

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

FRIDAY



AAØKT69D

A11

19/03/2021

#151

COMPANIES HOUSE

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 8
Governance Statement	9 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditors' Report on the Financial Statements	15 - 17
Independent Reporting Accountant's Report on Regularity	18 - 19
Statement of Financial Activities Incorporating Income and Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 44

<p style="text-align: center;">SALVATORIAN COLLEGE (A Company Limited by Guarantee)</p>

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J McAleer The Revd H Nevin The Revd F Waters The Revd R Mway Zeng
Directors	Mr A Bryant Mr E Dempsey Mrs F Karanja Mr J McAleer, Chairman Mrs S Moffatt Mr P O'Connell Mrs B O'Reilly Mrs M Reynolds Mr P Sefton-Williams Mr M Tissot, Principal, Accounting Officer Mr R Yep (resigned 5 April 2020) The Revd M Lainez (appointed 1 November 2019)
Company registered number	08134861
Principal and registered office	High Road Harrow Middlesex HA3 5DY
Company secretary	Mr B Fowler
Senior management team	Mr M Tissot, Executive headteacher (Principal) Mr A Bryant, Head of School Mr A Coker, Deputy headteacher Mr D Cooper, Assistant headteacher Mr D Evans, Assistant headteacher
Bankers	Lloyds Bank PLC 25 Gresham Street London EC2V 7HN
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report together with the financial statements and auditor's report of the charitable company for the twelve-month period to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11-16 in the London Borough of Harrow. It has a pupil capacity of 687 and had a roll of 407 in the school census on 1 October 2020.

The trust entered into a working partnership with the Cardinal Hume Academies Trust (CHAT) in September 2017. The partnership is based on a Memorandum of Understanding. Under the agreement, the Cardinal Hume Academies Trust agreed to support Salvatorian College through:

- provision of an Acting Executive Headteacher (the principal);
- provision of a Head of School;
- support with governance.

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 directors of Salvatorian College Limited are also the trustees of the charitable company for the purposes of company law. The charitable company is known as Salvatorian College.

Details of the directors who served during the year, who served during the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with the Articles of Association, and subject to the provisions of the Companies Act, every director or other officer of the charitable company shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the charitable company.

Method of Recruitment and Appointment or Election of Directors

The initial members of the academy trust are the subscribers to the Memorandum of Association, who are the people described below in (2)-(5).

Subsequent members of the academy trust comprise:

1. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
2. the chairman of Governors;
3. the Provincial Superior of the Society of the Divine Saviour;
4. 2 representatives appointed by the Provincial Superior of the Society of the Divine Saviour; and
5. any person appointed under Article 16 of the Articles of Association.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

The day-to-day management of Salvatorian College is the responsibility of the directors (also known as governors) who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- o the Principal (Executive Headteacher)
- o up to 11 foundation governors, appointed by the Provincial Superior of the Society of the Divine Saviour
- o up to 5 parent governors, appointed by the trustees
- o up to 3 co-opted governors, appointed by the foundation governors
- o staff governors, provided that the number of staff governors does not exceed one third of the total number of governors
- o any governors appointed by the Secretary of State for Education

The term of office for any director is 4 years, save that this time limit does not apply to either the headteacher or a staff director. The principal's term of office runs parallel with his term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Directors are provided with Salvatorian College's Governance Handbook, which includes essential documentation needed to undertake their role, including the Memorandum and Articles of Association, Academies Financial Handbook, Governance Handbook, and Salvatorian College's Funding Agreement.

Trustees are given an induction which includes information on:

- the structure of the Academy and the relationship with the board of trustees;
- the values expected to be upheld by trustees;
- key elements of effective governance and the link to the Ofsted inspection framework;
- the committee structure of the board;
- a description of the role of the Chair of trustees and of the clerk, who also acts as company secretary;
- terms of reference of the board and sub-committees.

An annual skills audit informs training needs of directors. The board is provided with training in-house and through courses provided by the Diocese of Westminster Education Service, and the Cardinal Hume Academies Trust.

Organisational Structure

The board of directors of Salvatorian College is constituted under the Memorandum and Articles of Association. The board is responsible for ensuring high educational, financial, and corporate governance standards are maintained.

Salvatorian College has established a management structure to enable its efficient running. The structure consists of two levels: the directors, and the executive, who are the senior leadership team of the academy.

The board has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The directors have approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Principal is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

The Principal assumes the role of Accounting Officer.

The Business Manager assumes the role of Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

Salvatorian College operates a robust Pay Policy which sets out the framework for making decisions on staff pay. It has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD). The objective of the policy is to:

- ensure that pay and staffing arrangements enable the current and future delivery of the curriculum and the academy's improvement plan;
- support the recruitment and retention of high quality staff;
- recognise and reward staff for their contribution to academy improvement;
- ensure that pay decisions are made in a fair and transparent way; and
- ensure that budgetary funds are allocated appropriately.

Remuneration awards in the year are subject to the key management personnel demonstrating sustained high quality performance, as indicated by the extent to which objectives defined in his/her annual performance management appraisal have been met. A discretionary time-limited pay award for key personnel who have reached the top of their relevant pay range may be awarded. The Principal ensures that all pay recommendations are presented to the pay committee. The Principal's pay is reviewed by the strategic board of the Cardinal Hume Academies Trust, and the chair of directors of Salvatorian College is invited to participate in these reviews as an observer.

Related Parties and other Connected Charities and Organisations

The academy operates on land owned by the Society of the Divine Saviour. Use of the land for the purposes of education is set out in the Supplemental Agreement dated 1 August 2012 between the Secretary of State for Education, the Trustees of the Society of the Divine Saviour, and Salvatorian College.

The academy is part of a soft federation with the Cardinal Hume Academies Trust and both organisations are led by the Executive Head Teacher (Principal).

Salvatorian College has a strong working relationship with the Cardinal Hume Academies Trust. This relationship is defined through the Memorandum of Understanding that the Trust and the Cardinal Hume Academies Trust. The Cardinal Hume Academies Trust is a company limited by guarantee and an exempt charity.

Objectives and Activities

Objects and Aims

The academy's objectives are set out in the governing document (Articles of Association), and are specifically limited 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 designed 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 in relation to arranging for religious education and daily

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and Activities (continued)

acts of worship and having regard to any advice and following directives issued by the Society of the Divine Saviour.

Objectives, Strategies and Activities

The key objectives of Salvatorian College, and those towards which activities were directed during the year ended 31 August 2020 were:

- to sustain 'Progress 8' score and achieve a minimum score of +0.5, paying particular attention the progress of pupils in receipt of Pupil Premium;
- to focus on reading and literacy, engaging our pupils with the best in literature and developing their communication skills;
- to be ready for an external review of standards in Religious Education (RE), Catholic life of the school, and the teaching of RE, in advance of a 'Section 48' inspection;
- to ensure all departments are compiling detailed schemes of work that are in accordance with Ofsted criteria;
- to compile a Key Stage 3 (KS3) and Key Stage 4 (KS4) curriculum map outlining the whole-school curriculum;
- to ensure that the curriculum is designed with a focus on intent, implementation and impact;
- to maintain outstanding behaviour, uniform, homework and conduct;
- to draw on the expertise of the Cardinal Hume Academies Trust (CHAT)
- to ensure that all staff are involved in continuing professional development;
- to ensure the success of the school is communicated to the community through excellent marketing; and
- to ensure the long term financial sustainability of the school by working closely with the Education and Skills Funding Agency (ESFA), and ensuring efficient use of resources.

Public Benefit

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The academy has undertaken the following activities for the public benefit:

- o Providing education to all registered pupils;
- o Raising money for local, national and international charities.
- o Hosting community events.
- o Providing enhanced curriculum, intervention and support for teaching and learning to local Primary Schools.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report

Achievements and Performance

Key Performance Indicators

	2020	2019	2018	2017	2016	2015	2014	2013
Progress 8	+0.91	+0.5	+0.60	-0.08	+0.14	-	-	-
Attainment 8	56.3	53.5	55.3	48.5	56.23	-	-	-
English & Maths (Grade 4+)	88%	75%	78%	67%	78%	66%	71%	
English 9-4 (A*-C) Progress 8	87%	90% +0.73	94% +0.94	70% +0.07	93% +0.51	71% -	76% -	58% -
Maths 9-4 (A*-C) Progress 8	90%	76% +0.35	81% +0.27	72% -0.23	79% +0.00	74% -	79% -	74% -
English Baccalaureate (5+)	32%	37%	50%	29%	41%	34%	32%	39%
Ebacc P8		+0.51	+0.73	-0.32	-0.08	-	-	-
Open element P8		+0.21	+0.48	+0.16	+0.28	-	-	-
5A*-C inc English and maths		72%	74%	70%	75%	59%	63%	52%

Public examinations were cancelled in 2020, owing to the Coronavirus (Covid-10) pandemic. Exam results this year were therefore 'centre assessed'. Furthermore, grades were statistically moderated by the exam boards, with downward moderation not applied but upwards moderation applied. The 2020 results are therefore not very accurate comparators. Despite this, the directors of Salvatorian College were pleased the results reflected sustained performance, and continued the improvement trajectory of the school.

Going Concern

After making appropriate enquiries, the board of directors has a reasonable expectation that Salvatorian College has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. The board of directors gave due consideration to the impact of the Coronavirus (COVID-19) pandemic when reaching their conclusion. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The majority of Salvatorian College's income is derived from the Education and Skills Funding Agency (ESFA), an agency of the Department for Education (DfE), in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received from the ESFA during the 12-month period ended 31 August 2020, and the associated expenditure, are shown as restricted funds in the Statement of financial activities.

During the year ended 31 August 2020, Salvatorian College had net expenditure of £374,965, excluding actuarial gains on defined benefit pension schemes. In comparison, for the year ended 31 August 2019: net income was £6,416,505, excluding actuarial losses on defined benefit pension schemes and exceptional grants and charges relating to the replacement of the school's built estate under the Priority Schools Building

<p style="text-align: center;">SALVATORIAN COLLEGE (A Company Limited by Guarantee)</p>

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report (continued)

Achievements and Performance (continued)

Programme. At 31 August 2020, the academy had net current assets of £95,781 and total net assets of £7,041,554 (2019: £148,612 and £7,372,519 respectively)

During the year, the academy received a loan from the ESFA of £164,751, shown in note 17 to the accounts. During the year, the academy negotiated a long-term financial support package with the ESFA, which provides a loan facility to support cashflow.

Reserves Policy

Total reserves at the end of the period amounted to £7,041,554 (2019: £7,372,519). This balance includes unrestricted funds of £164,964 (2019: £145,120), and restricted funds of £6,876,590 (2019: £7,227,399), which includes restricted fixed asset funds of £8,848,026 (2019: £8,978,366) and a pension deficit of £1,531,000 (2019: £1,546,000).

Investment Policy

Directors' 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 which are not immediately required. The academy trust pursues a policy to keep all investments surplus to funds required in short term cash deposits. At 31 August 2020, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The academy trust is exposed to a number of financial risks including credit, cash flow, and liquidity risk. Given academies' exposure to financial instruments is limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy trust's system of internal controls ensures risk is minimal in these areas.

The academy trust has a formal risk management process in place to identify and assess material risks associated with the organization; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review and made available to directors and key management personnel, who are also involved in its preparation. The Risk Register identifies the types of risk the Academy Trust might encounter and rates the risk in terms of likelihood and impact. This ensures that the most significant risks are highlighted, and that resources are allocated to appropriate strategies, systems, and processes which mitigate these risks.

Fundraising

The academy does not engage in any specific fundraising activities.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for Future Periods

1. To ensure Salvatorian College is an oversubscribed, Ofsted 'Outstanding' school in the future, we will:
 - a. maintain improved results for pupil progress and attainment with support from the Cardinal Hume Academies Trust;
 - b. further develop relationships with local feed primary schools to ensure school improvements are effectively communicated to parents;
 - c. embed the progresses and procedures of the Cardinal Hume Academies Trust
 - d. explore routes by which Salvatorian College could be assumed fully into the Cardinal Hume Academies Trust, or another Multi Academy Trust;
 - e. monitor the progress of the Priority Schools Building Project and ensure facilities are fit for purpose.
2. To ensure financial security for Salvatorian College, we will:
 - a. continue a regular and open dialogue with the Department for Education regarding the additional financial support provided to the school;
 - b. continue in dialogue with stakeholders to explore routes by which Salvatorian College might join a Multi Academy Trust

Funds Held as Custodian Trustee on Behalf of Others

Neither the academy trust nor any of its directors act as custodian trustees.

Auditor

Insofar as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29 January 2021 and signed on its behalf by:



John McAleer
Chair of Directors

<p style="text-align: center;">SALVATORIAN COLLEGE (A Company Limited by Guarantee)</p>

GOVERNANCE STATEMENT

Scope of responsibility

As directors, 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.

As directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of directors has formally met four times during the year to 31 August 2020.

Attendance during the year at meetings of the board of directors was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Bryant	4	4
Mr E Dempsey	3	4
Mrs F Karanja	4	4
The Revd M Lainez (appointed 1 November 2019)	3	3
Mr J McAleer, Chairman	4	4
Mrs S Moffatt	4	4
Mr P O'Connell	4	4
Mrs B O'Reilly	4	4
Mrs M Reynolds	2	4
Mr P Sefton-Williams	4	4
Mr M Tissot, Principal, Accounting Officer	4	4
Mr R Yep (resigned 5 April 2020)	2	2

Resources & HR Committee

The Resources, HR & Audit Committee is a sub-committee of the main board of directors. Its purpose is to scrutinize and support the work of the Accounting Officer and Chief Financial Officer, and to ensure that the Academy is following the ESFA's financial regulations.

The committee is delegated authority by the board of directors for most financial decision making, but reports regularly to the board of directors which remains accountable for, and engaged in, financial, staffing, and premises matters.

The committee also assumes the responsibilities for audit as outlined in the Academies Financial Handbook, including:

- o monitoring the integrity of the financial statements;
- o reviewing internal financial controls and review the Academy's internal control and risk management

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- systems;
- o making recommendations to the board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- o reviewing the auditor's independence and objectivity.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Bryant	3	3
Mr E Dempsey (Chair)	3	3
Mrs F Karanja	2	3
Mr J McAleer	3	3
Mrs M Reynolds	3	3
Mr M Tissot	3	3
Mr R Yep (resigned 5 April 2020)	2	2

Review of Value for Money

As accounting officer, the Executive Headteacher 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 directors 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:

- Revisiting the curriculum and staffing model to ensure maximal efficiency;
- Ensuring that contracts where possible are negotiated centrally by the Cardinal Hume Academies Trust to leverage efficiencies of scale;
- Negotiating gift in kind and direct financial support from the Cardinal Hume Academies Trust;
- Securing a new reprographics contract representing better value for money

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, 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

<p style="text-align: center;">SALVATORIAN COLLEGE (A Company Limited by Guarantee)</p>

GOVERNANCE STATEMENT (CONTINUED)

Capacity to Handle Risk

The board of directors 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 directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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; and
- identification and management of risks

The board of directors has considered the need for a specific internal audit function and has decided to appoint Buzzacott as internal auditor

The internal auditor'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 included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of any other areas of internal control which the directors may direct them to

On a termly basis, Buzzacott reports to the board of directors, through the Resources, HR & Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities

Owing to access limitations, caused by the national lockdown from March 2020, Buzzacott were unable to deliver their full schedule of work as planned; however, they were able to carry out sufficient work to meet the ESFA internal assurance requirements. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of Effectiveness

As Accounting Officer, the Executive 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process; and
- 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 board of trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 29 January 2021 and signed on their behalf by:



John McAleer
Chair of Directors



Martin Tissot
Accounting Officer

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Salvatorian College I have considered my responsibility to notify the Academy board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy board of trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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 ESFA.



Martin Tissot
Accounting Officer
Date: 29 January 2021

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The directors (who act as governors of Salvatorian College academy trust and are also the trustees 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 29 January 2021 and signed on its behalf by:



John McAleer
Chair of Directors

SALVATORIAN COLLEGE (A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SALVATORIAN COLLEGE**

Opinion

We have audited the financial statements of Salvatorian College (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SALVATORIAN COLLEGE (A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SALVATORIAN COLLEGE (CONTINUED)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SALVATORIAN COLLEGE (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Carly Pinkus (Senior Statutory Auditor)



FOR LANDAU BAKER LIMITED

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

29 January 2021

<p style="text-align: center;">SALVATORIAN COLLEGE (A Company Limited by Guarantee)</p>

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

In accordance with the terms of our engagement letter dated 27 May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salvatorian College during the year 1 September 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Salvatorian College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Salvatorian College and ESFA, 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

Type text here

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 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 29 January 2021

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	11,605	-	58,134	69,739	9,004,745
Charitable activities	4	-	2,485,773	-	2,485,773	2,812,215
Other trading activities	5	24,277	89,925	-	114,202	179,478
Investments	6	127	-	-	127	185
Total income		36,009	2,575,698	58,134	2,669,841	11,996,623
Expenditure on:						
Charitable activities	8	16,165	2,840,167	188,474	3,044,806	5,580,118
Total expenditure		16,165	2,840,167	188,474	3,044,806	5,580,118
Net movement in funds before other recognised gains/(losses)		19,844	(264,469)	(130,340)	(374,965)	6,416,505
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	44,000	-	44,000	(403,000)
Net movement in funds		19,844	(220,469)	(130,340)	(330,965)	6,013,505
Reconciliation of funds:						
Total funds brought forward		145,120	(1,750,967)	8,978,366	7,372,519	1,359,014
Net movement in funds		19,844	(220,469)	(130,340)	(330,965)	6,013,505
Total funds carried forward		164,964	(1,971,436)	8,848,026	7,041,554	7,372,519

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 44 form part of these financial statements.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08134861

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	8,759,824	8,888,207
		<u>8,759,824</u>	<u>8,888,207</u>
Current assets			
Debtors	15	153,700	50,264
Cash at bank and in hand		78,897	310,914
		<u>232,597</u>	<u>361,178</u>
Creditors: amounts falling due within one year	16	(136,816)	(212,566)
Net current assets		<u>95,781</u>	<u>148,612</u>
Total assets less current liabilities		<u>8,855,605</u>	<u>9,036,819</u>
Creditors: amounts falling due after more than one year	17	(283,051)	(118,300)
Net assets excluding pension liability		<u>8,572,554</u>	<u>8,918,519</u>
Defined benefit pension scheme liability	24	(1,531,000)	(1,546,000)
Total net assets		<u><u>7,041,554</u></u>	<u><u>7,372,519</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	8,848,026	8,978,366
Restricted income funds	18	(440,436)	(204,967)
		<u>8,407,590</u>	<u>8,773,399</u>
Restricted funds excluding pension asset	18	8,407,590	8,773,399
Pension reserve	18	(1,531,000)	(1,546,000)
Total restricted funds	18	<u>6,876,590</u>	<u>7,227,399</u>
Unrestricted income funds	18	<u>164,964</u>	<u>145,120</u>
Total funds		<u><u>7,041,554</u></u>	<u><u>7,372,519</u></u>

The financial statements on pages 20 to 44 were approved by the trustees, and authorised for issue on 29 January 2021 and are signed on their behalf, by:

John McAleer
Chair of Directors

John McAleer

The notes on pages 23 to 44 form part of these financial statements.

<p style="text-align: center;">SALVATORIAN COLLEGE (A Company Limited by Guarantee)</p>
--

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(230,187)	8,758,753
Cash flows from investing activities	21	(1,830)	(8,709,656)
Change in cash and cash equivalents in the year		(232,017)	49,097
Cash and cash equivalents at the beginning of the year		310,914	261,817
Cash and cash equivalents at the end of the year	22, 23	<u>78,897</u>	<u>310,914</u>

The notes on pages 23 to 44 form part of these financial statements

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 Academy to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

- **Grants**

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

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

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

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

- **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.

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

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 allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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

Depreciation is provided on the following bases:

Land and buildings	- 30 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years
Motor vehicles	- 5 years

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

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 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 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.

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Pensions (continued)

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.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 at the discretion of the trustees.

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

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 Fund accounting (continued)

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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.

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	11,605	-	11,605	23,131
Capital Grants	-	58,134	58,134	181,614
Grants	-	-	-	8,800,000
	<u>11,605</u>	<u>58,134</u>	<u>69,739</u>	<u>9,004,745</u>
<i>Total 2019</i>	<u>23,131</u>	<u>8,981,614</u>	<u>9,004,745</u>	

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy's educational activities

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
DfE/ESFA grants	2,307,642	2,307,642	2,687,822
	<u>2,307,642</u>	<u>2,307,642</u>	<u>2,687,822</u>
Other government grants			
Other government grants	71,332	71,332	104,377
	<u>71,332</u>	<u>71,332</u>	<u>104,377</u>
Other income			
Other income	106,799	106,799	20,016
	<u>2,485,773</u>	<u>2,485,773</u>	<u>2,812,215</u>
<i>Total 2019</i>	<u>2,812,215</u>	<u>2,812,215</u>	

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	2,391	-	2,391	3,882
Other income	9,739	31,230	40,969	75,574
Music income	-	50	50	950
Catering income	-	58,645	58,645	60,215
Trips income	12,147	-	12,147	38,857
	<u>24,277</u>	<u>89,925</u>	<u>114,202</u>	<u>179,478</u>
<i>Total 2019</i>	<u>54,934</u>	<u>124,544</u>	<u>179,478</u>	

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	127	127	185
<i>Total 2019</i>	185	185	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational activities:					
Direct costs	1,807,852	28,169	91,840	1,927,861	2,312,025
Allocated support costs	501,149	149,415	466,381	1,116,945	3,268,093
	2,309,001	177,584	558,221	3,044,806	5,580,118
<i>Total 2019</i>	2,657,973	-	2,922,145	5,580,118	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational activities	16,165	3,028,641	3,044,806	5,580,118
<i>Total 2019</i>	34,714	5,545,404	5,580,118	

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational activities	1,927,861	1,116,945	3,044,806	5,580,118
<i>Total 2019</i>	<u>2,312,025</u>	<u>3,268,093</u>	<u>5,580,118</u>	

Analysis of direct costs

	Educational activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,685,516	1,685,516	2,046,983
Technology costs	51,582	51,582	71,411
Exam fees	28,169	28,169	60,411
Educational supplies	24,442	24,442	50,915
Agency supply	122,336	122,336	77,742
Other professional services and fees	15,816	15,816	4,563
	<u>1,927,861</u>	<u>1,927,861</u>	<u>2,312,025</u>
<i>Total 2019</i>	<u>2,312,025</u>	<u>2,312,025</u>	

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension finance cost	28,000	28,000	30,000
Staff costs	332,537	332,537	515,851
Depreciation	188,474	188,474	29,759
Other support costs	24,539	24,539	76,970
Repairs and maintenance	12,078	12,078	14,691
Rates	54,185	54,185	23,513
Energy costs	41,016	41,016	97,785
Insurance	6,552	6,552	11,222
Cleaning and caretaking	35,584	35,584	41,246
Security	97	97	-
Loss on disposal of assets	-	-	2,199,172
School trips	16,165	16,165	34,714
Transport	2,716	2,716	12,654
Catering	77,512	77,512	86,653
Non-educational contracts	4,276	4,276	14,163
Other supplies and services	83,715	83,715	39,032
Other professional services and fees	40,887	40,887	28,013
Redundancy cost	168,612	168,612	12,655
	<u>1,116,945</u>	<u>1,116,945</u>	<u>3,268,093</u>
<i>Total 2019</i>	<u>3,268,093</u>	<u>3,268,093</u>	

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	188,474	29,759
Loss on disposal of fixed assets	-	2,199,172
Fees paid to auditors for:		
- audit	4,750	4,750
- other services	2,250	3,225
	<u>195,474</u>	<u>2,237,156</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,702,780	2,138,168
Social security costs	98,651	130,279
Pension costs	216,622	294,387
	<u>2,018,053</u>	<u>2,562,834</u>
Agency staff costs	122,336	77,742
Staff restructuring costs	168,612	12,655
Staff development and other staff costs	-	4,742
	<u>2,309,001</u>	<u>2,657,973</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	168,612	12,655
	<u>168,612</u>	<u>12,655</u>

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	27	27
Administration and support	23	24
Management	4	5
	<u>54</u>	<u>56</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £328,504 (2019 £408,659).

12. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
A Bryant	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2020, no trustee expenses have been incurred (2019 - £NIL).

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Trustees' and Officers' insurance

The Academy has opted into the Department of 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 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 membership.

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	8,800,000	55,339	225,557	17,000	9,097,896
Additions	-	32,587	27,504	-	60,091
At 31 August 2020	8,800,000	87,926	253,061	17,000	9,157,987
Depreciation					
At 1 September 2019	-	46,224	149,865	13,600	209,689
Charge for the year	146,667	6,259	32,148	3,400	188,474
At 31 August 2020	146,667	52,483	182,013	17,000	398,163
Net book value					
At 31 August 2020	8,653,333	35,443	71,048	-	8,759,824
At 31 August 2019	8,800,000	9,115	75,692	3,400	8,888,207

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	750	-
Other debtors	116,523	38,265
Prepayments and accrued income	36,427	11,999
	<u>153,700</u>	<u>50,264</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	24,756	165,033
Other taxation and social security	49,454	36,143
Accruals and deferred income	62,606	11,390
	<u>136,816</u>	<u>212,566</u>

	2020 £	2019 £
Deferred income at 1 September 2019	11,390	39,240
Resources deferred during the year	14,010	11,390
Amounts released from previous periods	(11,390)	(39,240)
	<u>14,010</u>	<u>11,390</u>

Deferred income is in relation to income received for trip in future academic years.

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	<u>283,051</u>	<u>118,300</u>

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds - all funds	145,120	36,009	(16,165)	-	164,964
Restricted general funds					
Restricted Funds - all funds	(204,967)	2,575,698	(2,811,167)	-	(440,436)
Pension reserve	(1,546,000)	-	(29,000)	44,000	(1,531,000)
	<u>(1,750,967)</u>	<u>2,575,698</u>	<u>(2,840,167)</u>	<u>44,000</u>	<u>(1,971,436)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	8,978,366	58,134	(188,474)	-	8,848,026
Total Restricted funds	<u>7,227,399</u>	<u>2,633,832</u>	<u>(3,028,641)</u>	<u>44,000</u>	<u>6,876,590</u>
Total funds	<u>7,372,519</u>	<u>2,669,841</u>	<u>(3,044,806)</u>	<u>44,000</u>	<u>7,041,554</u>

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

Restricted fixed assets funds have been increased by capital grants provided by DfE and reduced by depreciation charges.

Restricted general fund have been increased by revenue grants provided by DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
General Funds - all funds	101,584	78,250	(34,714)	-	145,120
Restricted general funds					
Restricted Funds - all funds	91,747	2,936,759	(3,233,473)	-	(204,967)
Pension reserve	(1,060,000)	-	(83,000)	(403,000)	(1,546,000)
	(968,253)	2,936,759	(3,316,473)	(403,000)	(1,750,967)
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	2,225,683	8,981,614	(2,228,931)	-	8,978,366
Total Restricted funds	1,257,430	11,918,373	(5,545,404)	(403,000)	7,227,399
Total funds	1,359,014	11,996,623	(5,580,118)	(403,000)	7,372,519

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	8,759,824	8,759,824
Current assets	164,964	(20,569)	88,202	232,597
Creditors due within one year	-	(136,816)	-	(136,816)
Creditors due in more than one year	-	(283,051)	-	(283,051)
Provisions for liabilities and charges	-	(1,531,000)	-	(1,531,000)
Total	164,964	(1,971,436)	8,848,026	7,041,554

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	8,888,207	8,888,207
Current assets	145,120	125,899	90,159	361,178
Creditors due within one year	-	(212,566)	-	(212,566)
Creditors due in more than one year	-	(118,300)	-	(118,300)
Provisions for liabilities and charges	-	(1,546,000)	-	(1,546,000)
Total	145,120	(1,750,967)	8,978,366	7,372,519

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(374,965)	6,416,505
Adjustments for:		
Depreciation	188,474	29,759
Capital grants from DfE and other capital income	(58,134)	(181,614)
Interest receivable	(127)	(185)
Defined benefit pension scheme cost less contributions payable	1,000	53,000
Defined benefit pension scheme finance cost	28,000	30,000
Increase in debtors	(103,436)	(17,163)
Increase in creditors	89,001	229,279
Loss of the disposal of fixed assets	-	2,199,172
Net cash (used in)/provided by operating activities	(230,187)	8,758,753

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	127	185
Purchase of tangible fixed assets	(60,091)	(8,891,455)
Capital grants from DfE Group	58,134	181,614
Net cash used in investing activities	(1,830)	(8,709,656)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	78,897	310,914
Total cash and cash equivalents	78,897	310,914

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	310,914	(232,017)	78,897
Debt due after 1 year	(118,300)	(164,751)	(283,051)
	<u>192,614</u>	<u>(396,768)</u>	<u>(204,154)</u>

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2020.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

notional past service deficit of £22,000 million

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £145,334 (2019 - £129,160).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £173,000 (2019 - £149,000), of which employer's contributions totalled £157,000 (2019 - £124,000) and employees' contributions totalled £ 16,000 (2019 - £25,000). The agreed contribution rates for future years are 22.8 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 1.9 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

London Borough of Harrow Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	3.00	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.70	1.80

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

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.0	21.2
Females	24.3	23.5
<i>Retiring in 20 years</i>		
Males	23.1	22.3
Females	26.3	25.0

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

	2020 £	2019 £
Equities	2,106,720	2,085,600
Bonds	355,680	369,600
Property	191,520	184,800
Cash	82,080	-
Total market value of assets	2,736,000	2,640,000

The actual return on scheme assets was £15,000 (2019 - £204,000).

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

	2020 £	2019 £
Current service cost	112,000	152,000
Past service cost	46,000	25,000
Interest income	(48,000)	(67,000)
Interest cost	76,000	97,000
Total amount recognised in the Statement of Financial Activities	186,000	207,000

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	4,186,000	3,392,000
Current service cost	112,000	152,000
Interest cost	76,000	97,000
Employee contributions	16,000	25,000
Actuarial (gains)/losses	(77,000)	540,000
Benefits paid	(92,000)	(45,000)
Past service costs	46,000	25,000
At 31 August	4,267,000	4,186,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	2,640,000	2,332,000
Interest income	48,000	67,000
Actuarial (losses)/gains	(33,000)	137,000
Employer contributions	157,000	124,000
Employee contributions	16,000	25,000
Benefits paid	(92,000)	(45,000)
At 31 August	2,736,000	2,640,000

25. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	-	18,810
Later than 1 year and not later than 5 years	-	4,650
	-	23,460

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Staff are seconded for Salvatorian College by the Cardinal Hume Academies Trust. These transactions were undertaken "at cost", with the pro-rata salary costs of the staff seconded to Salvatorian College being recharged, in full, to Salvatorian College. The total value of this during the year ended 31 August 2020 was £636,240.

In addition to the above the services of the Executive Headteacher, Martin Tissot, is treated as a "gift in kind" provided free of charge for the duration of the Memorandum of Understanding. The equivalent value of his services to Salvatorian College for the financial year ended 31 August 2020 equated to £56,472 (2019: £68,856). Certain staff members employed by Cardinal Hume Academies Trust were also "gifted" to the Trust under the same Memorandum of Understanding, the total value of which amounted to £189,658.