



SIKH ACADEMIES
TRUST

Faith Inspired Education

www.sikhacademiestrust.com

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

SIKH ACADEMIES TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

Members	Trustees	Senior Leadership Team
Mr Narinderpal Singh Rana Professor Ralph Tabberer CB Mrs Daljit Kaur Mr Jujar Singh Dr Daljit Singh Virk OBE	Mr Jujar Singh (CoT) Mr Gurminder Athwal (VC of Trustees) Ms Deep Kaur Mr Tony Ark Mrs Satinder Kaur Mrs Tajinder Kaur Mr Mandip Thandi Mr John Jones Mr Hardip Singh	Mr Raminder Singh Vig Executive Principal Mrs Jasbir Mahil Head of School / DSL Mrs Veronica Pope Interim Finance and Operations Mrs Marta Agarwal – SENDCo Mrs Rajvinder Gandhum Company Secretary

Company Registered Number

Sikh Academies Trust is registered in England and Wales
Company No – 13104715

Company Name and Registered Office

Sikh Academies Trust
c/o Khalsa Primary School, Wexham Road, Slough, Berkshire, SL2 5QR

Independent Auditors

Landau Baker Ltd, Chartered Accountants, Mountcliff House,
154 Brent Street, London, NW4 2DR

Bankers

Lloyds Bank, 39 Threadneedle St, London EC2R 8AU

Solicitors

Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA.

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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 February 2021 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Sikh Academies Trust (the "Trust") operates one academy school for pupils aged 4 to 11 serving a catchment area in Wexham, East Slough. The academy is called Khalsa Primary School. The pupil capacity is 420 and has 448.

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 Trustees of the Sikh Academies Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the period, and to the date these accounts are approved are included in the Reference and administrative details on page 2.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited according to gaps identified in the skill set of the Trustee board. Local companies have been approached via a local business community partnership as well as academy newsletters.

The Trustees delegate a number of functions to the Trustee Board committees of each academy. The constitution, membership and proceedings of the Trust Board committees is determined by the Trustees. The Chair of each committee is also a Trustee.

The term of office for any Trustee shall be four years. Any director may be re-appointed or re-elected.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new Trustees are given a tour of the academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees and Directors of the Academy. The Trust intranet includes a secure area for trustees, where documents and helpful reading are updated regularly.

Organisational Structure

The structure of the organisation has four levels: the Members, the Board of Trustees, the Trust Board committees and the Academy Leadership Teams. The aim of the structure is to provide for efficient decision making and effective management of academies.

The role of Trustees is to approve the strategic direction and objectives of the Academy and monitor its progress towards these objectives. This includes the monitoring of Academy budgets and being included in the performance management of headteachers. Trustees make major decisions in relation to the strategic direction of the trust, major capital expenditure and appointment of Academy Headteachers.

The Trustees have approved a scheme of delegation which sets out the way the committees will operate and the levels of delegation awarded to them.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the performance of the academy and making major decisions about the direction of the academy, including most capital expenditure and leadership appointments.

The Headteacher (or co-headteachers) is directly responsible for the day to day running of the academy and is assisted by a Senior Leadership Team. These leaders collaborate to pursue the objects of the Trust, implementing the policies determined by the Trust and reporting to the Board and the Committee. Senior Leadership Team are responsible for authorising spending within the agreed budgets and for the appointment of relevant staff. Some spending control is delegated to identified post holders within each academy. These post holders are operational managers who assist the headteacher in the day to day organisation and running of an academy. The Executive Principal assumes the accounting officer role. The Executive Principal is not a member of the Trustee Board and he advises the Board. The Executive Principal is the Chair of the Leadership team. The Headteacher of each school will report to the Executive Principal.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel for whom pay and remuneration applies to during the review year includes headteachers in academies (also Trustees), a trust premises manager, company secretary and chief finance officer. Non executive Trustees received no pay or remuneration during the review year.

When setting pay for key management personnel, trustees consider rates of pay comparable to posts locally, including those within the trust's academies. For headteachers, pay decisions are made that mirror the statutory teachers pay and conditions document.

Performance related pay for the Executive Principal and Headteachers is delegated to Trustee body committee with the proviso that the panel of governors should include the Chair of the Trustees and an external adviser. Salary statements are given annually, setting out relevant details including any allowances, other financial benefits or safeguarding arrangements. Any variations are recorded throughout the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Strategic Report

Objects and Aims

The Executive Principal's object and activity of the academy is to advance, for the public benefit, education by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum for children of compulsory school age in the relevant academy areas.

The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for Khalsa Primary School.

The Scheme of Government specifies, amongst other things, that the Academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the Academies, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

Objectives, Strategies and Activities

Sikh Academy Trust has identified the following key objectives:

- that young people in Slough and surrounding areas achieve more than they ever thought possible;
- that all Academies in the Trust are at least good;
- that pupils achieve high standards;
- matching or exceeding national norms in all core subjects;
- that shared aspirations lead to excellence across the curriculum;
- that pupils develop a range of skills and talents in productive and creative ways;
- that they develop personal, social and health skills that enable them to engage confidently with others and lead healthy lives;
- that all the Academies in the Trust build an awareness of and respect for diversity in the community;
- that a readiness for all phases across the Academies is secured;
- that a care and respect for the environment is valued and nurtured;
- and that the community it serves holds the Trust, and all the Academies within it, in the highest regard.

Within this context, the determination of each Academy's individual mission and vision is the responsibility of the Trust Board, as well as its reputation and standing within the community and Governors will be expected to act as ambassadors of their schools engaging with their communities to ensure the Academy serves its community well.

The Trustees and the Trust Board recognise their responsibility towards the common good, not just of the Academy for whom the Trust is responsible, but of all of the families and communities in the areas served by the Academy.

The main activities Khalsa Primary School undertakes are:

- mastering an agreed approach to the teaching of reading;
- implementing a progression for grammar framework;
- teaching and building vocabulary across the curriculum;
- embedding the concrete-pictorial-abstract approach to the mastery of maths concepts;
- retaining good teachers through a career progression and Continuous Professional Development (CPD)

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Strategic Report (continued)

framework;

The Academy Trust secures value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academies are legal services and audit services. Services that are directly provided or procured by the Academy Trust are recharged to individual academies on a proportionate basis based on GAG income.

Public Benefit

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

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities;
- Providing community events such as charity coffee mornings, Sikh Religious festivals and summer fairs;
- Offering discounted letting rates to an extended school child care providers;
- Providing adult education classes to the local community

Achievements and Performance

Key Performance Indicators

Khalsa Primary School, Slough (Current OFSTED Rating - Outstanding Feb 2020).

Khalsa Primary School opened in September 2007 with a Nursery and Reception class. In each of the subsequent years 60 new pupils have been admitted to the Reception year and in August 2013 the school consisted of Reception, Years 1, 2, 3, 4, 5 and 6 classes.

The School continues to be oversubscribed and there are waiting lists in all year groups. The innovative and imaginative development of the curriculum has put Khalsa primary School as the most sought out school in Slough.

Attendance at Khalsa primary School is above national Average.

Early Years overview and target for 2022

	2018	2019	2020	2021	2022 Target
EYFS GLD	88 (52)	88 (54)	No data due to COVID 19	No data due to COVID 19	
Phonics Y1	98% (57)	90% (54)			95% (56)
Phonics Y2	96%	97%			81% (47)

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Achievements and Performance (continued)

End of Key Stage 1 overview and target for 2022

EXP		% 2018	% 2019	% 2020 TA	% 2021 TA	% 2022
KPS	(r/w/m)	83	77	79	80	74
National	(r/w/m)	65				
Gap	(r/w/m)	+18				
KPS	Reading	87	83	83	80	78
National	Reading	75	75			
Gap	Reading	+12	+7			
KPS	Writing	90	82	79	74	76
National	Writing	70	69			
Gap	Writing	+20	+13			
KPS	Maths	90	82	80	86	80
National	Maths	76	76			
Gap	Maths	+16	+6			

Key Stage 2 Overview and Targets for 2022.

EXP		% 2018	% 2019	% 2020 TA	% 2021 TA	% 2022 Target
KPS	(r/w/m)	81	95	87	85	87
National	(r/w/m)	64	65			
Gap	(r/w/m)	+17	+30			
KPS	Reading	84	97	90	90	88
National	Reading	75	73			
Gap	Reading	+9	+24			
KPS	Writing	85	95	90	90	87
National	Writing	78	78			
Gap	Writing	+7	+17			
KPS	Maths	95	98	92	90	91
National	Maths	75	79			
Gap	Maths	+20	+19			

Going Concern

After making appropriate enquires and budgetary planning, the Trust board has a reasonable expectation that Sikh Academies Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Financial Review

During the period Education and Skills Funding Agency (ESFA)/Local Authority (LA) grants received totalled to £1,357,256 for revenue and £9,256 for capital. Other income included within unrestricted funds totalled to £28,710. Restricted fund expenditure totalled to £1,474,179 and unrestricted fund expenditure totalled to £8,000.

Included in the restricted funds is an allocation of £45,080 from DFE/ESFA towards COVID related costs. The funds were fully expended during the year. The Trust continues to incur additional costs for cover staff due to COVID related absences during the course of the year.

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of financial activities. Expenditure was used to provide a stimulating education for students and to improve the infrastructure of the schools in order to improve learning.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in future.

Financial and Risk Management Objectives and Policies

The main objective is to ensure the Trust operates within its allocated budget and settles its liabilities as they fall due. The largest creditor within the balance sheet is the pension scheme deficit. Such a liability does not crystallise immediately but the Trust ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

In accordance with the Trust's statutes, the Trustees and senior staff are responsible for the administration and management of the Trust's affairs. They are responsible for setting objectives and policies to ensure that:

- There is an effective system of internal control and that accounting records are properly kept;
- There are appropriate financial and management controls in place to safeguard the assets of the Trust and prevent and detect fraud; and
- The Trust secures economical, efficient and effective management of its resources and expenditure.

The majority of the Trust's income comes from the ESFA, which is principally calculated by reference to the numbers of students enrolled at the academy. KPS is very popular and the school has been full for the last 5 years. The school also has a waiting list of over 150 children.

The trustees undertake budget planning and setting on a conservative, on-going cost basis, hence reductions in funding or increased costs can be managed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Reserves Policy

The definition of reserves in the SORP is that part of a charity's income funds that is freely available for its general purposes. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

The level of reserves held considers the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves.

The Trust Board will keep this level of reserves under review at each Trust Board and Finance Committee meeting and aim to build/ maintain the reserves level.

At the end of the year, the Trust had a surplus of £142,122 and £20,710 on its restricted and unrestricted funds respectively.

Restricted Fixed asset funds at the same period is a surplus of £49,360 and a deficit Pension Reserve of £1,065,000. Total reserves at the end of the period amounted to a deficit of £852,808.

Principal Risks and Uncertainties

The principle risks and uncertainties that the trustees will monitor in 2021/2022 include;

- Government funding
- Budget
- Staffing
- Pupil applications
- Pupil progress
- The transfer of Khalsa Secondary Academy to Sikh Academies Trust

The intended outcome of the above plans is aimed to lead to strong systems in place to build on already excellent outcomes.

Plans for Future Periods

The Trust is considering expanding and is working with the Regional Schools Commissioner (RSC) to sponsor a failing secondary school.

Trustees are reviewing governance and leadership in the next year and have appointed an Executive Principal to lead this work and ensure that KPS in the trust is performing to high standards.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Auditor

Insofar as the Trustees are aware:

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

The auditors, Landau Baker Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the members of the Trust Board on 20 December 2021 and signed on its behalf by:



Mr Jujar Singh
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Executive Principal, 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 Sikh Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

Trustee	Meetings attended	Out of a possible
Mr Jujar Singh – Chair of Trustees	3	3
Mr Gurminder Singh – Vice Chair of Trustees	3	3
Ms Deep Kaur	3	3
Mr Tony Ark	3	3
Mrs Satinder Kaur	3	3
Mr Jasvinder Singh – resigned 31 October 2021	3	3
Mrs Tajinder Kaur	3	3
Mr Mandip Thandi	3	3
Mr John Jones	2	3
Mr Hardip Singh	3	3
Mrs Jacqueline Laver – resigned 21 April 2021	0	3
Mr Raminder Singh Vig – Executive Principal	3	3

Sikh Academies Trust was incorporated on 30th December 2020. Khalsa Primary School transferred to Sikh Academies Trust on 1st February 2021. The system of internal control has been in place in Sikh Academies Trust for the period 1st February 2021 to 31st August 2021 and up to the date of approval of the annual report and financial statements. An annual Governance review will take place in due course.

The Audit, Risk and Compliance committee, is a sub-committee of the main board of trustees. Its purpose is to:

- Advise on the adequacy of financial and other controls and risk management arrangements in the trust,
- Direct a programme of internal scrutiny and consider the results and quality of any external audit.
- Report to the Board of Directors on the adequacy of the trust's risk management processes.
- Advise on the strategic processes for risk, control and governance and the governance statement.
- Advise on assurances relating to the management of risk and governance requirements for the trust.
- Consider the Due Diligence documentation of schools joining the Academy Trust, making recommendations to the Board as appropriate.
- Receive and consider any reports of an audit nature prepared by the ESFA, OFSTED, Regulators and any other similar bodies.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Act on matters delegated by the Trust Board.
- Liaise and consult with other committees where necessary.
- Consider safeguarding and equalities implications when undertaking committee functions.
- Major issues will be referred to the Board of Trustees for ratification.

Further to the above the Audit, Risk and Compliance Committee is authorised by the Board of Directors to:

- Investigate any activity within its terms of reference.
- Seek any information it requires from any employee, with all employees directed to cooperate with any request made by the committee.
- Obtain any external legal or independent professional advice, where necessary.
- Limit to the spending of money on advice, as discussed at the meeting.

Due to COVID-19 sub committee meetings did not take place until November 2021.

Review of Value for Money

As accounting officer, the Executive Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- obtaining 3 quotes for every requisition purchase
- discussing the quotations with the Director of Finance

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 Sikh Academies Trust for the period 1st February 2021 to 31st August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st February 2021 to 31st August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management

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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has decided:

- to buy-in an internal audit service from R.M.K Audit Services Limited

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Obtaining a copy of the schools Finance Procedures and Policy document to review the document to ensure that it is fit for purpose and covers all main aspects of the finance function
- Reviewing the trial balance and nominal entries to ensure postings appear appropriate and consistent. Checking for any unusual entries and that the trial balance agrees
- Checking bank reconciliations at period end to ensure that they agree with balances contained in the trial balance. Ensuring bank reconciliations are reviewed and signed off as being reviewed as part of month end procedures.
- Reviewing payroll reports. Checking that posting to the nominal ledger are correct as per figures provided for that month's payroll. Confirming month end review is signed off as part of the month end procedures. Checking that month end liabilities are reconciled and are in agreement with those liabilities paid post month end.
- Selecting staff members from the list of employees and obtain details of their pay for June 2021 and a copy of their notified salary for 20/21 academic year.
- Obtaining a list of purchase orders raised. Selecting a sample from the list for testing. Following through from PO to invoice to delivery of goods/service to payment of invoice. Checking that the Purchase Order is authorised by the finance manager and the Head teacher.
- Obtaining a copy of the latest budget forecast. Obtaining cash flow forecasts for future periods and ensure adequate reserves available to meet costs and liabilities. Ensuring constant budget monitoring in place and KPI's are highlighted.
- Obtaining detailed listing of suppliers. Ensuring that the listing balance is in agreement with the balance contained on the trial balance at that date. To highlight any debit balances and/or unusual items in the listing and seek suitable explanation for these occurrences.

On a termly basis, the auditor reports to the board of trustees, through the audit, risk and compliance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

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GOVERNANCE STATEMENT (CONTINUED)

Review of Effectiveness

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

- the work of the internal auditor / reviewer
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit, risk and compliance committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 20 December 2021 and signed on their behalf by:



Mr Jujar Singh
Chair of Trustees



Mr Raminder Singh Vig
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Sikh Academies Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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



Mr Raminder Singh Vig
Accounting Officer
Date: 20 December 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 Board of Trustees on 20 December 2021 and signed on its behalf by:



Mr Jujar Singh
Chair of Trustees

SIKH ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIKH ACADEMIES TRUST

Opinion

We have audited the financial statements of Sikh Academies Trust (the 'academy') for the period ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

SIKH ACADEMIES TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIKH ACADEMIES TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

SIKH ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIKH ACADEMIES TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also inquired about management's own identification and assessment of the risks of irregularities. We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and Charities SORP Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

The audit engagement team analysed the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business. In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

SIKH ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIKH
ACADEMIES TRUST (CONTINUED)**

Use of our report

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

 for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

20 December 2021

SIKH ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIKH
ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sikh Academies Trust during the period 30 December 2020 to 31 August 2021 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 Sikh Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sikh Academies Trust 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 Sikh Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sikh Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sikh Academies Trust's funding agreement with the Secretary of State for Education dated 1 February 2021 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 30 December 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 30 December 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 20 December 2021

SIKH ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Income from:					
Donations and capital grants	3	-	(774,015)	51,651	(722,364)
Other trading activities	5	28,699	-	-	28,699
Investments	6	11	-	-	11
Charitable activities	4	-	1,357,256	-	1,357,256
Total income		28,710	583,241	51,651	663,602
Expenditure on:					
Charitable activities		8,000	1,474,179	9,231	1,491,410
Total expenditure		8,000	1,474,179	9,231	1,491,410
Net income/(expenditure)		20,710	(890,938)	42,420	(827,808)
Transfers between funds	15	-	(6,940)	6,940	-
Net movement in funds before other recognised gains/(losses)		20,710	(897,878)	49,360	(827,808)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	18	-	(25,000)	-	(25,000)
Net movement in funds		20,710	(922,878)	49,360	(852,808)
Reconciliation of funds:					
Net movement in funds		20,710	(922,878)	49,360	(852,808)
Total funds carried forward		20,710	(922,878)	49,360	(852,808)

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

The notes on pages 25 to 42 form part of these financial statements.

SIKH ACADEMIES TRUST
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REGISTERED NUMBER: 13104715

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £
Fixed assets			
Tangible assets	12		49,360
			<u>49,360</u>
Current assets			
Debtors	13	48,483	
Cash at bank and in hand		225,489	
		<u>273,972</u>	
Creditors: amounts falling due within one year	14	(111,140)	
			<u>162,832</u>
Net current assets			162,832
Total assets less current liabilities			<u>212,192</u>
Net assets excluding pension liability			212,192
Defined benefit pension scheme liability	18		(1,065,000)
			<u>(852,808)</u>
Total net assets			<u><u>(852,808)</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	15	49,360	
Restricted income funds	15	142,122	
		<u>191,482</u>	
Restricted funds excluding pension asset	15	191,482	
Pension reserve	15	(1,065,000)	
			<u>(873,518)</u>
Total restricted funds	15		(873,518)
Unrestricted income funds	15		20,710
			<u>20,710</u>
Total funds			<u><u>(852,808)</u></u>

The financial statements on pages 22 to 42 were approved by the Trustees, and authorised for issue on 20 December 2021 and are signed on their behalf, by:

Mr Jujar Singh 
Chair of Trustees

The notes on pages 25 to 42 form part of these financial statements.

SIKH ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2021

	Note	2021 £
Cash flows from operating activities		
Net cash provided by operating activities		234,398
Cash flows from investing activities		(8,909)
Change in cash and cash equivalents in the period		225,489
Cash and cash equivalents at the end of the period		225,489

The notes on pages 25 to 42 form part of these financial statements

SIKH ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Legacies**

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the 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

SIKH ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

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.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Furniture and equipment	-	20%
Plant and machinery	-	10%

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

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 as detailed in note 14. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Conversion to an academy trust

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for £ consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Khalsa Primary School to the Academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 17.

SIKH ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Capital Grants	-	9,256	9,256
Transfer from local authority on conversion	(774,015)	42,395	(731,620)
	<u>(774,015)</u>	<u>51,651</u>	<u>(722,364)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

4. Funding for the Academy's educational activities

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
GAG	1,095,502	1,095,502
Other DfE/ESFA grants		
Pupil premium	20,175	20,175
UIFSM	28,327	28,327
Others	96,501	96,501
	1,240,505	1,240,505
Other Government grants		
Local Authority grants	71,671	71,671
	71,671	71,671
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	27,320	27,320
Other DfE/ESFA Covid-19 funding	17,760	17,760
	45,080	45,080
	1,357,256	1,357,256

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust received £27,320 of funding for catch-up premium and costs incurred in respect of this funding totalled £27,320.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Catering income	20,352	20,352
Other income	8,347	8,347
	<hr/> 28,699 <hr/>	<hr/> 28,699 <hr/>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	11	11
	<hr/> 11 <hr/>	<hr/> 11 <hr/>

SIKH ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational activities:				
Direct costs	792,251	-	25,412	817,663
Allocated support costs	494,612	60,416	118,720	673,748
	<u>1,286,863</u>	<u>60,416</u>	<u>144,132</u>	<u>1,491,411</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational activities	<u>817,663</u>	<u>673,748</u>	<u>1,491,411</u>

Analysis of direct costs

	Educational activities 2021 £	Total funds 2021 £
Staff costs	762,581	762,581
Educational supplies	25,337	25,337
Technology costs	16,249	16,249
Staff development & training	4,471	4,471
Educational consultancy	9,025	9,025
	<u>817,663</u>	<u>817,663</u>

SIKH ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £
Pension finance costs	8,000
Staff costs	413,283
Depreciation	9,231
Non cash pension costs	111,000
Maintenance of premises & equipment	16,820
Cleaning	3,238
Rates	11,796
Energy	18,989
Security and transport	1,394
Catering	17,399
Other support costs	36,311
Occupancy costs	9,573
Governance	8,863
Legal and professional	7,851
	<hr/> 673,748 <hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

9. Staff

a. Staff costs

Staff costs during the period were as follows:

	2021 £
Wages and salaries	756,526
Social security costs	152,555
Pension costs	266,782
	<hr/> 1,175,863
Non cash pension costs	111,000
	<hr/> <u>1,286,863</u>

b. Staff numbers

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

	2021 No.
Teachers	22
Support staff	35
Management	4
	<hr/> 61

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £206,775.

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NOTES TO THE FINANCIAL STATEMENTS
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10. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 August 2021, no Trustee expenses have been incurred.

11. Trustees' and Officers' insurance

The Academy 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 business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

12. Tangible fixed assets

	Furniture and equipment £	Plant and machinery £	Total £
Cost or valuation			
Additions	16,817	41,774	58,591
At 31 August 2021	16,817	41,774	58,591
Depreciation			
Charge for the period	6,631	2,600	9,231
At 31 August 2021	6,631	2,600	9,231
Net book value			
At 31 August 2021	10,186	39,174	49,360

The academy trust company occupies land provided to it by site trustees under a mere licence which contains a two year notice period.

In respect of having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

13. Debtors

	2021 £
Due within one year	
Other debtors	9,793
Prepayments and accrued income	38,690
	<u>48,483</u>

14. Creditors: Amounts falling due within one year

	2021 £
Other taxation and social security	35,256
Accruals and deferred income	75,884
	<u>111,140</u>

	2021 £
Resources deferred during the period	<u>39,659</u>

At the balance sheet date the academy trust was holding funds received in advance for the year 2021/22.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

15. Statement of funds

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds	28,710	(8,000)	-	-	20,710
Restricted general funds					
General Annual Grant (GAG)	1,095,502	(946,440)	(6,940)	-	142,122
Pupil premium	20,175	(20,175)	-	-	-
UIFSM	28,327	(28,327)	-	-	-
Other DfE/ESFA grants	96,501	(96,501)	-	-	-
Catch-up premium	27,320	(27,320)	-	-	-
Other DfE/ESFA Covid-19 funding	17,760	(17,760)	-	-	-
Local Authority grants	71,671	(71,671)	-	-	-
Transfer from local authority on conversion	146,985	(146,985)	-	-	-
Pension reserve	(921,000)	(119,000)	-	(25,000)	(1,065,000)
	<u>583,241</u>	<u>(1,474,179)</u>	<u>(6,940)</u>	<u>(25,000)</u>	<u>(922,878)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds- all funds	51,651	(9,231)	6,940	-	49,360
Total Restricted funds	<u>634,892</u>	<u>(1,483,410)</u>	<u>-</u>	<u>(25,000)</u>	<u>(873,518)</u>
Total funds	<u><u>663,602</u></u>	<u><u>(1,491,410)</u></u>	<u><u>-</u></u>	<u><u>(25,000)</u></u>	<u><u>(852,808)</u></u>

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

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

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

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

Unrestricted funds have been increased by voluntary contributions by parents.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

15. Statement of funds (continued)

amount of GAG it could carry forward at 31 August 2021.

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	49,360	49,360
Current assets	20,710	253,262	-	273,972
Creditors due within one year	-	(111,140)	-	(111,140)
Provisions for liabilities and charges	-	(1,065,000)	-	(1,065,000)
Total	20,710	(922,878)	49,360	(852,808)

17. Conversion to an academy trust

On 1 February 2021 Khalsa Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sikh Academies Trust from Slough Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Other tangible fixed assets	-	42,395	42,395
Current assets			
Cash - representing budget surplus on LA funds	146,985	-	146,985
LGPS Pension Deficit	(921,000)	-	(921,000)
Net (liabilities)/assets	(774,015)	42,395	(731,620)

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NOTES TO THE FINANCIAL STATEMENTS
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18. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2021.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £219,744.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

18. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2021 was £73,000, of which employer's contributions totalled £56,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 20.9 per cent for employers and 5.8 to 8.5 per cent for employees.

As described in note 1.10 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

Royal County of Berkshire Pension Fund

	2021 %
Rate of increase in salaries	3.85
Rate of increase for pensions in payment/inflation	2.85
Discount rate for scheme liabilities	1.65

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

	2021 Years
<i>Retiring today</i>	
Males	21.3
Females	24.0
<i>Retiring in 20 years</i>	
Males	22.6
Females	25.4

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NOTES TO THE FINANCIAL STATEMENTS
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18. Pension commitments (continued)

Sensitivity analysis

Royal County of Berkshire Pension Fund

	2021
	£000
Discount rate +0.1%	1,574
Discount rate -0.1%	1,665
Mortality assumption - 1 year increase	1,683
Mortality assumption - 1 year decrease	1,558
CPI rate +0.1%	1,661

Share of scheme assets

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

	2021
	£
Equities	339,000
Corporate bonds	99,000
Property	65,000
Cash and other liquid assets	4,000
Asset backed securities	47,000
Total market value of assets	554,000

The actual return on scheme assets was £40,000.

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

	2021
	£
Current service cost	(167,000)
Interest income	4,000
Interest cost	(12,000)
Total amount recognised in the Statement of Financial Activities	(175,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

18. Pension commitments (continued)

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

	2021 £
Conversion of academy trusts	1,362,000
Current service cost	167,000
Interest cost	12,000
Employee contributions	17,000
Actuarial losses/(gains)	61,000
At 31 August	1,619,000

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

	2021 £
Conversion of academy trusts	441,000
Interest income	4,000
Actuarial gains	36,000
Employer contributions	56,000
Employee contributions	17,000
At 31 August	554,000

19. Members' liability

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

20. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.