Approximate % increase to employers liability	Approx monetary amount
	%	£'000
0.5% decrease in Real Discount Rate	11	258
1 year increase in member life expectancy	3	68
0.5% increase in the Salary Increase Rate	5	109
0.5% increase in the Pension Increase Rate	6	143

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

	2014	2013
	Years	Years
Retiring today		
- Males	22.1	21.6
- Females	24.4	23.6
Retiring in 20 years		
- Males	24.5	23.6
- Females	<u>26.9</u>	<u>25.9</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	6.3	820,000	6.6	507,000
Bonds	3.5	136,000	4.2	76,000
Cash	3.3	10,000	3.6	-
Property	4.5	84,000	4.7	51,000
Total market value of assets		1,050,000		634,000
Present value of scheme liabilities - funded		(2,259,000)		(1,631,000)
Net pension asset / (liability)		(1,209,000)		(997,000)

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

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

Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
Financial expenditure/(income)		
Expected return on pension scheme assets	(46,000)	(24,000)
Interest on pension liabilities	79,000	63,000
	33,000	39,000
Other expenditure/(income)		
Current service cost	159,000	168,000
Past service cost	-	-
	159,000	168,000
Total operating charge/(income)	192,000	207,000

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2014	2013
	£	£
Actuarial (gains)/losses on assets: actual return less expected	(156,000)	(42,000)
Experience (gains)/losses on liabilities	367,000	35,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	211,000	(7,000)
Cumulative (gains)/losses to date	211,000	-

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

	2014	2013
	£	£
Opening defined benefit obligations	(1,631,000)	(1,322,000)
Current service cost	(159,000)	(168,000)
Interest cost	(79,000)	(63,000)
Contributions by employees	(38,000)	(43,000)
Actuarial gains/(losses)	(367,000)	(35,000)
Benefits paid	15,000	-
	(2,259,000)	(1,631,000)

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

	2014	2013
	£	£
Opening fair value of scheme assets	634,000	307,000
Expected return on assets	46,000	24,000
Actuarial gains/(losses)	156,000	42,000
Contributions by employers	191,000	218,000
Contributions by employees	38,000	43,000
Benefits paid	(15,000)	-
	1,050,000	634,000

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18	Pensions and similar obligations	(Continued)	
	History of experience gains and losses:		
		2014	2013
		£	£
	Present value of defined benefit obligations	(2,259,000)	(1,631,000)
	Fair value of share of scheme assets	1,050,000	634,000
	Surplus / (deficit)	(1,209,000)	(997,000)
	Experience adjustment on scheme liabilities	(367,000)	(35,000)
	Experience adjustment on scheme assets	156,000	42,000
19	Reconciliation of net income to net cash inflow/(outflow) from operating activities		
		2014	2013
		£	£
	Net income	(164,374)	5,689,177
	Capital grants and similar income	(37,402)	(5,071)
	Net deficit/(surplus) transferred on conversion	-	(6,056,445)
	Investment income	(502)	(624)
	FRS17 pension costs less contributions payable	(32,000)	(50,000)
	FRS17 pension finance income	33,000	39,000
	Depreciation of tangible fixed assets	257,320	244,654
	(Increase)/decrease in debtors	7,569	(122,989)
	Increase/(decrease) in creditors	(149,265)	233,231
	Net cash inflow/(outflow) from operating activities	(85,654)	(29,067)
20	Reconciliation of net cash flow to movement in net funds		
		2014	2013
		£	£
	Increase/(decrease) in cash	(55,156)	302,080
	Net funds at 1 September 2013	302,080	-
	Net funds at 31 August 2014	246,924	302,080

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

21 Analysis of net funds

	At 1 September 2013 £	Cash flows £	Non-cash changes £	At 31 August 2014 £
Cash at bank and in hand	320,496	(73,572)	-	246,924
Bank overdrafts	(18,416)	18,416	-	-
	<u>302,080</u>	<u>(55,156)</u>	<u>-</u>	<u>246,924</u>

22 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
- Within one year	10,241	-
- Between two and five years	9,160	15,333
	<u>19,401</u>	<u>15,333</u>

23 Related parties

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

Owing to the nature of the academy trust'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.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

24 Members' liability

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