
SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

Members	Trustees	Senior Management Team
Professor Ralph Tabberer CBE Mrs Daljit Kaur Mr Jujar Singh Dr Daljit Singh Virk OBE Mr Onkar Singh (appointed 12.06.23) Mr Narinderpal Singh Rana (resigned 04.10.22)	Mr Gurminder Athwal (CoT) Mrs Tajinder Kaur Jagdev (Vice Chair) Mr John Jones Ms Deep Kaur Mr Jujar Singh Mr Narinderpal Singh Rana (appointed 04.10.22) Mr Mandip Singh Thandi (resigned 05.01.23) Mr Hardip Singh Sohal (resigned 22.06.23) Mr Mandeep Atwal (resigned 23.05.23) Mr Tony Singh Ark (resigned 13.10.22)	Mr Raminder Singh Vig Executive Principal (resigned 31.12.22) Mr Garret Fay Interim CEO (appointed 14.11.22) resigned 16.06.23) Mr Sukwinder Bassi CEO (appointed 05.06.23 - resigned 24.10.23) Mrs Kay Charles Interim CEO (appointed 01.11.23) Robina Ahmed FD and Company Secretary (resigned 27.06.23) George Kulasingham FD (appointed 15.09.23) Mrs Rajvinder Gandhum (resigned 24.11.22) Company Secretary

Company Name: Sikh Academies Trust

Registered Office: c/o Khalsa Primary School, Wexham Road, Slough, Berkshire, SL2 5QR
 Company Registration Number: 13104715

Independent Auditor: BKL Audit LLP, 35 Ballards Lane, London, N3 1XW

Bankers: Lloyds Bank, 39 Threadneedle St, London, EC2R 8AU

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

SIKH ACADEMIES TRUST **(A Company Limited by Guarantee)**

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 2 academies for pupils aged 4 – 18 years serving a catchment area mainly in Slough and Buckinghamshire. It has a pupil capacity of 1348 and had a roll of 1038 in the school census on October 6th 2023.

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 Sikh Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Sikh Academies Trust also known as SAT..

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on the preceding pages of this document.

The Sikh Academies Trust is made up of two schools: Khalsa Primary School and Pioneer Secondary Academy.

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 trustee 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

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement.

The term of office for any trustee is 4 years. The headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Trustees are recruited according to gaps identified in the skill set of the Trustee board.. 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. The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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 academy and the chance to meet with staff and students. All governors 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.

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TRUSTEES'REPORT(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Organisational Structure

The structure of the organisation has four levels: the Members, the Board of Trustees, the Trust Board committees and the Senior 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 headteachers are directly responsible for the day to day running of the academies and are assisted by the 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 / chief executive assumes the accounting officer role.

Arrangements for setting Pay and Remuneration of Key Management Personnel

The Board has delegated the arrangement for setting the pay and remuneration for executive directors and senior management to the performance management panel and pay review committee. This is set out in the Scheme of Delegation. The panel will comprise at least two trustees and an external adviser for the CEO. For Headteachers and CFO this will comprise at least one trustee, an external adviser and the CEO. This committee reviews the performance of the executive directors and ensures that succession planning is in line with the plans of the Trust.

This committee also sets the band of annual pay increases for all staff as guidelines for each of the academies pay committees. The Trust scheme of delegation sets out the responsibility for pay increases for all staff

Trade Union Facility Time

There is no allocation of facilities time.

Related Parties and other Connected Charities and Organisations

There are no related parties or other connected organisations.

Objectives and Activities

Objects and Aims

The principal object and activity of the academy is the operation of the Sikh Academies Trust to provide a broad and balanced education for pupils of all abilities in the Slough Buckinghamshire area. The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

- A) 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 schools offering a broad and balanced curriculum, principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them, or schools specially organised to make special educational provision for pupils with Special Educational needs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

- B) to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.
- 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
 - that the community it serves holds the Trust, and all the Academies within it, in the highest regard

In accordance with the articles of association and the trust vision and values, the Trust will be at the heart of the/their community, promoting community cohesion and sharing facilities; the basis for admitting students to the Trust, 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

The Sikh Academies Trust (SAT) is a multi-academy trust that incorporated on 30th December 2020. Khalsa Primary School transferred to SAT on 1st February 2021 and Pioneer Secondary Academy (PSA) was transferred into SAT from the Khalsa Academies Trust (KAT) in May 2022. The core principles of Sikhism support pupils, where all faiths and none are respected and supported. The context of the Sikh faith is emphatic in respecting all beliefs and does not seek to convert. The five Sikh virtues of love, compassion, contentment, humility and truth underpin all that the school does.

- Offer a broad and balanced curriculum based on British values and strong Sikh ethos which is knowledge rich and places literacy and numeracy at its heart
- Ensure quality of opportunity and enrichment for all students
- Secure the raising of standards, emphasising the importance of outcomes for students
- Improve the effectiveness of leadership
- Improve teacher effectiveness and impact
- Improve data monitoring for tracking pupil progress

Public Benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

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 childcare providers;
- Providing adult education classes to the local community

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report - Achievements and Performance

Key Performance Indicators

Indicator	Pioneer Secondary Academy 2023	National 2023
Progress 8 Score (National percentile rank)	0.28	0.00
% 9-5 in English and Maths	41%	45%
% EBacc achieved (9 - 5)		
% EBacc achieved (9 - 4)	18% 29% 66% 4.27	17% 24% 39% 4.05
% EBacc entered		
EBacc average point score		
% 9-5 English	53%	60%
% 9-5 Maths	57%	51%
% 9-4 English % 9-4 Maths	75% 74%	75% 70%

	Khalsa Primary School	Slough	National 2023
RECEPTION			
% of pupils attaining a Good Level of Development	68.3%	67.2%	65%
YEAR 1			
% passing the phonics screening check	81.7%	81.1%	76%
KS1			
% of pupils reaching the expected standard in reading	71.7%	67.5%	68%
% of pupils reaching the expected standard in writing	70%	61.8%	60%
% of pupils reaching the expected standard in maths	70%	71%	70%
% of pupils reaching the expected standard in reading, writing and maths	66.7%	57.5%	56%
KS2			
% of pupils reaching the expected standard in maths	93%	TBC	73%
% of pupils reaching the expected standard in reading	94%	TBC	73%
% of pupils reaching the expected standard in writing	81%	TBC	71%
% of pupils reaching greater depth in reading, writing and maths	78%	TBC	59%
Reading Progress Score	4.4+		
Writing Progress Score	1.1+		
Maths Progress Score	6.1+		

Going Concern

While the board of trustees has conducted due diligence and made appropriate enquiries, a significant uncertainty remains regarding the academy trust's ability to continue as a going concern for the foreseeable future. This uncertainty has been factored into the preparation of the financial statements, which are presented on a going concern basis as required by accounting standards. Further details regarding the ongoing viability of the academy trust and the basis for using the going concern assumption can be found in the Statement of Accounting Policies.

Strategic Report - Financial Review

Finance Review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (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 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free')

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £(98,980). This balance includes unrestricted funds (free reserves) of £39,786, which are considered appropriate for the Academy Trust, and restricted funds of £(62,781) and a pension deficit of £(177,000).

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £177,000 (2022: £259,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

Investment Policy

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2023, no investments were held.

Principal Risks and Uncertainties

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

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Risk management prioritises and protects:

- Safeguarding
- The effective education and future of the pupils in the academies
- The reputation and ethos of the Trust
- The common good in terms of the interests of the families in the communities served by the academies and the Trust.
- The scheme of delegation and the balance struck between central management and local responsibility.
- The key risks are set out and RAG rated in the risk register.
- The Trust has worked with the ESFA through deploying a school resource management adviser, and the following financial and other risks have been identified and mitigated
- SAT to implement key performance benchmarks so that the expenditure can be analysed to identify efficiency metrics to guide decisions and oversight of the school budgets
- SAT to address the staffing structure, including the leadership structure, at the schools to ensure that adequate reserves are in place to support cashflow and address the in-year deficit and future forecast deficit at the secondary school.
- SAT to set key performance benchmarks for staffing expenditure, given the need to ensure that the savings made can secure a balanced budget as well as securing adequate resources for non-staff costs, such as the IT infrastructure.
- SAT to review the composition of the executive and officers to ensure that the Trust has the capacity to provide support for the schools.
- SAT to ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions including any provision being made to sustain capital assets.
- Staff retention and recruitment

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. Internal Scrutiny has not taken place this academic year. This has been rectified and will commence in January.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

The trustees also are fully aware of their responsibilities to ensure that the trust's estate is safe, well maintained and compliant with the relevant regulations.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2023. 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Fundraising

The Trust engages in limited fundraising activities throughout the academic year, both for specific projects and to augment the annual education budget

Due consideration is given at all times to ensuring that no fundraising practices are unreasonably intrusive or apply undue pressure especially with regard to vulnerable persons.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees act in the best interests of the Trust when deciding to accept or refuse a particular donation. Trustees welcome and encourage fundraising activities in our schools but will not accept voluntary donations and other forms of voluntary support where any of the following criteria apply:

- The support is known, suspected to be or derives from the proceeds of crime
- The support derives from a source conflicting with Trust's objectives or values
- Acceptance would carry unacceptable reputational risk which may have detrimental effects on the Trust, such as impacting levels of donations and volunteer support
- Acceptance would involve onerous obligations, the cost of which might outweigh the benefit
- Support is offered in an attempt to obtain privileged access to the Trust's contracts
- Acceptance would be in contravention of the Trust's financial and safeguarding policies

Plans for Future Periods

The Sikh Academies Trust is driven to transform the opportunities for children and young people in its care with the following principles and ambition:

- to rapidly become a first-class multi-academy trust with a regional, national and international voice
- to establish top class primary and secondary academies that are centres of excellence for leadership, teaching and learning and are flagships and centres for learning for other academies and schools
- to transform opportunities and change life chances of children and young people who live in challenging times as well as challenging places
- to work in partnership with learners, their families, communities and businesses, to raise aspirations, foster great expectations and achieve ambitious goals.
- Ensure all resources are effectively deployed, value for money and focused on direct pupil support. This will include a review of staffing and contracts.
- Maintain school facilities to a good standard and enhance educational provision; for example the playing fields at PSA.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and / or its trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on **23/12/2023** and signed on the board's behalf by:



Gurminder Athwal

Chair of Trustees

SIKH ACADEMIES TRUST
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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/CEO], 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 10 times during the year.

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

Trustee	Meetings Attended	Out of Possible
Mr Gurminder Athwal	10	10
Mrs Tajinder Kaur Jagdev	10	10
Mr John Jones	5	10
Ms Deep Kaur	5	10
Mr Jujar Singh	10	10
Mr Narinderpal Singh Rana	8	9
Mr Mandip Singh Thandi	2	5
Mr Hardip Singh Sohal	2	7
Mr Mandeep Atwal	2	6
Mr Tony Singh Ark	1	1

The trust undertook an external review of governance (ERG) audit and the recommendations are currently being reviewed by the trust board for implementation in early 2024. Management accounts are reviewed monthly by the chair and an overall financial status of the trust is shared at each board meeting with the relevant financial data being provided

The Audit, Risk and Finance committee is a sub-committee of the main Board of Trustees, Its purpose is to

- Review the Trust risk register
- Review all matters of Audit & Internal Controls
- Ensure the Trust internal services meet or exceed the standards expected
- Review and scrutinise the monthly management accounts
- Provide effective budget monitoring

Attendance at meetings during the year was as follows:

Trustee	Meetings Attended	Out of Possible
Mr Gurminder Athwal	3	3
Mrs Tajinder Kaur Jagdev	2	3
Mr Narinderpal Singh Rana	3	3
Mr Mandeep Atwal	1	1

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GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money

As accounting officer, the executive principal/CEO 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

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 1 September 2022 to 31 August 2023 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 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has decided:

- to buy-in an internal audit service from RMK Audit Services Ltd

Internal Scrutiny has not taken place this academic year. This has been rectified and will commence in January.

Review of Effectiveness

As accounting officer, the executive principal/CEO 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.

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GOVERNANCE STATEMENT (CONTINUED)

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 finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on **23/12/2023** and signed on the its behalf by:



Gurminder Athwal
Chair of Trustees



Kay Charles
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, including for estates safety and management, under funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

No internal scrutiny visits took place during the year.

Kay Charles

Kay Charles

Accounting Officer

Date: 23/12/2023

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STATEMENT OF TRUSTEE'S RESPONSIBILITIES
FOR THE YEAR ENDED 31ST AUGUST 2023

The trustee (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustee's 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 trustee to prepare financial statements for each financial year. Under company law, the trustee 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 trustee 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 2022 to 2023;
- 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 trustee 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 trustee 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 trustee 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
23/12/2023 and signed on its behalf by:



Gurminder Athwal
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 year ended 31 August 2023 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that a deficit of funds may cast significant doubt on the Academy's ability to continue as a going concern. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

At the year end the trust is carrying a net deficit in unrestricted and restricted revenue funds (excluding the pension deficit) of £22,995. These conditions indicate that the continued financial support of the Trust's principal funding body, the Education and Skills Funding Agency, beyond the existing funding arrangements for the academic year 2023/24 may be required.

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

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
(A Company Limited by Guarantee)

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

Matters on which we are required to report by exception

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

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

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

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Statement of Trustee's Responsibilities, 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 enquired of management about their 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:

- reading minutes of meetings of those charged with governance.
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; 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.
- We discussed among the audit engagement team regarding 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
(A Company Limited by Guarantee)

**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.

Edward Passmore

Edward Passmore (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Statutory auditors

35 Ballards Lane

London

N3 1XW

Date: 27/12/2023

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 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sikh Academies Trust during the year 1st September 2022 to 31st August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1st September 2022 to 31st August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

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

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.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1st September 2022 to 31st August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

No internal scrutiny visits took place during the year.

BKL Audit LLP

Reporting Accountant
BKL Audit LLP

Statutory auditors
35 Ballards Lane
London
N3 1XW

Date: 27/12/2023

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income from:						
Donations and capital grants	3	5,872	-	22,869	28,741	(171,895)
Other trading activities	5	388,224	-	-	388,224	123,463
Investments	6	74	-	-	74	38
Charitable activities	4	1,608	6,493,196	-	6,494,804	3,849,774
Total income		395,778	6,493,196	22,869	6,911,843	3,801,380
Expenditure on:						
Charitable activities	8	148,037	6,946,150	36,628	7,130,815	4,202,580
Total expenditure		148,037	6,946,150	36,628	7,130,815	4,202,580
Net income/(expenditure) before net gains on investments		247,741	(452,954)	(13,759)	(218,972)	(401,200)
Net gains on investments		-	-	-	-	-
Net income/(expenditure)		247,741	(452,954)	(13,759)	(218,972)	(401,200)
Transfers between funds	18	(352,166)	352,166	-	-	-
Net movement in funds before other recognised gains		(104,425)	(100,788)	(13,759)	(218,972)	(401,200)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	-	117,000	-	117,000	1,257,000
Net movement in funds		(104,425)	16,212	(13,759)	(101,972)	855,800

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31ST AUGUST 2023

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Reconciliation of funds:					
Total funds brought forward	144,211	(255,993)	114,774	2,992	(852,808)
Net movement in funds	(104,425)	16,212	(13,759)	(101,972)	855,800
Total funds carried forward	<u>39,786</u>	<u>(239,781)</u>	<u>101,015</u>	<u>(98,980)</u>	<u>2,992</u>

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

The notes on pages 26 to 54 form part of these financial statements.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 13104715

BALANCE SHEET
AS AT 31ST AUGUST 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	14	89,746	114,774
		<u>89,746</u>	<u>114,774</u>
Current assets			
Debtors	15	112,729	139,218
Cash at bank and in hand		372,345	613,897
		<u>485,074</u>	<u>753,115</u>
Creditors: amounts falling due within one year	16	(496,800)	(605,897)
		<u>(11,726)</u>	<u>147,218</u>
Net current liabilities / assets		(11,726)	147,218
Total assets less current liabilities		<u>78,020</u>	<u>261,992</u>
Net assets excluding pension liability		<u>78,020</u>	<u>261,992</u>
Defined benefit pension scheme liability	24	(177,000)	(259,000)
Total net assets		<u>(98,980)</u>	<u>2,992</u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	101,015	114,774
Restricted income funds	18	(62,781)	3,007
		<u>38,234</u>	<u>117,781</u>
Restricted funds excluding pension asset	18	38,234	117,781
Pension reserve	18	(177,000)	(259,000)
		<u>(138,766)</u>	<u>(141,219)</u>
Total restricted funds	18	(138,766)	(141,219)
Unrestricted income funds	18	39,786	144,211
		<u>(98,980)</u>	<u>2,992</u>
Total funds		<u>(98,980)</u>	<u>2,992</u>

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 13104715

BALANCE SHEET (CONTINUED)
AS AT 31ST AUGUST 2023

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 54 were approved by the trustee, and authorised for issue on 23/12/2023 and are signed on their behalf, by:



Mr Gurminder Athwal
Chair of Trustees

The notes on pages 26 to 54 form part of these financial statements.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2023

	Note	2023 £	As restated 2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(252,895)	445,005
Cash flows from investing activities	21	11,343	(56,597)
Change in cash and cash equivalents in the year		(241,552)	388,408
Cash and cash equivalents at the beginning of the year		613,897	225,489
Cash and cash equivalents at the end of the year	22, 23	372,345	613,897

The notes on pages 26 to 54 form part of these financial statements

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustee 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 trustee 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 may not have adequate resources to continue in operational existence for the foreseeable future and there is a material uncertainty about the Academy's ability to continue as a going concern due to a deficit at the year end in unrestricted and restricted revenue funds totalling £22,995. The trustees are forecasting continuing deficits for the next two years, before returning to a net current asset position in the year to 31 August 2026.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

1.4 Expenditure

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

• **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.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Furniture and equipment	-	20%
Plant and machinery	-	10%
Computer equipment	-	33%

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.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

1. Accounting policies (continued)

1.9 Pensions

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

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

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

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

1.10 Fund accounting

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

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.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	5,872	-	-	5,872
Capital Grants	-	-	22,869	22,869
	<u>5,872</u>	<u>-</u>	<u>22,869</u>	<u>28,741</u>
		Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Capital Grants		-	22,819	22,819
Transfer from local authority on conversion		(194,714)	-	(194,714)
		<u>(194,714)</u>	<u>22,819</u>	<u>(171,895)</u>

SIKH ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

4. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Educational Activities			
DfE/ESFA grants			
GAG	-	5,264,103	5,264,103
Other DfE/ESFA grants			
Pupil Premium	-	129,293	129,293
UIFSM	-	70,756	70,756
Additional Funding	-	429,000	429,000
Others	-	361,788	361,788
	-	6,254,940	6,254,940
Other Government grants			
Local Authority Grants	-	238,256	238,256
	-	238,256	238,256
Other income from the Academy's educational activities	1,608	-	1,608
	1,608	6,493,196	6,494,804
	1,608	6,493,196	6,494,804

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FOR THE YEAR ENDED 31ST AUGUST 2023

4. Funding for the Academy's charitable activities (continued)

	Restricted funds 2022 £	Total funds 2022 £
Educational Activities		
DfE/ESFA grants		
GAG	2,908,208	2,908,208
Other DfE/ESFA grants		
Pupil Premium	61,550	61,550
UIFSM	68,264	68,264
Additional Funding	242,716	242,716
Others	309,531	309,531
	3,590,269	3,590,269
Other Government grants		
Local Authority Grants	248,069	248,069
	248,069	248,069
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA Covid-19 funding	11,436	11,436
	11,436	11,436
	3,849,774	3,849,774
	3,849,774	3,849,774

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Catering income	181,603	181,603
Other income	129,836	129,836
Trip Income	52,785	52,785
Letting Income	24,000	24,000
	388,224	388,224
	388,224	388,224

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Catering income	95,212	95,212
Other income	28,251	28,251
	<u>123,463</u>	<u>123,463</u>

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	74	74
	<u>74</u>	<u>74</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	38	38
	<u>38</u>	<u>38</u>

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational Activities:				
Direct costs	4,177,097	-	385,576	4,562,673
Allocated support costs	1,284,072	365,908	918,162	2,568,142
	<u>5,461,169</u>	<u>365,908</u>	<u>1,303,738</u>	<u>7,130,815</u>

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7. Expenditure (continued)

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Activities:				
Direct costs	2,204,551	-	156,823	2,361,374
Allocated support costs	1,038,667	318,948	483,591	1,841,206
	<u>3,243,218</u>	<u>318,948</u>	<u>640,414</u>	<u>4,202,580</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Activities	<u>4,562,673</u>	<u>2,568,142</u>	<u>7,130,815</u>

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Activities	<u>2,361,374</u>	<u>1,841,206</u>	<u>4,202,580</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2023 £	Total funds 2023 £
Staff costs	4,084,168	4,084,168
Educational supplies	236,396	236,396
Technology costs	46,679	46,679
Staff support costs	63,137	63,137
Educational consultancy	39,364	39,364
Agency supply costs	92,929	92,929
	<u>4,562,673</u>	<u>4,562,673</u>
	Educational Activities 2022 £	Total funds 2022 £
Staff costs	2,204,551	2,204,551
Educational supplies	105,613	105,613
Technology costs	18,412	18,412
Staff development & training	10,265	10,265
Educational consultancy	22,533	22,533
	<u>2,361,374</u>	<u>2,361,374</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2023 £	Total funds 2023 £
Pension finance costs	7,000	7,000
Staff costs	1,163,278	1,163,278
Depreciation	36,628	36,628
Technology costs	61,652	61,652
Non cash pension costs	28,000	28,000
Agency supply costs	95,794	95,794
Maintenance of premises & equipment	136,803	136,803
Cleaning	83,454	83,454
Rates	15,668	15,668
Energy	222,565	222,565
Security and transport	15,581	15,581
Catering	140,092	140,092
Other support costs	232,675	232,675
Occupancy costs	39,124	39,124
Governance	71,491	71,491
Legal and professional	218,337	218,337
	<u>2,568,142</u>	<u>2,568,142</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational Activities 2022 £	Total funds 2022 £
Pension finance costs	21,000	21,000
Staff costs	757,622	757,622
Depreciation	14,040	14,040
Non cash pension costs	216,000	216,000
Agency supply costs	65,045	65,045
Maintenance of premises & equipment	192,320	192,320
Cleaning	42,572	42,572
Rates	22,916	22,916
Energy	61,140	61,140
Security and transport	12,380	12,380
Catering	51,661	51,661
Other support costs	308,407	308,407
Occupancy costs	20,674	20,674
Governance	18,873	18,873
Legal and professional	36,556	36,556
	1,841,206	1,841,206
	1,841,206	1,841,206

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	36,628	14,040
Fees paid to auditors for:		
- audit	7,000	7,500
- other services	3,000	3,500
	7,000	7,500
	3,000	3,500

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	4,073,977	1,794,106
Social security costs	407,038	514,211
Pension costs	766,431	653,856
	5,247,446	2,962,173
Agency staff costs	188,723	65,045
Non cash pension costs	25,000	216,000
	5,461,169	3,243,218

b. Special staff severance payments

A severance payment was made to 1 staff member in the current period for £8,800. Two payments were made in the previous period for £2,500 and £6,991 each,

c. Staff numbers

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

	2023	2022
	No.	No.
Teachers	42	23
Support staff	74	41
Management	7	4
	123	68

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10. Staff (continued)

d. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	1
	8	1

e. Key management personnel

The key management personnel of the Academy comprise the trustee and the senior management team as listed on page . The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £833,903 (2022 - £970,755).

11. Central services

The Academy has provided the following central services to its academies during the year:

- CEO and CFO services
- Personnel / HR
- Company Secretarial
- Business Development

The Academy charges for these services on the following basis:

Agreed percentage of GAG.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Khalsa Primary School	-	76,693
Pioneer Secondary School	-	46,512
Total	-	123,205

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustee's remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31st August 2023, no trustee expenses have been incurred (2022 - £NIL).

13. 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.

14. Tangible fixed assets

	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2022	16,817	41,774	79,454	138,045
Additions	11,100	-	500	11,600
At 31st August 2023	27,917	41,774	79,954	149,645
Depreciation				
At 1 September 2022	9,596	7,392	6,283	23,271
Charge for the year	5,185	4,792	26,651	36,628
At 31st August 2023	14,781	12,184	32,934	59,899
Net book value				
At 31st August 2023	13,136	29,590	47,020	89,746
At 31st August 2022	7,221	34,382	73,171	114,774

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	85,784	134,922
Prepayments and accrued income	26,945	4,296
	112,729	139,218
	112,729	139,218

16. Creditors: Amounts falling due within one year

	2023 £	As restated 2022 £
Trade creditors	229,126	37,304
Other taxation and social security	114,946	133,561
Other creditors	20,055	11,688
Accruals and deferred income	132,673	423,344
	496,800	605,897
	496,800	605,897

17. Prior year adjustments

The comparative information has been amended to recognise grant funding of £92,921 which was held in deferred income as at 31 August 2022. This has resulted in the net movement in funds for 2022 increasing from £762,879 as previously stated to £855,800, and total net assets/(liabilities) moving from (£89,929) as previously stated to £2,992.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023**

18. Statement of funds

	Balance at 1st September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2023 £
Unrestricted funds						
General Funds - all funds	144,211	395,778	(148,037)	(352,166)	-	39,786
Restricted general funds						
GAG	3,007	5,264,103	(5,682,057)	352,166	-	(62,781)
UIFSM	-	70,756	(70,756)	-	-	-
Pupil premium	-	129,293	(129,293)	-	-	-
Other DfE/ESFA grants	-	429,000	(429,000)	-	-	-
Other DfE/ESFA	-	361,788	(361,788)	-	-	-
Local authority grants	-	238,256	(238,256)	-	-	-
Pension reserve	(259,000)	-	(35,000)	-	117,000	(177,000)
	(255,993)	6,493,196	(6,946,150)	352,166	117,000	(239,781)
Restricted fixed asset funds	114,774	22,869	(36,628)	-	-	101,015
Total Restricted funds	(141,219)	6,516,065	(6,982,778)	352,166	117,000	(138,766)
Total funds	2,992	6,911,843	(7,130,815)	-	117,000	(98,980)

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

All funds originated from assets gifted by the predecessor school. In addition:

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 by the Funding Agreement with the DfE and the terms of any specific grant.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31st August 2023.

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

	Balance at 1st September 2021 £	As restated Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2022 £
Unrestricted funds						
General Funds - all funds	20,710	123,501	-	-	-	144,211
Restricted general funds						
GAG	142,122	2,908,208	(2,968,653)	(171,591)	-	(89,914)
UIFSM	-	68,264	(68,264)	-	-	-
Pupil premium	-	61,550	(61,550)	-	-	-
Other DfE/ESFA grants	-	645,168	(552,247)	-	-	92,921
Other DfE/ESFA	-	11,436	(11,436)	-	-	-
Local authority grants	-	155,148	(155,148)	-	-	-
Transfer of Assets on conversion	-	19,286	(19,286)	-	-	-
Pension reserve	(1,065,000)	(214,000)	(237,000)	-	1,257,000	(259,000)
	<u>(922,878)</u>	<u>3,655,060</u>	<u>(4,073,584)</u>	<u>(171,591)</u>	<u>1,257,000</u>	<u>(255,993)</u>
Restricted fixed asset funds	49,360	22,819	(128,996)	171,591	-	114,774
Total Restricted funds	<u>(873,518)</u>	<u>3,677,879</u>	<u>(4,202,580)</u>	<u>-</u>	<u>1,257,000</u>	<u>(141,219)</u>
Total funds	<u><u>(852,808)</u></u>	<u><u>3,801,380</u></u>	<u><u>(4,202,580)</u></u>	<u><u>-</u></u>	<u><u>1,257,000</u></u>	<u><u>2,992</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31st August 2023 were allocated as follows:

	2023	As restated
	£	2022
		£
Khalsa Primary School	(96,629)	(108,877)
Pioneer Secondary School	(91,558)	135,848
Combined Cadet Force	48,398	25,885
Sikh Academy Trust	116,794	94,362
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	(22,995)	147,218
Restricted fixed asset fund	101,015	114,774
Pension reserve	(177,000)	(259,000)
	<hr/>	<hr/>
Total	(98,980)	2,992
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit
	£
Khalsa Primary School	(96,629)
Pioneer Secondary School	(91,558)
	<hr/> <hr/>

The Trust was new and we had additional costs due to interim management structures. There were also staff changes resulting in poor management. These are the reasons for the deficit in 2022-23.

The Academy is taking the following action to return the academies to surplus:

We have started to address these issues and have a recovery plan and a restructuring plan. These will be fully costed

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

18. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
Khalsa Primary School	1,585,991	641,873	54,848	474,652	2,757,364
Pioneer Secondary School	2,591,106	617,198	266,942	808,340	4,283,586
Combined Cadet Force	-	-	647	16,010	16,657
Sikh Academy Trust	-	-	-	1,580	1,580
LGPS	-	-	-	35,000	35,000
Academy	4,177,097	1,259,071	322,437	1,335,582	7,094,187

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Khalsa Primary School	1,345,044	957,632	85,732	411,811	2,800,219
Pioneer Secondary School	859,507	81,035	19,881	427,898	1,388,321
Academy	2,204,551	1,038,667	105,613	839,709	4,188,540

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	89,746	89,746
Current assets	39,786	434,019	11,269	485,074
Creditors due within one year	-	(496,800)	-	(496,800)
Provisions for liabilities and charges	-	(177,000)	-	(177,000)
Total	39,786	(239,781)	101,015	(98,980)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restated Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	114,774	114,774
Current assets	144,211	608,904	-	753,115
Creditors due within one year	-	(605,897)	-	(605,897)
Provisions for liabilities and charges	-	(259,000)	-	(259,000)
Total	144,211	(255,993)	114,774	2,992

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NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2023	As restated
	£	2022
		£
Net expenditure for the year (as per Statement of Financial Activities)	(218,972)	(401,200)
Adjustments for:		
Depreciation	36,628	14,040
Capital grants from DfE and other capital income	(22,869)	(22,819)
Interest receivable	(74)	(38)
Defined benefit pension scheme cost less contributions payable	-	216,000
Defined benefit pension scheme finance cost	35,000	21,000
Decrease/(increase) in debtors	26,489	(90,735)
(Decrease)/increase in creditors	(109,097)	494,757
Pension liability on conversion	-	214,000
Net cash (used in)/provided by operating activities	(252,895)	445,005

21. Cash flows from investing activities

	2023	2022
	£	£
Interest Receivable	74	38
Purchase of tangible fixed assets	(11,600)	(79,454)
Capital grants from DfE Group	22,869	22,819
Net cash provided by/(used in) investing activities	11,343	(56,597)

22. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	372,345	613,897
Total cash and cash equivalents	372,345	613,897

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NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1st September 2022 £	Cash flows £	At 31st August 2023 £
Cash at bank and in hand	613,897	(241,552)	372,345
	<u>613,897</u>	<u>(241,552)</u>	<u>372,345</u>

24. Pension commitments

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

The latest valuation of the TPS related to the period ended 31 March 2020 and the latest triennial valuation for LGPS related to the period ended 31 March 2022. The Trust has received an actuarial report relating to the valuation of the LGPS as at 31 August 2023.

Contributions amounting to £117,783 were payable to the schemes at 31st August 2023 (2022 - £113,110) and are included within creditors.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

24. Pension commitments (continued)

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 impacting these financial statements 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 2024.

The employer's pension costs paid to TPS in the year amounted to £543,329 (2022 - £510,616).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2023 was £613,000 (2022 - £146,000), of which employer's contributions totalled £113,000 (2022 - £113,000) and employees' contributions totalled £139,000 (2022 - £33,000). The agreed contribution rates for future years are 22.8 per cent for employers and between 5.5 and 9.5 per cent for employees.

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.

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24. Pension commitments (continued)

Principal actuarial assumptions

Buckinghamshire Pension Fund	2023	2022
	%	%
Rate of increase in salaries	3.85	3.90
Rate of increase for pensions in payment/inflation	2.85	2.90
Discount rate for scheme liabilities	5.30	4.20

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

	2023	2022
	Years	Years
Retiring today		
Males	20.7	21.0
Females	24.3	24.6
Retiring in 20 years		
Males	22.0	22.3
Females	25.7	26.0

Royal County of Berkshire Pension Fund	2023	2022
	%	%
Rate of increase in salaries	3.85	3.90
Rate of increase for pensions in payment/inflation	2.85	2.90
Discount rate for scheme liabilities	5.30	4.25

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

	2023	2022
	Years	Years
Retiring today		
Males	20.7	21
Females	23.6	23.8
Retiring in 20 years		
Males	22.0	22.3
Females	25.0	25.3

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24. Pension commitments (continued)

Sensitivity analysis

Buckinghamshire Pension Fund	2023	2022
	£000	£000
Discount rate +0.1%	242	200
Discount rate -0.1%	253	212
Mortality assumption - 1 year increase	253	212
Mortality assumption - 1 year decrease	241	200
	=====	=====
Royal County of Berkshire Pension Fund	2023	2022
	£000	£000
Discount rate +0.1%	1,022	953
Discount rate -0.1%	1,069	1,006
Mortality assumption - 1 year increase	1,073	1,008
Mortality assumption - 1 year decrease	1,018	951
	=====	=====

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24. Pension commitments (continued)

Share of scheme assets

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

	At 31st August 2023	At 31st August 2022
	£	£
Equities	733,000	567,000
Corporate bonds	136,000	137,000
Property	102,000	110,000
Cash and other liquid assets	10,000	17,000
Asset backed securities	134,000	95,000
Total market value of assets	1,115,000	926,000

The actual return on scheme assets was £(4,000) (2022 - £16,000).

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

	2023	2022
	£	£
Current service cost	(202,000)	(329,000)
Interest income	44,000	13,000
Interest cost	(51,000)	(34,000)
Total amount recognised in the Statement of Financial Activities	(209,000)	(350,000)

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

	2023	2022
	£	£
At 1st September	1,185,000	1,619,000
Transferred in on existing academies joining the trust	-	417,000
Current service cost	202,000	329,000
Interest cost	51,000	34,000
Employee contribution	47,000	33,000
Actuarial gains	(193,000)	(1,241,000)
Benefits paid	-	(6,000)
At 31st August	1,292,000	1,185,000

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24. Pension commitments (continued)

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

	2023	2022
	£	£
At 1st September	926,000	554,000
Transferred in on existing academies joining the trust	-	203,000
Interest income	44,000	13,000
Actuarial (losses)/gains	(76,000)	16,000
Employer contributions	174,000	113,000
Employee contributions	47,000	33,000
Benefits paid	-	(6,000)
At 31st August	1,115,000	926,000

25. Members' liability

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

26. 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 trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust 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.

Arvinder Kaur, wife of Mr Gurminder Athwal, a trustee during the year, received total employee benefits of £36,293. Amrita Kaur, sister of Mr Jujar Singh, a trustee, received total employee benefits of £45,420. Kuldip Sohal, the brother of Hardip Sohal, a trustee to 22 June 2023, received total employee benefits of £24,366. No amounts were owed at the year end. All appointments were made in open competition, and the payments are within the normal pay scales.

27. Post balance sheet events

The supreme court ruling on Harpur vs Brazel (2022) has upheld the ruling impacting holiday pay for part time workers. Employers will now be required to revisit their historical holiday calculations to retrospective apply this ruling. Whilst this will create a liability for the trust, the government are yet to produce guidance as to the specifics of the calculation required, and hence no accurate provision can currently be made.