

**Company Registration No. 08134861 (England and Wales)**

**SALVATORIAN COLLEGE**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

# **SALVATORIAN COLLEGE**

## **CONTENTS**

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	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 15
Governance statement	16 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditor's report on the accounts	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28 - 29
Balance sheet	30
Statement of cash flows	31
Notes to the accounts including accounting policies	32 - 55

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# SALVATORIAN COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mr John McAleer (Chair of Directors)  
Fr Richard Mway Zeng  
Fr Frank Waters  
Fr Henry Nevin

### Trustees

The Revd Paul Harris (Appointed 1 September 2017)  
Ms Florence Karanja (Appointed 1 September 2017)  
Mr John McAleer (Chair of Trustees)  
Mr Brendan Morahan (Chair of the Resources Committee)  
(Resigned 1 October 2018)  
Mrs Theresa Mary O'Sullivan (Resigned 7 October 2018)  
Mrs Margaret Mary Reynolds  
Mr Michael Veal (Appointed 1 September 2017)  
Mr Ronald Yep (Appointed 1 September 2017)  
Mr Kevin Daly (Resigned 28 March 2018)  
Mrs Debbie Carroll (Resigned 6 October 2018)  
Mrs Margaret Newton (Resigned 6 October 2018)  
Mrs Bernadette O'Reilly  
Ms Justyna Fajfer-Wieczorek (Resigned 4 September 2017)  
Mr Martin Tissot (Appointed 1 September 2017)  
Mr Alan Bryant (Appointed 22 September 2018)  
Mr Edward Dempsey (Appointed 22 February 2018)

### Senior management team

- Executive Headteacher	Mr M Tissot (Appointed 01 September 2017)
- Head of School	Mr A Bryant (Appointed 01 September 2017)
- Deputy Headteacher	Ms A Thomas (Appointed 01 September 2017)
- Deputy Headteacher	Mr A Coker
- Assistant Headteacher	Mr D Cooper

**Company registration number** 08134861 (England and Wales)

**Principal address** High Road  
Harrow Weald  
Middlesex  
HA3 5DY

**Registered office** High Road  
Harrow Weald  
Middlesex  
HA3 5DY

## **SALVATORIAN COLLEGE**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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

**Bankers** Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

**Solicitors** Stone King LLP  
Boundary House  
91 Charterhouse Street  
Clerkenwell  
London  
EC1M 6HR

# SALVATORIAN COLLEGE

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Trustees present their annual report together with the financial statements and Auditors' Report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS 102).

The Trust operates Salvatorian College, a secondary Academy in Harrow, Greater London. The Academy has a pupil capacity of 687 and had a roll of 427 in the school census on 4 October 2017.

#### **Structure, governance and management**

##### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Academy Trust was incorporated on 9 July 2012, in the name of Salvatorian College, and commenced as an Academy on 1 August 2012. The Academy has entered into a funding agreement with the Department for Education which provides the framework within which the Academy must operate.

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

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

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

## **SALVATORIAN COLLEGE**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018**

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#### Method of recruitment and appointment or election of Trustees

The initial Members of the Academy Trust shall be the subscribers to the Memorandum of Association, who are the people described below in (2)-(5).

The subsequent Members of the Academy Trust shall 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 the 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

When required, new Trustees are recruited through the following ways:

- Foundation Governor – appointed by the Society of the Divine Saviour;
- Parent and Staff Governor – through nomination and election process held by the school;
- Co-opted and Associate Governor – nominated and elected by the Governors.

The Secretary of State for Education may appoint Trustees in certain circumstances; no such appointments were made in the year under review.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to either the headteacher or the Staff Trustee. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

A Trustee shall cease to hold office if he resigns his office by notice to the Academy (but only if at least 3 Trustees will remain in office when the notice of resignation is to take effect).

A Trustee shall cease to hold office if he is removed by the person or persons who appointed him. The Article does not apply in respect of a Parent Trustee.

## **SALVATORIAN COLLEGE**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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##### Policies and procedures adopted for the induction and training of Trustees

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

Trustees are given information on:

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

An annual skills audit informs training needs of Trustees. The board is provided with training through Stone King LLP, and through courses run by the Diocese of Westminster Education Service. In-house training is organised as and when required. The Trustees are informed of external training opportunities.

New Trustees are mentored by existing Trustees.

##### Organisational structure

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

The Trustees through the Governing Body are responsible for the strategic direction of the Academy Trust, setting policy and agreeing the annual budget. Trustees are also responsible for monitoring the work of the Academy and ensuring the objectives of the Academy are achieved.

In addition to the full board of Trustees meetings, Salvatorian College has a committee structure: the main committees are: Resources & HR; School Improvement; and Pupil Welfare, Ethos and Admissions.

Decisions on the day-to-day operation of the school are made by the Executive Headteacher, who reports to the Trustees via the Governing Body. The Executive Headteacher and Head of School are required to provide strategic leadership and management of the Academy; they are assisted by two Deputy Headteachers, and one Assistant Headteacher. These staff members comprise the Senior Leadership Team.

The Chair of the Board meets regularly with the Executive Headteacher and Head of School and all Governors visit Salvatorian College to make first hand observations of the work of the Academy. Reports of these visits are shared with all Trustees.

The Executive Headteacher is the 'Accounting Officer' of Salvatorian College.  
The Business Manager is the 'Chief Financial Officer' of Salvatorian College.

##### Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay of all staff, including key management personnel is set out in the Academy Trust's Pay Policy document and the Governors Expenses and Allowances Policy.

## **SALVATORIAN COLLEGE**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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##### Related parties and other connected charities and organisations

The Academy Trust 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.

In May 2017, the Trustees of Salvatorian College entered into a Memorandum of Understanding effective for a period of two years from 1 September 2017 with the Cardinal Hume Academies Trust. The Memorandum of Understanding sets out the commitment of the Cardinal Hume Academies Trust to offer leadership and staffing support to Salvatorian College. In practice this has meant the appointment of Mr Martin Tissot as Executive Headteacher, following the resignation of Mr Paul Kassapian on 31/08/2017.

##### **Objectives and activities**

###### Objects and aims

The Academy's objectives are set out in the governing document, 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 designated as such ("the Academy") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and in particular 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.

###### Objectives, strategies and activities

The key objectives of Salvatorian College, and those towards which activities were directed during the year ended 31 August 2018 were:

- To secure a Progress 8 score of 0.2;
- To benchmark and improve the attainment of the highly able;
- To focus, teaching and non-teaching staff, on the progress of the disadvantaged group and thereby improve attainment.
- To secure lifting of the DfE Financial Notice to Improve;
- To consolidate Ofsted 'good' to get the school to Ofsted 'outstanding';
- To ensure the building programme moves ahead delivering an optimal solution for the new school;
- To spread the good news about the revival of Salvatorian College so that numbers on roll increase (decline less rapidly).

The key priorities of Salvatorian College during the year ended 31 August 2018 were:

- To embed the core elements of operational management used in other schools across the Cardinal Hume Academies Trust;
- To secure an improvement in pupil behaviour;
- To ensure homework setting, homework expectations and monitoring are improved;
- To embed Go4Schools so that it provides clear data as to pupil progress;
- To be Section 48 ready so that the results of the inspection are good / outstanding;
- To ensure the new build is producing what is wanted and is managed by the school to ensure optimum conditions for current pupils – especially Years 10 and 11.



## **SALVATORIAN COLLEGE**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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#### Public benefit

In setting the objectives and aims of the Academy Trust, the Governing Board have given due consideration to the Charity Commission's general guidance on public benefit as well as to the supplementary public benefit guidance on advancing education.

Specifically, the Academy Trust has undertaken the following activities for the public benefit:

- Salvatorian College has provided education to all registered students;
- Salvatorian College has opened its facilities for community use;
- Salvatorian College has worked in partnership with local primary schools to provide enhanced curriculum and support for teaching and learning.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

# SALVATORIAN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Strategic report

#### Key performance indicators

#### Examination Results

	2018	2017	2016	2015	2014	2013
<b>Progress 8</b>	<b>+0.61</b>	<b>-0.08</b>	<b>+0.14</b>	-	-	-
<b>Attainment 8</b>	<b>55.3</b>	<b>48.5</b>	<b>56.23</b>	-	-	-
<b>English &amp; Maths (Grade 4+)</b>	<b>78%</b>	<b>67%</b>	<b>78%</b>	66%	71%	
<b>English</b>						
9-4 (A*-C)	94%	70%	93%	71%	76%	58%
Progress 8	+0.94	+0.07	+0.51	-	-	-
<b>Maths</b>						
9-4 (A*-C)	81%	72%	79%	74%	79%	74%
Progress 8	+0.27	-0.23	+0.00	-	-	-
<b>English Baccalaureate (5+)</b>	<b>50%</b>	<b>29%</b>	<b>41%</b>	34%	32%	39%
<b>Ebacc P8</b>	<b>+0.73</b>	<b>-0.32</b>	<b>-0.08</b>	-	-	-
<b>Open element P8</b>	<b>+0.48</b>	<b>+0.16</b>	<b>+0.28</b>	-	-	-
<b>5A*-C inc English and maths</b>	<b>74%</b>	<b>70%</b>	<b>75%</b>	59%	63%	52%

In terms of cohort size, there were 111 students on roll in Year 11. The schools attainment, as measured by Attainment 8, is 55.3 – which represents an increase of 6.8. Attainment in English & Maths are both above the national average. Pupils achieving a Grade 4+ in English and Maths is 78%, which is a 11% increase on last year. In addition, both Maths and English show a positive Progress 8 score (+0.94 for English and +0.27 for Maths).

The school's Progress 8 score is +0.61 and this equates to an ALPs score of 3, putting Salvatorian College in the top 25% of schools in ALPs. This Progress 8 score represents an increase of +0.69 from last year and means that Salvatorian College is in the top 300 state-funded schools in England. The percentage of students achieving a grade 4 or above in the Ebacc increased to 50% (2016 - 29%).

The progress and attainment of pupil premium pupils has improved since last year. The Progress 8 score for Pupil Premium students in 2018 is +0.21, which is significantly up on 2017 when the score was -0.54. A gap does exist before PP and non-PP students, however because both scores are positive, this is not significant.

## SALVATORIAN COLLEGE

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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<i>Headline Figures</i>	<b>PP 2018</b>	<b>Non-PP 2018</b>	<b>All Pupils 2018</b>
<b>Progress 8</b>	<b>+0.21</b>	<b>+0.77</b>	<b>+0.61</b>
<b>Attainment 8</b>	<b>45</b>	<b>59</b>	<b>55.3</b>
<b>5A*-C inc English and maths</b>	<b>55%</b>	<b>80%</b>	<b>74%</b>
<b>English &amp; Maths (Grade 4+)</b>	<b>59%</b>	<b>84%</b>	<b>78%</b>

Pupils across all prior attainment ranges made good progress in 2018. Students that had lower prior attainment in KS2 made the most progress, achieving a Progress 8 score of +1.64. Students with higher prior attainment made significant progress, with a score of +0.84. Middle prior attainment pupils made the least progress out of the groups, with a score of +0.24.

<i>Headline Figures</i>	<b>Higher Prior Attainment</b>	<b>Middle Prior Attainment</b>	<b>Lower Prior Attainment</b>
<b>Progress 8</b>	<b>+0.84</b>	<b>+0.24</b>	<b>+1.64</b>
<b>Attainment 8</b>	<b>70.24</b>	<b>43.74</b>	<b>42.69</b>
<b>English &amp; Maths (Grade 5+)</b>	<b>90.5%</b>	<b>19.2%</b>	<b>12.5%</b>

Looking at progress in individual subject performance, English Literature, History, English Language, Physics, RE, Geography, Biology, Mathematics, Art, PE, Combined Science and Chemistry achieved better than national expectations.

The subjects that did not perform as well are DT, Drama, Spanish, French and Photography.

#### *Ofsted*

Salvatorian College was inspected on 25 January 2017 and the report of this inspection was published on 27 February 2017 which judged the effectiveness of school to be 'Good' in all categories. This represents progress on the previous Ofsted report published on 12 January 2015 which judged the overall effectiveness of the school to be 'Requires Improvement'.

## SALVATORIAN COLLEGE

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2018

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

Ratio analysis and benchmarking (using the Education and Skills Funding Agency Benchmarking Tool) is performed annually to ensure that the Academy is applying its resources efficiently and effectively to achieve the best possible educational outcomes.

- Total Income Grants: £3,191,484 (2017: £3,567,565)
- Unrestricted income (excludes income from grants & delegated funding) as a percentage of total income: 3% (2017: 3%)
- Net (outgoing) resources (before transfers and pension adjustments): (£1,665,451) (2017: (£2,159,358))
- Salary Expenditure: £2,743,299 (2017: £2,710,706)
- Staff costs as a percentage of total costs (excluding depreciation, loss on disposal of assets, and net interest on pension liability): 79% (2017: 81%)
- Staff costs as a percentage of grant income: 86% (2017: 76%)
- Current Ratio (current assets/current liabilities) 2.9:1 (2017: 3.04:1)
- Liquidity: £294,918 cash at bank and in hand (2017: £330,735)

#### Going concern

The Education and Skills Funding Agency has approved an advance of funding to the value of £283,051, in addition to the designated school budget share, to cover negative cash flow for the remainder of 2018/19 and provide the trust with a small carry forward surplus. Given this commitment of funding, a constructive dialogue with the ESFA, and a strong partnership with the Cardinal Hume Academies Trust, the Board of Trustees expect that the Academy will have adequate resources to continue in operational existence for the next 12 months. For this reason, it continues 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 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 limited to specific purposes. The grants received from the ESFA during the year ended 31 August 2018, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018 Salvatorian College had net expenditure for the year of £1,665,451 (2017: £2,159,358). Included in the expenditure is a charge of £1,438,628 relating to the disposal of tangible fixed assets. This relates to the demolition of part of the school's built estate to facilitate the Priority Schools Building Programme rebuild. When this charge is removed, net deficit for the year is £226,823. At 31 August 2018, the school had net current assets of £193,331 (2017: £289,585) and net assets of £1,359,014 (2017: £2,743,465).

## SALVATORIAN COLLEGE

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2018

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##### Reserves policy

The reserves of the Academy Trust at 31 August 2018 were £1,359,014 (2017: £2,743,465).

The fixed assets of the Trust decreased to £2,225,683 (2017: £3,684,880) in 2017-18, due in principal to the demolition of part of the school estate to facilitate the Priority Schools Building Programme. Under the programme, the new school building when completed is transferred as an asset in its entirety to the Trust. The temporary decrease in fixed assets is not considered by the Trustees to have a material impact on the operation of the Academy Trust.

Free reserves represent restricted and unrestricted general reserves and these total £193,331. The Trustees have agreed that there should be an appropriate level of reserves that represents the amounts deemed necessary to deal with unexpected emergencies.

The Trust maintains a designated fund; the 'Deo Duce' fund. According to the scheme of delegation, Governors must give approval for expenditure from this fund.

The level of funds available for the general purpose of the Trust at 31 August 2018 was £193,331 (2017: £289,585).

##### Investment policy

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

##### Principal risks and uncertainties

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

The majority of the Academy Trust's funding is derived from the Department for Education via the Education and Skills Funding Agency. The Trustees consider the continued payment of this funding to be secure. The level of funding is calculated based on pupil numbers as recorded in the census of the previous October. The most significant risks relating to this income is a decline in pupil numbers, or a change in the formula used in the calculation, resulting from changes in government policy on school funding.

The education sector is one in which there is constant change. There is continual need to identify and address risks and uncertainty. This responsibility is shared by the Trustees and Senior Leadership Team. The Trust has adopted a policy whereby risks are monitored on a likelihood and impact basis. As such, the key risks facing the Trust are as follows:

##### **Pupil Numbers**

Year 7 admission numbers have returned to growth following several years of decline. In due course this will feed through to a growth in overall pupil numbers. Should pupil numbers not grow as quickly as anticipated, there will be a negative impact on the underlying school funding allocation.

## **SALVATORIAN COLLEGE**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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##### **Cash flow and liquidity**

Pupil numbers are forecast to decline to a minimum in 2019-20, before recovering steadily. An independent report was commissioned by the Regional Schools Commissioner in March 2018, and concluded that changes made through the partnership with the Cardinal Hume Academies Trust will ensure the viability of the College through increasing enrolment.

In order to execute its statutory responsibilities, the Trust has identified a minimum number of staff required to operate a broad and balanced curriculum, and to execute the support staff functions required to maintain the operations of the school. A School Resource Management Advisor (SRMA) sent to us by the Department for Education has confirmed his belief that the Executive and Trustees have made proposals to make the school financially viable in the short term and have implemented the recommendations that enable optimal level of efficiency savings that are reasonably practicable.

The Trustees and Executive maintain a regular and open dialogue with the Department for Education regarding the additional funding that will be required to operate the school until pupil numbers return to sustainable levels.

##### **Reserve balances**

The Trust operated an in-year deficit budget last year, reducing the funds held in reserve. Financial forecasting shows that the Trust is likely to operate deficit budgets against ESFA grant income for several years until pupil numbers return to a sustainable level. The Trustees have received assurances from the Department for Education that should reserves be depleted, they would look to fund any deficits via repayable grant funding.

##### **Rebuild**

The school is being rebuilt under the Priority Schools Building Programme. The programme has experienced delays owing to unexpected asbestos finds. Any delay in returning to the completed new building negatively affects pupil intake and thus funding.

##### **Credit Risk**

The Trustees consider the Trust to have a low level of credit risk exposure. The Trust has low debtor balances. The Finance Department monitors debtor balances on an ongoing basis.

##### **Other risks**

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

##### **Prospects for joining a Multi Academy Trust**

The Trustees acknowledge the Government's request for single Academy Trusts to consider joining Multi Academy Trusts (MATs). Consideration of joining a MAT was also one of the terms of the FNTI issued in January 2016. Following consideration of various options for joining a MAT, the Academy Trust entered into a two year working partnership with the Cardinal Hume Academies Trust, who have provided strategic direction and staffing support. This partnership has enabled access to the benefits of a MAT, including access to expertise and resources which would normally be unavailable to a single academy trust. The Trustees continue to work closely with the Cardinal Hume Academies Trust, with a view to extending the working partnership, and exploring how the legal and financial barriers to subsumption of Salvatorian College into the Cardinal Hume Academies Trust could be overcome.

## SALVATORIAN COLLEGE

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2018

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##### Equal Opportunities and Disabled persons policies (Equalities Policy)

The Academy Trust's policy on equal opportunities outlines the commitment of the staff and Governors of Salvatorian College to ensure that equality of opportunity is available to all members of the Trust community. For our Trust this means, not simply treating everybody the same but, understanding and tackling the different barriers which could lead to unequal outcomes for different groups of students in the School. It also means celebrating and valuing the equal opportunity achievements and strengths of all members of the School community. These include: -

- Students
- Teaching staff
- Support staff
- Parents/carers
- Community governors
- Multi-agency staff linked to the Trust
- Visitors to the Trust and Academies
- Students on placement

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

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

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

##### Employee Information Policy

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

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

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

## **SALVATORIAN COLLEGE**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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##### **Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- approach to fundraising
- work with, and oversight of, any commercial participators / professional fundraisers
- fundraising conforming to recognised standards
- monitoring of fundraising carried out on its behalf
- fundraising complaints
- protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Trustees may also find it helpful to refer to the Charity Commission publication “Charity fundraising : a guide to trustee duties (CC20)”.

##### **Plans for future periods**

1. To ensure Salvatorian College is an oversubscribed, Ofsted ‘Outstanding’ school in the future, we will:
  - maintain the improved results for pupil progress and attainment achieved in 2017-18 with support from the Cardinal Hume Academies Trust;
  - further develop relationships with local Catholic feeder primary schools to ensure school improvements are effectively communicated to parents;
  - embed the processes and procedures of the Cardinal Hume Academies Trust, recognised to be ‘Outstanding’ at other Trust schools;
  - explore routes by which Salvatorian College could be assumed fully into the Cardinal Hume Academies Trust;
  - monitor the progress of the Priority School Building Project and ensure facilities are fit for purpose.
2. To ensure financial security for Salvatorian College, we will:
  - continue a regular and open dialogue with the Department for Education regarding the additional financial support required by the school;
  - continue in dialogue with the Diocese of Westminster to ensure their commitment to the future of the school is realised.

##### **Funds held as custodian trustee on behalf of others**

Neither the Academy Trust nor any of its Trustees act as a Custodian Trustee.



**SALVATORIAN COLLEGE**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

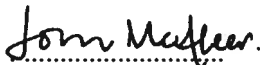
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**Auditor**

In so far as the Trustees are aware:

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

Approved by order of the members of the governing body on...21/12/2018..... and signed on its behalf by:



Mr John McAleer  
Chair of Trustees

# SALVATORIAN COLLEGE

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Salvatorian College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the 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 Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees met four times during the year ended 31 August 2018. Attendance by Trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
The Revd Paul Harris (Appointed 1 September 2017)	2	4
Ms Florence Karanja (Appointed 1 September 2017)	4	4
Mr John McAleer (Chair of Trustees)	3	4
Mr Brendan Morahan (Chair of the Resources Committee) (Resigned 1 October 2018)	4	4
Mrs Theresa Mary O'Sullivan (Resigned 7 October 2018)	0	4
Mrs Margaret Mary Reynolds	4	4
Mr Michael Veal (Appointed 1 September 2017)	4	4
Mr Ronald Yep (Appointed 1 September 2017)	3	4
Mr Kevin Daly (Resigned 28 March 2018)	0	0
Mrs Debbie Carroll (Resigned 6 October 2018)	4	4
Mrs Margaret Newton (Resigned 6 October 2018)	3	4
Mrs Bernadette O'Reilly	4	4
Ms Justyna Fajfer-Wieczorek (Resigned 4 September 2017)	0	0
Mr Martin Tissot (Appointed 1 September 2017)	4	4
Mr Alan Bryant (Appointed 22 September 2018)	3	3
Mr Edward Dempsey (Appointed 22 February 2018)	3	3

## SALVATORIAN COLLEGE

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2018

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##### **Resources & HR Committee**

The Resources & HR Committee is a sub-committee of the board of Trustees. The purpose of the Resources & HR Committee is to scrutinise and support the work of the Accounting Officer in managing and monitoring the organisation's finances, staffing, and premises matters. The Resources & HR Committee also assumes the responsibilities for audit as outlined in the Academies Financial Handbook, includes to:

- Recommend the appointment of the auditors;
- Act as the investigating body in the event of any accusation of fraud;
- Oversee the year end process;
- Receive the response from the appointed Auditors;
- Recommend adjustments to the practice of the finance function based on the auditors findings;
- Receive and recommend the adoption or rejection of the Annual Accounts to the board of Trustees.

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

The Resources & HR Committee met four times during the year ended 31 August 2018. Attendance by Trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Ms Florence Karanja (Appointed 1 September 2017)	3	3
Mr John McAleer (Chair of Trustees)	3	3
Mr Brendan Morahan (Chair of the Resources Committee) (Resigned 1 October 2018)	3	3
Mrs Margaret Mary Reynolds	3	3
Mr Michael Veal (Appointed 1 September 2017)	1	3
Mr Ronald Yep (Appointed 1 September 2017)	2	3
Mr Martin Tissot (Appointed 1 September 2017)	2	3
Mr Edward Dempsey (Appointed 22 February 2018)	1	3

##### **Audit Committee**

The Resources & HR Committee also fulfils the remit of the Audit Committee. Its purpose is to:

- Recommend the appointment of auditors;
- Act as the investigating body in the event of any accusation of fraud;
- Oversee the year end process;
- Receive the response from the appointed Auditors;
- Recommend adjustments to the practice of the finance function based on auditors findings;
- Receive and recommend the adoption or rejection of the Annual Accounts to the board of Trustees.

## SALVATORIAN COLLEGE

### GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr John McAleer (Chair of Trustees)	3	4
Mr Brendan Morahan (Chair of the Resources Committee) (Resigned 1 October 2018)	4	4
Mrs Margaret Mary Reynolds	4	4
Mr Kevin Daly (Resigned 28 March 2018)	0	2
Mrs Margaret Newton (Resigned 6 October 2018)	3	4

#### **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 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 purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Salvatorian College for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

## **SALVATORIAN COLLEGE**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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##### **The risk and control framework**

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

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

The board of Trustees considered the need for a specific internal audit function and decided not to appoint an internal auditor for the year ended 31 August 2018. However, the Trustees have appointed a Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. From March 2017, external scrutiny of Salvatorian College's risk and control framework has also been provided by a chartered accountant from the Cardinal Hume Academies Trust.

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

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

On an annual basis, this is reported to the board of Trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

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

##### **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 Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

**SALVATORIAN COLLEGE**

**GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 21/12/2018 and signed on its behalf by:



Mr John McAleer  
Chair of Trustees



Mr Martin Tissot

**SALVATORIAN COLLEGE**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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As Accounting Officer of Salvatorian College Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Mr Martin Tissot  
**Accounting Officer**



21/12/2018

## SALVATORIAN COLLEGE

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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The Trustees (who act as Governors of Salvatorian College and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

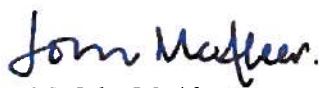
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the governing body on.....21/12/18..... and signed on its behalf by:



Mr John McAleer  
Chair of Trustees



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALVATORIAN  
COLLEGE  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Opinion**

We have audited the accounts of Salvatorian College for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

**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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

**Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the academy trust'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 charitable company, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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



**Subarna Banerjee (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young**

28/12/18

**Chartered Accountants  
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO SALVATORIAN COLLEGE AND THE EDUCATION & SKILLS  
FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 21 May 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salvatorian College during the period 1 September 2017 to 31 August 2018 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 the 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 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 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 Trust's income and expenditure.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO SALVATORIAN COLLEGE AND THE EDUCATION & SKILLS  
FUNDING AGENCY (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*UHY Hacker Young*

**Reporting Accountant**

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

Dated: ...28/12/18

**SALVATORIAN COLLEGE**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	7,051	-	5,507	12,558	56,903
Charitable activities:						
- Funding for educational operations	4	-	3,185,977	-	3,185,977	3,543,094
Other trading activities	5	90,589	-	-	90,589	76,551
Investments	6	265	-	-	265	313
<b>Total income and endowments</b>		<u>97,905</u>	<u>3,185,977</u>	<u>5,507</u>	<u>3,289,389</u>	<u>3,676,861</u>
<b>Expenditure on:</b>						
Raising funds	7	-	-	-	-	39,833
Charitable activities:						
- Educational operations	8	65,784	3,424,352	1,464,704	4,954,840	5,796,386
<b>Total expenditure</b>	7	<u>65,784</u>	<u>3,424,352</u>	<u>1,464,704</u>	<u>4,954,840</u>	<u>5,836,219</u>
<b>Net income/(expenditure)</b>		32,121	(238,375)	(1,459,197)	(1,665,451)	(2,159,358)
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	19	-	281,000	-	281,000	770,000
<b>Net movement in funds</b>		32,121	42,625	(1,459,197)	(1,384,451)	(1,389,358)
<b>Reconciliation of funds</b>						
Total funds brought forward		69,463	(1,010,878)	3,684,880	2,743,465	4,132,823
Total funds carried forward		<u>101,584</u>	<u>(968,253)</u>	<u>2,225,683</u>	<u>1,359,014</u>	<u>2,743,465</u>

SALVATORIAN COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	32,432	-	24,471	56,903
Charitable activities:					
- Funding for educational operations	4	-	3,543,094	-	3,543,094
Other trading activities	5	76,551	-	-	76,551
Investments	6	313	-	-	313
<b>Total income and endowments</b>		<u>109,296</u>	<u>3,543,094</u>	<u>24,471</u>	<u>3,676,861</u>
<b>Expenditure on:</b>					
Raising funds	7	39,833	-	-	39,833
Charitable activities:					
- Educational operations	8	-	3,364,669	2,431,717	5,796,386
<b>Total expenditure</b>	7	<u>39,833</u>	<u>3,364,669</u>	<u>2,431,717</u>	<u>5,836,219</u>
<b>Net income/(expenditure)</b>		69,463	178,425	(2,407,246)	(2,159,358)
Transfers between funds		-	(10,411)	10,411	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	19	-	770,000	-	770,000
<b>Net movement in funds</b>		69,463	938,014	(2,396,835)	(1,389,358)
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(1,948,892)	6,081,715	4,132,823
Total funds carried forward		<u>69,463</u>	<u>(1,010,878)</u>	<u>3,684,880</u>	<u>2,743,465</u>

**SALVATORIAN COLLEGE**

**BALANCE SHEET**

**AS AT 31 AUGUST 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,225,683		3,684,880
<b>Current assets</b>					
Debtors	14	33,101		100,406	
Cash at bank and in hand		261,817		330,735	
			294,918		431,141
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(101,587)		(141,556)	
<b>Net current assets</b>			193,331		289,585
<b>Net assets excluding pension liability</b>			2,419,014		3,974,465
Defined benefit pension scheme liability	19	(1,060,000)		(1,231,000)	
<b>Net assets</b>			1,359,014		2,743,465
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset funds	17		2,225,683		3,684,880
- Restricted income funds			91,747		220,122
- Pension reserve			(1,060,000)		(1,231,000)
<b>Total restricted funds</b>			1,257,430		2,674,002
<b>Unrestricted income funds</b>	17		101,584		69,463
<b>Total funds</b>			1,359,014		2,743,465

The accounts on pages 28 to 55 were approved by the Trustees and authorised for issue on 21/12/18... and are signed on their behalf by:

*John McAleer*

Mr John McAleer  
Chair of Trustees

Company Number 08134861



**SALVATORIAN COLLEGE**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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		2018		2017	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	20		(69,183)		87,121
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		265		313	
Capital grants from DfE		5,507		24,471	
Purchase of tangible fixed assets		(5,507)		(34,882)	
		<u>        </u>		<u>        </u>	
<b>Net cash provided by/(used in) investing activities</b>			265		(10,098)
<b>Cash flows from financing activities</b>					
Repayment of other loan		-		(200,000)	
		<u>        </u>		<u>        </u>	
<b>Net cash used in financing activities</b>			-		(200,000)
			<u>        </u>		<u>        </u>
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(68,918)		(122,977)
Cash and cash equivalents at beginning of the year			330,735		453,712
			<u>        </u>		<u>        </u>
<b>Cash and cash equivalents at end of the year</b>			<u>261,817</u>		<u>330,735</u>

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# SALVATORIAN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

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

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 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 basis for the preparation of these accounts. In making this assessment, the Trustees give due regard to whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

During the year ended 31 August 2018 Salvatorian College had net expenditure for the year of £1,665,451 (2017: £2,159,358). Included in the expenditure is a charge of £1,438,628 relating to the disposal of tangible fixed assets. This relates to the demolition of part of the school's built estate to facilitate the Priority Schools Building Programme rebuild. When this charge is removed, net deficit for the year is £226,823. At 31 August 2018, the school had net current assets of £193,331 (2017: £289,585) and net assets of £1,359,014 (2017: £2,743,465).

The Education and Skills Funding Agency has approved an advance of funding to the value of £283,051, in addition to the designated school budget share, to cover negative cash flow for the remainder of 2018/19 and provide the trust with a small carry forward surplus. Given this commitment of funding, a constructive dialogue with the ESFA, and a strong partnership with the Cardinal Hume Academies Trust, the Board of Trustees expect that the Academy will have adequate resources to continue in operational existence for the next 12 months. For this reason, it continues 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 Statement of Accounting Policies.

#### 1.3 Income

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

# SALVATORIAN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### I Accounting policies

(Continued)

#### 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1 Accounting policies**

**(Continued)**

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

**1.5 Tangible fixed assets and depreciation**

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

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

# SALVATORIAN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

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

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

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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. 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.

# SALVATORIAN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

##### 1.9 Taxation

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

##### 1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The 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 are 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

##### 1.11 Fund accounting

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

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

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

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018

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**1 Accounting policies**

**(Continued)**

**1.12 Financial instruments**

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

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

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

**1.13 Financial assets**

Basic financial assets

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1 Accounting policies**

**(Continued)**

**1.14 Financial liabilities**

Classification of financial liabilities

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

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

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

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

Derecognition of financial liabilities

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



# SALVATORIAN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

#### Pension Liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Depreciation

The Trustees estimate the useful economic lives and residual values of buildings, computer equipment, furniture and fittings and motor vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the profit and loss account and the balance sheet.

#### Critical areas of judgement

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

### 3 Donations and capital grants

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Capital grants	-	5,507	5,507	24,471
Other donations	7,051	-	7,051	32,432
	<u>7,051</u>	<u>5,507</u>	<u>12,558</u>	<u>56,903</u>

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

**4 Funding for the academy trust's educational operations**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	2,907,524	2,907,524	3,247,372
Other DfE group grants	-	160,787	160,787	133,267
	-	3,068,311	3,068,311	3,380,639
<b>Other government grants</b>				
Local authority grants	-	113,958	113,958	145,100
Special educational projects	-	3,708	3,708	17,355
	-	117,666	117,666	162,455
<b>Total funding</b>	-	3,185,977	3,185,977	3,543,094

**5 Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	3,220	-	3,220	9,780
Music tuition	400	-	400	-
Trips	22,271	-	22,271	50,347
Other income	64,698	-	64,698	16,424
	90,589	-	90,589	76,551

**6 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	265	-	265	313

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**7 Expenditure**

	<b>Staff costs</b>	<b>Non Pay Expenditure</b>		<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>Premises</b>	<b>Other</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expenditure on raising funds					
- Direct costs	-	-	-	-	39,833
Academy's educational operations					
- Direct costs	2,138,479	-	252,771	2,391,250	2,455,959
- Allocated support costs	604,820	1,644,493	314,277	2,563,590	3,340,427
	<u>2,743,299</u>	<u>1,644,493</u>	<u>567,048</u>	<u>4,954,840</u>	<u>5,836,219</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2018</b>	<b>2017</b>
				<b>£</b>	<b>£</b>
Fees payable to auditor for:					
- Audit				8,750	8,500
- Other services				8,350	8,025
Depreciation of tangible fixed assets				26,076	38,107
Loss on disposal of fixed assets				1,438,628	2,393,610
Net interest on defined benefit pension liability				32,000	38,000
				<u>1,495,754</u>	<u>2,852,242</u>

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**8 Charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Direct costs</b>				
Educational operations	65,784	2,325,466	2,391,250	2,455,959
<b>Support costs</b>				
Educational operations	-	2,563,590	2,563,590	3,340,427
	<u>65,784</u>	<u>4,889,056</u>	<u>4,954,840</u>	<u>5,796,386</u>

	2018 £	2017 £
<b>Analysis of support costs</b>		
Support staff costs	604,820	559,776
Depreciation	1,464,704	2,431,717
Technology costs	91,881	29,688
Premises costs	179,789	105,196
Other support costs	196,533	193,595
Governance costs	25,863	20,455
	<u>2,563,590</u>	<u>3,340,427</u>

**9 Staff**

**Staff costs**

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	1,977,907	1,741,333
Social security costs	165,773	175,909
Pension costs	360,428	373,764
Staff costs	<u>2,504,108</u>	<u>2,291,006</u>
Agency staff costs	230,581	402,434
Staff development and other staff costs	8,610	17,266
Total staff expenditure	<u>2,743,299</u>	<u>2,710,706</u>

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**9 Staff**

**(Continued)**

**Staff numbers**

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

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Teachers	18	24
Administration and support	30	28
Management	2	2
	<u>50</u>	<u>54</u>

**Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
	<u>2</u>	<u>3</u>

**Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by two of the key management personnel for their services to the Academy Trust was £38,625 (2017: £21,714).

No key management personnel of the Academy Trust participated in the Local Government Pension Scheme; employer's pension contributions amounted to £Nil (2017: £Nil).

## SALVATORIAN COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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#### 10 Trustees' remuneration and expenses

Staff Trustees only receive remuneration in respect of services they provide undertaking the roles as staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. During the year, travel and subsistence payments totalling £nil (2017: £nil ) were reimbursed to nil Trustees (2017: nil Trustees).

The value of Trustees' remuneration was as follows:

A Bryant (Head of School and Co-opted Trustee)  
Remuneration £85,000 - £90,000 (2017: £85,000 - £90,000)  
Employer's pension contribution paid £10,000 - £15,000 (2017: £10,000 - £15,000)

Other related party transactions involving the Trustees are set out within the related parties transactions in note 21.

#### 11 Trustees and officers insurance

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

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**12 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Computer equipment</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 September 2017	4,237,984	141,307	42,627	17,000	4,438,918
Additions	-	1,910	3,597	-	5,507
Disposals	(1,695,850)	-	-	-	(1,695,850)
<b>At 31 August 2018</b>	<b>2,542,134</b>	<b>143,217</b>	<b>46,224</b>	<b>17,000</b>	<b>2,748,575</b>
<b>Depreciation</b>					
At 1 September 2017	600,184	109,078	37,976	6,800	754,038
On disposals	(257,222)	-	-	-	(257,222)
Charge for the year	-	17,952	4,724	3,400	26,076
<b>At 31 August 2018</b>	<b>342,962</b>	<b>127,030</b>	<b>42,700</b>	<b>10,200</b>	<b>522,892</b>
<b>Net book value</b>					
At 31 August 2018	2,199,172	16,187	3,524	6,800	2,225,683
At 31 August 2017	3,637,800	32,229	4,651	10,200	3,684,880

The school is being rebuilt as part of the Priority Schools Building Programme. Work began in 2017 with the demolition of two thirds of the existing school built estate, which is shown as a net depreciation charge of £1,438,628 for the year ended 31 August 2018. Once completed, the new buildings under the PSBP scheme will be granted in their entirety to the Academy Trust. These will appear as assets on the balance sheet of the Trust. Completion is expected early in 2020.

**13 Financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	294,918	431,141
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	21,332	27,841

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**13 Financial instruments (Continued)**

The trustees have considered the Academy Trust's exposure to credit, cash flow and liquidity risks as part of its annual and ongoing risk assessment procedures. Risks are assessed within the Academy Trust's risk register and monitored throughout the year. The trustees do not consider the Academy Trust to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances, limited debtor exposure, and assurances from the ESFA of continued funding at a level sufficient to sustain the activities of the school.

<b>14 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
VAT recoverable	9,155	40,998
Other debtors	-	17,363
Prepayments and accrued income	23,946	42,045
	<u>33,101</u>	<u>100,406</u>
	<u><u>33,101</u></u>	<u><u>100,406</u></u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	5,932	-
Other taxation and social security	41,015	77,535
Accruals and deferred income	54,640	64,021
	<u>101,587</u>	<u>141,556</u>
	<u><u>101,587</u></u>	<u><u>141,556</u></u>
<b>16 Deferred income</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	39,240	36,180
	<u>39,240</u>	<u>36,180</u>
	<u><u>39,240</u></u>	<u><u>36,180</u></u>
Deferred income at 1 September 2017	36,180	46,606
Released from previous years	(36,180)	(46,606)
Resources deferred in the year	39,240	36,180
	<u>39,240</u>	<u>36,180</u>
<b>Deferred income at 31 August 2018</b>	<u><u>39,240</u></u>	<u><u>36,180</u></u>



**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**17 Funds**

	<b>Balance at 1 September 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant	220,122	2,907,524	(3,036,326)	-	91,320
Other DfE / ESFA grants	-	160,787	(160,360)	-	427
Other government grants	-	117,666	(117,666)	-	-
	<u>220,122</u>	<u>3,185,977</u>	<u>(3,314,352)</u>	<u>-</u>	<u>91,747</u>
Funds excluding pensions	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>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	5,674,450	-	-	-	5,674,450
DfE / ESFA capital grants	(1,989,570)	5,507	(1,464,704)	-	(3,448,767)
	<u>3,684,880</u>	<u>5,507</u>	<u>(1,464,704)</u>	<u>-</u>	<u>2,225,683</u>
<b>Total restricted funds</b>	<u>2,674,002</u>	<u>3,191,484</u>	<u>(4,889,056)</u>	<u>281,000</u>	<u>1,257,430</u>
<b>Unrestricted funds</b>					
General funds	69,463	97,905	(65,784)	-	101,584
<b>Total funds</b>	<u>2,743,465</u>	<u>3,289,389</u>	<u>(4,954,840)</u>	<u>281,000</u>	<u>1,359,014</u>

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**17 Funds**

**(Continued)**

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

**General Annual Grant**

The General Annual Grant must be used for normal running costs of the Academy including salary costs, overheads, premises costs, and curriculum costs. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Other DfE/ESFA and government grants**

Other grants include funding received from the DfE and Local Education Authorities for restricted purposes.

**Pension reserve**

The pension reserve is the element of the Local Government Pension Scheme liability attributable to the Academy.

**Fixed asset fund**

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

**Unrestricted general funds**

The unrestricted general fund includes donations made to the Deo Duce Fund, expenditure of which is approved by Trustees to fund projects which further the objectives of the Trust.

SALVATORIAN COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	(3,892)	3,247,372	(3,012,947)	(10,411)	220,122
Other DfE / ESFA grants	-	133,267	(133,267)	-	-
Other government grants	(42,000)	162,455	(120,455)	-	-
	<u>(45,892)</u>	<u>3,543,094</u>	<u>(3,266,669)</u>	<u>(10,411)</u>	<u>220,122</u>
Funds excluding pensions	(45,892)	3,543,094	(3,266,669)	(10,411)	220,122
Pension reserve	(1,903,000)	-	(98,000)	770,000	(1,231,000)
	<u>(1,948,892)</u>	<u>3,543,094</u>	<u>(3,364,669)</u>	<u>759,589</u>	<u>(1,010,878)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	5,674,450	-	-	-	5,674,450
DfE / ESFA capital grants	407,265	24,471	(2,431,717)	10,411	(1,989,570)
	<u>6,081,715</u>	<u>24,471</u>	<u>(2,431,717)</u>	<u>10,411</u>	<u>3,684,880</u>
<b>Total restricted funds</b>	<u>4,132,823</u>	<u>3,567,565</u>	<u>(5,796,386)</u>	<u>770,000</u>	<u>2,674,002</u>
<b>Unrestricted funds</b>					
General funds	-	77,144	(39,833)	-	37,311
Other funds	-	32,152	-	-	32,152
	<u>-</u>	<u>109,296</u>	<u>(39,833)</u>	<u>-</u>	<u>69,463</u>
<b>Total funds</b>	<u>4,132,823</u>	<u>3,676,861</u>	<u>(5,836,219)</u>	<u>770,000</u>	<u>2,743,465</u>

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**18 Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total Funds £</b>
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	2,225,683	2,225,683
Current assets	101,584	193,334	-	294,918
Creditors falling due within one year	-	(101,587)	-	(101,587)
Defined benefit pension liability	-	(1,060,000)	-	(1,060,000)
<b>Total net assets</b>	<u>101,584</u>	<u>(968,253)</u>	<u>2,225,683</u>	<u>1,359,014</u>

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total Funds £</b>
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	3,684,880	3,684,880
Current assets	69,463	361,678	-	431,141
Creditors falling due within one year	-	(141,556)	-	(141,556)
Defined benefit pension liability	-	(1,231,000)	-	(1,231,000)
<b>Total net assets</b>	<u>69,463</u>	<u>(1,010,878)</u>	<u>3,684,880</u>	<u>2,743,465</u>

**19 Pension and similar obligations**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Harrow. Both are multi-employer defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

**Teachers' Pension Scheme**

**Introduction**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018

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**19 Pension and similar obligations**

**(Continued)**

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

**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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to increase and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £195,845 (2016: £266,129).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees. The estimated value of employer contributions for the forthcoming year is £124,000.

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**19 Pension and similar obligations**

**(Continued)**

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.

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Employer's contributions	124,000	154,000
Employees' contributions	31,000	32,000
	<u>          </u>	<u>          </u>
<b>Total contributions</b>	<b>155,000</b>	<b>186,000</b>
	<u>          </u>	<u>          </u>

<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.7	2.7%
Rate of increase for pensions in payment/inflation	2.4	2.4%
Discount rate for scheme liabilities	2.8	2.5%
	<u>          </u>	<u>          </u>

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

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.4
- Females	26.4	26.4
	<u>          </u>	<u>          </u>

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

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19 Pension and similar obligations**

**(Continued)**

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

	<b>2018</b>	<b>2017</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	1,842,280	1,612,720
Bonds	279,840	254,640
Cash	23,320	84,880
Property	186,560	169,760
	<u>2,332,000</u>	<u>2,122,000</u>
	<u><u>2,332,000</u></u>	<u><u>2,122,000</u></u>

The actual return on scheme assets was £112,000 (2017: £268,000).

**Amount recognised in the Statement of Financial Activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Current service cost	202,000	214,000
Interest income	(54,000)	(36,000)
Interest cost	86,000	74,000
	<u>234,000</u>	<u>252,000</u>
	<u><u>234,000</u></u>	<u><u>252,000</u></u>

**Changes in the present value of defined benefit obligations**

	<b>2018</b>
	<b>£</b>
At 1 September 2017	3,353,000
Current service cost	202,000
Interest cost	86,000
Employee contributions	31,000
Actuarial gain	(223,000)
Benefits paid	(57,000)
	<u>3,392,000</u>
At 31 August 2018	<u><u>3,392,000</u></u>

**SALVATORIAN COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19 Pension and similar obligations (Continued)**

**Changes in the fair value of the academy trust's share of scheme assets**

	<b>2018</b>
	<b>£</b>
At 1 September 2017	2,122,000
Interest income	54,000
Actuarial gain	58,000
Employer contributions	124,000
Employee contributions	31,000
Benefits paid	(57,000)
	<u>2,332,000</u>
At 31 August 2018	<u>2,332,000</u>

**20 Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,665,451)	(2,159,358)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(5,507)	(24,471)
Investment income receivable	(265)	(313)
Defined benefit pension costs less contributions payable	78,000	60,000
Defined benefit pension net finance cost	32,000	38,000
Depreciation of tangible fixed assets	26,076	38,107
Loss on disposal of fixed assets	1,438,628	2,393,610
Decrease/(increase) in debtors	67,305	(20,966)
Decrease in creditors	(39,969)	(237,488)
	<u>(69,183)</u>	<u>87,121</u>
<b>Net cash (used in)/provided by operating activities</b>	<u>(69,183)</u>	<u>87,121</u>



## **SALVATORIAN COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **21 Related party transactions**

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

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

The exception to this was the services of the Executive Headteacher, Martin Tissot, who was a "gift in kind" provided free of charge from the Cardinal Hume Academy Trust for the duration of the year. The equivalent value of his salary for the financial year to 31 August 2018 equates to £63,610.

#### **22 Members' liability**

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