

Company Registration Number: 08134861 (England & Wales)

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

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SALVATORIAN COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J McAleer The Revd H Nevin The Revd F Waters The Revd R Zeng
Directors	Mr A Bryant Mrs D Carroll (resigned 6 October 2018) Mr E Dempsey The Revd P Harris (resigned 21 March 2019) Mrs F Karanja Mr J McAleer, Chairman (appointed 10 March 2019) Mrs S Moffatt (appointed 29 November 2018) Mr B Morahan (resigned 1 October 2018) Mrs M Newton (resigned 6 October 2018) Mrs T O'Sullivan (resigned 7 October 2018) Mr P O'Connell (appointed 1 December 2018) Mrs B O'Reilly (appointed 1 September 2018) Mrs M Reynolds (appointed 1 September 2018) Mr P Sefton-Williams (appointed 1 January 2019) Mr M Tissot, Principal, Accounting Officer Mr M Veal (resigned 31 August 2019) Mr R Yep
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, Principal Mr A Bryant, Head of School Ms Anne Thomas, Deputy Principal Mr D Cooper, Assistant Principal Mr D Evans, Assistant Principal
Bankers	Lloyds Bank PLC 25 Gresham Street London EC2V 7HN
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

SALVATORIAN COLLEGE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 363 in the school census on 4 October 2018.

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

a. 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, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

b. 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.

c. Directors' 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. 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.

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.

e. Policies 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.

Directors 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. 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.

The Principal assumes the role of Accounting Officer.

The Business Manager assumes the role of Chief Financial Officer.

g. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. 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 the Salvatorian College Academy Trust.

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).

The Salvatorian College Academy Trust 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

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

b. Objectives, strategies and activities

The key objectives of Salvatorian College, and those towards which activities were directed during the year ended 31 August 2019 were:

- To secure a Progress 8 score of at least +0.5
- To continue to improve behaviour
- The focus on KS3 and improve the quality of teaching and learning
- To focus teaching and non-teaching staff on the progress of highly able pupils
- To focus teaching and non-teaching staff on the progress of disadvantaged/pupil premium/SEN pupils
- To ensure attendance is raised to 96%
- To be 'Ofsted ready' by implementing the recommendations of a whole school review
- To be 'Section 48 ready', ensuring that Catholic life is vibrant in the school
- To ensure the PSBP building programme moves ahead in delivering an optimal solution for the school
- To ensure use of 'Academy Leads' across the CHAT to drive up attainment
- To maintain and further develop primary school links
- To ensure a rich and vibrant CPD programme is in place
- To ensure departments with performance issues have monitored improvement plans with targets and support
- To drive forward the Catholic life of the school

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. 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 such as the annual Christmas Dinner for the homeless and vulnerable
- o Providing enhanced curriculum, intervention and support for teaching and learning to local Primary Schools.

Strategic report

Achievements and performance

a. Key performance indicators

Examination Results

	2019	2018	2017	2016	2015	2014	2013
Progress 8	+0.45	+0.60	-0.08	+0.14	-	-	-
Attainment 8	53.5	55.3	48.5	56.23	-	-	-
English & Maths (Grade 4+)	75%	78%	67%	78%	66%	71%	
English 9-4 (A*-C)	80%	94%	70%	93%	71%	76%	58%
Progress 8	+0.73	+0.94	+0.07	+0.51	-	-	-
Maths 9-4 (A*-C)	76%	81%	72%	79%	74%	79%	74%
Progress 8	+0.35	+0.27	-0.23	+0.00	-	-	-
English Baccalaureate (5+)	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%

Directors are pleased that examination results remain strong. Salvatorian College recorded a Progress 8 figure of +0.5 as confirmed by Ofsted's inspection data summary report published in October 2019. This figure is a drop from the previous year's data, which showed progress 8 of +0.6.

During the year, the school occupied the first phase of the new school campus, built as part of the Department for Education's Priority Schools Building Programme. The new facilities provide state-of-the-art accommodation which it is hoped, along with improved results in recent years, will increase the number of pupils joining the school in Year 7.

The financial position of the academy remains an area of close scrutiny and control by trustees. During the year, the Secretary of State for Education confirmed he would make available additional funding in the form of a repayable advance. This will ensure the academy continues to meet its financial obligations whilst income, resulting from higher pupil numbers, returns to a sustainable level. Meanwhile, the academy continues to pursue cost-cutting measures where these are achievable without impinging on pupil progress, delivery of a broad and balanced curriculum, or a rich extra-curricular programme.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. 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 they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the 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 2019, and the associated expenditure, are shown as restricted funds in the Statement of financial activities.

During the year ended 31 August 2019, Salvatorian College had net income of £6,416,505 (2018: net expenditure of £1,665,451), excluding actuarial gains on defined benefit pension schemes. Included in the net income is grant of £8,800,000 relating to the donation of a tangible fixed asset. Also included in the net income is a charge of £2,199,172 relating to the disposal of a tangible fixed asset. Both grant and charge relate to the replacement of the school's built estate under the Priority Schools Building Programme. Excluding grant and charge associated with fixed assets, and excluding the pension reserve, the net deficit for the year was £59,847. At 31 August 2019, the academy had net current assets of £148,612 and total net assets of £7,372,519.

During the year, the academy received a loan from the ESFA of £118,300, shown in note 17 to the accounts. The academy has negotiated additional loan support from the ESFA to assist with cashflow in the short and medium term whilst pupil numbers recover to a sustainable level.

a. Reserves policy

Total reserves at the end of the period amounted to £7,372,519 (2018: £1,359,014). This balance includes unrestricted funds of £145,120 (2018: £101,584), and restricted funds of £7,227,399 (2018: £1,257,430) which includes restricted fixed asset funds of £8,978,366 (2018: £2,225,683) and a pension deficit of £1,546,000 (2018: £1,060,000).

The fixed assets of the academy trust increased to £8,888,207 (2018: £2,225,683) due to investment in the academy's built estate as part of the Priority Schools Building Programme.

Restricted and unrestricted general reserves were in deficit of £59,847 at 31 August 2019 (2018: surplus of £193,331). The academy has secured a loan facility from the ESFA (£1,433,051) to provide cashflow support going forward until the reserves return to surplus.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

b. 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 2019, no investments were held.

c. 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 which mitigate these risks.

Fundraising

The academy does not engage in any specific fundraising activities

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;
 - 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 additional financial support required by the school;
 - b. Continue in dialogue with the Diocese of Westminster to ensure their commitment to the future of the school is realised.

Funds held as custodian on behalf of others

Neither the academy trust nor any of its directors acts as a custodian trustee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

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 directors, as the company directors, on 23 December 2019 and signed on its behalf by:


John McAleer
Chair of Directors

SALVATORIAN COLLEGE
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GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Salvatorian College academy trust 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 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 academy trust 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the period.

Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Bryant	5	5
Mrs D Carroll	1	1
Mr E Dempsey	4	5
The Revd P Harris	1	2
Mrs F Karanja	5	5
Mr J McAleer, Chairman	4	5
Mrs S Moffatt	4	4
Mr B Morahan	0	0
Mrs M Newton	1	1
Mrs T O'Sullivan	1	1
Mr P O'Connell	2	3
Mrs B O'Reilly	4	5
Mrs M Reynolds	3	5
Mr P Sefton-Williams	2	2
Mr M Tissot, Principal, Accounting Officer	5	5
Mr M Veal	4	5
Mr R Yep	5	5

Directors typically also serve on a number of sub committees, as set out on the school's website.

Resources & HR Committee

The Resources & HR Committee is a sub-committee of the board of directors. The purpose of the Resources & HR Committee is to scrutinise and support the work of the Accounting Officer and to make sure 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.

Audit Committee

The Resources & HR 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 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 period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Bryant	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Mr E Dempsey (Chair)	3	3
Mrs F Karanja	2	3
Mr J McAleer	2	3
Mrs M Reynolds	2	3
Mr M Tissot	3	3
Mr M Veal	2	3
Mr R Yep	3	3

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 trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the period by:

- Revisiting the curriculum offer to ensure further efficiency savings;
- Ensuring that contracts where possible are negotiated centrally by the Cardinal Hume Academies Trust to leverage efficiencies of scale;
- Negotiating gift in kind support from the Cardinal Hume Academies Trust to train and support staff;
- Implementing a programme of redundancies in the administration team to secure savings in staff costs.

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 academy trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (CONTINUED)

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
- 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 Melanie Barker, the Chief Financial Officer of the Cardinal Hume Academies Trust to perform peer review

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The reviewer reports to the board of directors through the Resources & HR Committee. Reports have not indicated any material weakness in the period 1 September 2018 to 31 August 2019.

Review of effectiveness

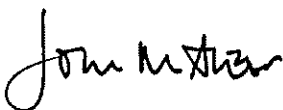
As accounting officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the reviewer,
- 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 23 December 2019 and signed on their behalf by:

Mr John McAleer
Chair of Directors



Mr Martin Tissot
Accounting Officer



SALVATORIAN COLLEGE
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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 2018.

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 2018.

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.



Mr Martin Tissot

Accounting Officer

Date: 23 December 2019

SALVATORIAN COLLEGE
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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.

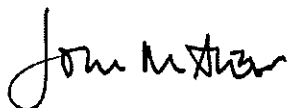
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 directors on 23 December 2019 and signed on its behalf by:

Mr 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

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



FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior Statutory Auditor)

for and on behalf of
Landau Baker Limited

Chartered Accountants

Mountcliff House

154 Brent Street

London

NW4 2DR

23 December 2019

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 27 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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

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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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.

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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)

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 23 December 2019

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	23,131	-	8,981,614	9,004,745	12,559
Charitable activities		-	2,812,215	-	2,812,215	3,185,976
Other trading activities		54,934	124,544	-	179,478	90,589
Investments	6	185	-	-	185	265
Total income		78,250	2,936,759	8,981,614	11,996,623	3,289,389
Expenditure on:						
Charitable activities	8	34,714	3,316,473	2,228,931	5,580,118	4,954,840
Total expenditure		34,714	3,316,473	2,228,931	5,580,118	4,954,840
Net movement in funds before other recognised gains/(losses)		43,536	(379,714)	6,752,683	6,416,505	(1,665,451)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(403,000)	-	(403,000)	281,000
Net movement in funds		43,536	(782,714)	6,752,683	6,013,505	(1,384,451)
Reconciliation of funds:						
Total funds brought forward		101,584	(968,253)	2,225,683	1,359,014	2,743,465
Net movement in funds		43,536	(782,714)	6,752,683	6,013,505	(1,384,451)
Total funds carried forward		145,120	(1,750,967)	8,978,366	7,372,519	1,359,014

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

The notes on pages 26 to 49 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

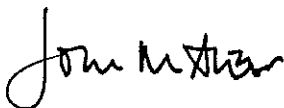
	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	8,888,207	2,225,683
		<u>8,888,207</u>	<u>2,225,683</u>
Current assets			
Debtors	15	50,264	33,101
Cash at bank and in hand		310,914	261,817
		<u>361,178</u>	<u>294,918</u>
Creditors: amounts falling due within one year	16	(212,566)	(101,587)
Net current assets		<u>148,612</u>	<u>193,331</u>
Total assets less current liabilities		<u>9,036,819</u>	<u>2,419,014</u>
Creditors: amounts falling due after more than one year	17	(118,300)	-
Net assets excluding pension liability		<u>8,918,519</u>	<u>2,419,014</u>
Defined benefit pension scheme liability	23	(1,546,000)	(1,060,000)
Total net assets		<u><u>7,372,519</u></u>	<u><u>1,359,014</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	8,978,366	2,225,683
Restricted income funds	18	(204,967)	91,747
		<u>8,773,399</u>	<u>2,317,430</u>
Restricted funds excluding pension asset	18	8,773,399	2,317,430
Pension reserve	18	(1,546,000)	(1,060,000)
Total restricted funds	18	<u>7,227,399</u>	<u>1,257,430</u>
Unrestricted income funds	18	<u>145,120</u>	<u>101,584</u>
Total funds		<u><u>7,372,519</u></u>	<u><u>1,359,014</u></u>

The financial statements on pages 22 to 49 were approved by the trustees, and authorised for issue on 23 December 2019 and are signed on their behalf, by:

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

Mr John McAleer
Chair of Trustees



The notes on pages 26 to 49 form part of these financial statements.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	8,934,859	(69,183)
Cash flows from investing activities	21	(8,885,762)	265
Change in cash and cash equivalents in the year		49,097	(68,918)
Cash and cash equivalents at the beginning of the year		261,817	330,735
Cash and cash equivalents at the end of the year	22	<u>310,914</u>	<u>261,817</u>

The notes on pages 26 to 49 form part of these financial statements

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 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.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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.

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.

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.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **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.

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.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 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 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.

1.11 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.

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.

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 23, 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 2019. 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 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	23,131	-	23,131	7,051
Capital Grants	-	181,614	181,614	5,508
Grants	-	8,800,000	8,800,000	-
	<u>23,131</u>	<u>8,981,614</u>	<u>9,004,745</u>	<u>12,559</u>
<i>Total 2018</i>	<u>7,051</u>	<u>5,508</u>	<u>12,559</u>	

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Academy's educational activities

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
DfE/ESFA grants	2,687,822	2,687,822	3,019,289
Other government grants	104,377	104,377	117,666
Other income	20,016	20,016	49,021
	<u>2,812,215</u>	<u>2,812,215</u>	<u>3,185,976</u>

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Lettings	3,882	-	3,882	-
Other income	12,195	63,379	75,574	63,587
Music income	-	950	950	631
Catering income	-	60,215	60,215	4,100
Trips income	38,857	-	38,857	22,271
	<u>54,934</u>	<u>124,544</u>	<u>179,478</u>	<u>90,589</u>
<i>Total 2018</i>	<u>45,374</u>	<u>45,215</u>	<u>90,589</u>	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	185	185	265

SALVATORIAN COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational activities:					
Direct costs	2,046,983	60,411	204,631	2,312,025	2,398,031
Allocated support costs	610,990	188,457	2,468,646	3,268,093	2,556,809
	<u>2,657,973</u>	<u>248,868</u>	<u>2,673,277</u>	<u>5,580,118</u>	<u>4,954,840</u>
<i>Total 2018</i>	<u>2,743,299</u>	<u>-</u>	<u>2,211,541</u>	<u>4,954,840</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational activities	34,714	5,545,404	5,580,118	4,954,840
<i>Total 2018</i>	<u>65,784</u>	<u>4,889,056</u>	<u>4,954,840</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational activities	2,312,025	3,268,093	5,580,118	4,954,840
<i>Total 2018</i>	<u>2,398,031</u>	<u>2,556,809</u>	<u>4,954,840</u>	

SALVATORIAN COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	2,046,983	2,046,983	1,966,138
Technology costs	71,411	71,411	73,097
Rates	60,411	60,411	46,269
Educational supplies	50,915	50,915	75,811
Agency supply	77,742	77,742	230,581
Other professional services and fees	4,563	4,563	6,135
	<u>2,312,025</u>	<u>2,312,025</u>	<u>2,398,031</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	30,000	30,000	32,000
Staff costs	515,851	515,851	537,970
Depreciation	29,759	29,759	26,076
Other support costs	76,970	76,970	33,896
Repairs and maintenance	14,691	14,691	27,260
Rates	23,513	23,513	29,944
Energy costs	97,785	97,785	71,179
Insurance	11,222	11,222	3,315
Cleaning and caretaking	41,246	41,246	38,608
Loss on disposal of assets	2,199,172	2,199,172	1,438,628
School trips	34,714	34,714	65,784
Transport	12,654	12,654	8,542
Catering	86,653	86,653	74,126
Non-educational contracts	14,163	14,163	18,183
Other supplies and services	39,032	39,032	73,667
Other professional services and fees	28,013	28,013	77,631
Redundancy cost	12,655	12,655	-
	3,268,093	3,268,093	2,556,809

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	29,579	26,076
Loss on disposal of fixed assets	2,199,172	1,438,628
Fees paid to auditors for:		
- audit	4,750	8,750
- other services	3,225	8,350
	7,554	13,504

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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,138,168	1,977,907
Social security costs	130,279	165,773
Pension costs	294,387	360,428
	<u>2,562,834</u>	<u>2,504,108</u>
Agency staff costs	77,742	230,581
Staff restructuring costs	12,655	-
Staff development and other staff costs	4,742	8,610
	<u>2,657,973</u>	<u>2,743,299</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	12,655	-
	<u>12,655</u>	<u>-</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	27	27
Administration and support	24	35
Management	5	4
	<u>56</u>	<u>66</u>

c. Higher paid staff

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

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11. Staff costs (continued)

c. Higher paid staff (continued)

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for the services to the academy trust was £408,659 (2018: £349,446)

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:

		2019 £	2018 £
A Bryant	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000

During the year ended 31 August 2019, no trustee expenses have been incurred (2018 - £NIL).

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.

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14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	2,542,134	46,224	143,217	17,000	2,748,575
Additions	8,800,000	9,115	82,340	-	8,891,455
Disposals	(2,542,134)	-	-	-	(2,542,134)
At 31 August 2019	8,800,000	55,339	225,557	17,000	9,097,896
Depreciation					
At 1 September 2018	342,962	42,700	127,030	10,200	522,892
Charge for the year	-	3,524	22,835	3,400	29,759
On disposals	(342,962)	-	-	-	(342,962)
At 31 August 2019	-	46,224	149,865	13,600	209,689
Net book value					
At 31 August 2019	8,800,000	9,115	75,692	3,400	8,888,207
At 31 August 2018	2,199,172	3,524	16,187	6,800	2,225,683

15. Debtors

	2019 £	2018 £
Due within one year		
Other debtors	38,265	9,155
Prepayments and accrued income	11,999	23,946
	50,264	33,101

16. Creditors: Amounts falling due within one year

2019 £	2018 £
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Creditors: Amounts falling due within one year (continued)

	2019 £	2018 £
Trade creditors	165,033	5,932
Other taxation and social security	36,143	41,015
Other creditors	-	15,400
Accruals and deferred income	11,390	39,240
	<u>212,566</u>	<u>101,587</u>
	2019 £	2018 £
Deferred income at 1 September 2018	39,240	-
Resources deferred during the year	11,390	39,240
Amounts released from previous periods	(39,240)	-
	<u>11,390</u>	<u>39,240</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

	2019 £	2018 £
Other loans	<u>118,300</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
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)
	<u>(968,253)</u>	<u>2,936,759</u>	<u>(3,316,473)</u>	<u>(403,000)</u>	<u>(1,750,967)</u>
Restricted fixed asset funds					
Class II Restricted Funds - all funds	2,225,683	8,981,614	(2,228,931)	-	8,978,366
Total Restricted funds	<u>1,257,430</u>	<u>11,918,373</u>	<u>(5,545,404)</u>	<u>(403,000)</u>	<u>7,227,399</u>
Total funds	<u>1,359,014</u>	<u>11,996,623</u>	<u>(5,580,118)</u>	<u>(403,000)</u>	<u>7,372,519</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 2019.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds					
General Funds - all funds	69,463	97,905	(65,784)	-	101,584
Restricted general funds					
Restricted Funds - all funds	220,122	3,185,977	(3,314,352)	-	91,747
Pension reserve	(1,231,000)	-	(110,000)	281,000	(1,060,000)
	<u>(1,010,878)</u>	<u>3,185,977</u>	<u>(3,424,352)</u>	<u>281,000</u>	<u>(968,253)</u>
Restricted fixed asset funds					
Restricted Funds - all funds	3,684,880	5,507	(1,464,704)	-	2,225,683
Total Restricted funds	<u>2,674,002</u>	<u>3,191,484</u>	<u>(4,889,056)</u>	<u>281,000</u>	<u>1,257,430</u>
Total funds	<u>2,743,465</u>	<u>3,289,389</u>	<u>(4,954,840)</u>	<u>281,000</u>	<u>1,359,014</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	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

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,225,683	2,225,683
Current assets	101,584	193,334	-	294,918
Creditors due within one year	-	(101,587)	-	(101,587)
Provisions for liabilities and charges	-	(1,060,000)	-	(1,060,000)
Total	101,584	(968,253)	2,225,683	1,359,014

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	6,416,505	(1,665,451)
Adjustments for:		
Depreciation	29,759	26,076
Capital grants from DfE and other capital income	(5,508)	(5,507)
Interest receivable	(185)	(265)
Defined benefit pension scheme cost less contributions payable	53,000	78,000
Defined benefit pension scheme finance cost	30,000	32,000
(Increase)/decrease in debtors	(17,163)	67,305
Increase/(decrease) in creditors	229,279	(39,969)
Loss of the disposal of fixed assets	2,199,172	1,438,628
Net cash provided by/(used in) operating activities	8,934,859	(69,183)

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	185	265
Purchase of tangible fixed assets	(8,891,455)	-
Capital grants from DfE Group	5,508	5,507
Capital funding received from sponsors and others	-	(5,507)
Net cash (used in)/provided by investing activities	(8,885,762)	265

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	310,914	261,817
Total cash and cash equivalents	310,914	261,817

23. Pension commitments

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The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for 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 2012 and of the LGPS 31 March 2016.

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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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23. Pension commitments (continued)

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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 valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website- <https://www.teacherspensions.co.uk/public/login.aspx>.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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23. Pension commitments (continued)

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 2019 was £149,000 (2018 - £155,000), of which employer's contributions totalled £124,000 (2018 - £124,000) and employees' contributions totalled £ 25,000 (2018 - £31,000).

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.2	22.2
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.3	24.0
Females	25.0	26.4

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	476	415
Mortality assumption - 1 year increase	109	109
CPI rate +0.5%	407	264
Salary rate +0.5%	59	139

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23. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,085,600	1,842,280
Bonds	369,600	279,840
Property	184,800	186,560
Cash and other liquid assets	-	23,320
Total market value of assets	2,640,000	2,332,000

The actual return on scheme assets was £204,000 (2018 - £112,000).

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

	2019 £	2018 £
Current service cost	(152,000)	(202,000)
Past service cost	(25,000)	-
Interest income	67,000	54,000
Interest cost	(97,000)	(86,000)
Total amount recognised in the Statement of Financial Activities	(207,000)	(234,000)

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

	2019 £	2018 £
At 1 September	3,392,000	3,353,000
Current service cost	152,000	202,000
Interest cost	97,000	86,000
Employee contributions	25,000	31,000
Benefits paid	(45,000)	(57,000)
Actuarial losses/(gains)	540,000	(223,000)
Past service costs	25,000	-
At 31 August	4,186,000	3,392,000

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	2,332,000	2,122,000
Interest income	67,000	54,000
Expected return on assets	137,000	58,000
Employers contributions	124,000	124,000
Employee contributions	25,000	31,000
Benefits paid	(45,000)	(57,000)
At 31 August	<u>2,640,000</u>	<u>2,332,000</u>

24. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £
Not later than 1 year	18,810
Later than 1 year and not later than 5 years	4,650
	<u>23,460</u>

25. Members' liability

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

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26. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

In the financial year ended 31 August 2019, the Salvatorian College Academy Trust entered into related party transactions with the Cardinal Hume Academies Trust, as a result of a Memorandum of Understanding, to provide strategic leadership and support. Martin Tissot, who is ex-officio Director of the Salvatorian College Academies Trust, is also a Director and Chief Executive Officer of the Cardinal Hume Academies Trust.

Staff were seconded to 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 exception to this was the services of the Executive Headteacher, Martin Tissot, who was 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 2019 equated to £68,856 (2018: £63,610).

