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**SIKH ACADEMIES TRUST**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**SIKH ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**SIKH ACADEMIES TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2022**

Members	Trustees	Head of Schools
Mr Narinderpal Singh Rana (resigned 04/10/2022) Professor Ralph Tabberer CB Mrs Daljit Kaur Mr Jujar Singh Dr Daljit Singh Virk OBE	Mr Jujar Singh (Co-CoT) Mr Gurminder Singh Athwal (Co-CoT) Mrs Tajinder Kaur Jagdev (Vice Chair) Ms Deep Kaur Mr Mandip Singh Thandi Mr John Jones Mr Hardip Singh Shoal Mr Mandeep Atwal Mr Narinderpal Singh Rana Mr Tony Singh Ark (resigned 13/10/2022) Mrs Satinder Haylat (resigned 18/07/2022)	Mr Raminder Singh Vig Executive Principal Khalsa Primary School  Mr Garret Fay Interim CEO  Mr Harmeet Singh Sahota Head of School May 2022  Mrs Veronica Pope School Business Manager  Mrs Rajvinder Gandhum (resigned 24/11/2022) Company Secretary

**Company registered number**

13104715

**Company name**

Sikh Academies Trust

**Principal and registered office**

c/o Khalsa Primary School  
Wexham Road  
Slough  
Berkshire  
SL2 5QR

**Independent Auditors**

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

**Bankers**

Lloyds Bank  
39 Threadneedle St  
London  
EC2R 8AU

**Solicitors**

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Bristol  
BS1 4QA

**SIKH ACADEMIES TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy.

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

The charitable company is known 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 page 1.

As at the 31st of August 2022 the Sikh Academies Trust was made up of two schools. Khalsa Primary school and Khalsa Secondary School who converted on the 1st of May 2022 transferring from another Trust. The Secondary school has since had a change of name to Pioneer Secondary School.

**b. Members' liability**

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

**c. Method of recruitment and appointment or election of Trustees**

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

The Trustees delegate a number of functions to the Trustee Board committees of each academy. The

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

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

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

**d. Policies adopted for the induction and training of Trustees**

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

**e. Organisational structure**

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management (continued)**

**e. Organisational structure (continued)**

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

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

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

**f. Arrangements for setting pay and remuneration of key management personnel**

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

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

**Objectives and activities**

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

**Objectives and activities**

The Executive Principal 's object and activity of the academy is to advance, for the public benefit, education

By establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum for children of compulsory school age in the relevant academy areas.

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

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities (continued)**

**a. Objects and aims**

Object and Aims

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 ("the Mainstream Academies") or educational institutions which are 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 ("the Alternative Provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies");

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

**b. 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.

The Trust's objectives are to:

- 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.

**c. 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 child care providers;

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**c. Public benefit (continued)**

- Providing adult education classes to the local community

**Achievements and Performance**

**Key Performance indicators**

Khalsa Primary School Slough (Current OFSTED rating- Outstanding Feb 2020)

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

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

Attendance at Khalsa Primary School is above national average.

**End of Key Stage 2 PS year 6 Prediction 2023**

<b>EXP</b>	<b>2023%</b>
<b>Combined r/w/m</b>	<b>74%</b>
<b>Reading</b>	<b>83%</b>
<b>Writing</b>	<b>78%</b>
<b>Maths</b>	<b>80%</b>

Pioneer Secondary School (formerly known as Khalsa Secondary School)

On the 1<sup>st</sup> of May 2022, Pioneer Secondary Academy joined the Sikh Academies Trust and officially became a new school. There is currently no Ofsted Report for Pioneer Secondary Academy as we yet to be inspected.

Summer outcomes

Year 11 Overview

4+ inc English and Maths	78%
5+ English and Maths	56%
Attainment	51.74
Progress	+0.54

- The Year 11 results were very good, on average students were performing half grade better than expected.
- Overall Progress 8 (0.5) was significantly above national and in the highest 20% in 2022.
- 4+ Inc English and Maths was above national average
- 5+ Inc English and Maths was above national average

**b. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies. The transfer of Pioneer Secondary Academy into the Trust has provided additional challenges for both the executive and the non-executive. The Trust is working to ensure stability and further improving financial governance for the two current schools ahead of considering further growth.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Achievements and Performance (continued)**

**Financial review**

During the period Education and Skills Funding Agency (ESFA)/Local Authority (LA) grants received totalled to £3,756,853 for revenue and £22,819 for capital. Other income included within unrestricted funds totalled to £123,501. Restricted fund expenditure totalled to £4,073,584 and unrestricted fund expenditure totalled to £0.

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

Expenditure was used to provide a stimulating education for students and to improve the infrastructure of the schools in order to improve learning.

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

**a. Reserves policy**

The following principles underpin the Trust's approach to reserves management:

- the Trust will set a balanced in-year revenue budget every year
- the Trust's reserves balance should only decrease due to capital investment and/or other organisational needs which shall at all times be approved by the Board of Trustees
- all reserves are the Trust's pooled reserves, however, as the Trust grows, individual school reserves balances will be reported in order to facilitate administrative requirements and for the purposes of statutory accounting
- the Trust's general reserves balance may be comprised of restricted general reserves or unrestricted reserve

**Trust general reserves balance**

The Trust monitors cash flow in the management accounts that are reported to Trustees each month. This is to ensure that immediate financial commitments can be met (payroll and payment runs) and that the liquidity account has adequate balances to meet forthcoming commitments.

The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance. The Trust's general unrestricted reserves balance will be maintained at a level equivalent to the monthly financial commitments relating to payroll and forecast payment roles for the month.

The most significant factor when considering the operational results for the Trust is payroll as the cost is always the largest category of expenditure, and significant elements of it (such as the contribution rates for pensions and national insurance) are largely out of the Trust's control. Teachers' and local government pay is determined by national pay scales, with which the Trust adheres.

Based on the reserves policy set out above and budgets for the next financial year, the minimum level of reserves would require this level to be maintained for the immediate future for the Trust schools. The excess of funds is not currently deemed to be reasonable in the short term due to the additional risks associated with the transfer of Pioneer Secondary Academy into the Trust. It is for this reason that the Trust is being supported in the short term with cash flow by the ESFA but the policy over time intends to ensure that operating margins are such that payroll costs will be met.

**b. Investment policy**

The Trust plans to periodically (at least annually) reviews interest rates and compare with other investment opportunities. The Trust's current policy is to invest only in funds which are low risk and which are reasonably accessible.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**c. Principal risks and uncertainties**

Risk management is embedded in the work of the Trust, particularly those relating to the leadership and teaching. Details of the processes underpinning our approach to risk management are set out in the Governance Statement and the Trust's risk management policy.

Risk management prioritises and protects:

- Safeguarding, which is high quality
- 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. In addition to identifying the owner and allocating an identifier, the risk register identifies the following:
  - The business objective threatened, arrived at from the trust's strategy for growth
  - Category, description, early indicators, triggers and impact, which are categorised to help tease out other likely risks and to avoid duplication
  - Mitigation, controls and evidence to support this judgement
  - Source of assurance, committee responsibility and monitoring

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

**Fundraising**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Plans for future periods**

The Future of the Trust

It is the Trust's very clear aim to be recognised as an outstanding provider. Our leadership is experienced, strong, ambitious and determined – our appetite to grow is healthy and focused on delivering great outcomes for the schools that join.

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.

**Auditor**

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 23 December 2022 and signed on its behalf



**Mr Jugar Singh**  
**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 Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sikh Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 18 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Deep Athwal	10	18
Jujar Singh	18	18
Tajinder K Jagdev	14	18
John Jones	9	18
Gurminder Athwal	14	18
Tony Ark	11	18
Mandip Thandi	10	18
Hardip Singh	7	18
Satinder K Haylat	8	18
Raminder Vig	14	18
Jasvinder Singh	2	3
Mandeep Singh	2	2

The Trust is yet to undertake a self-evaluation which will be done in January 2022, Management accounts are reviewed monthly by the chair and each Trust meeting financial data is provided. The Risk Register is reviewed by the Trust termly.

The Audit 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 specified in the government internal audit manual.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance at meetings in the year was as follows:-

<b>Audit Committee Members</b>	<b>Meeting Attended</b>	<b>Out of possible</b>
Deep Athwal	3	3
Jujar Singh	3	3
Tajinder K Jagdev	3	3
Gurminder Athwal	2	3
Tony Ark	2	3
Mandip Thandi	2	3
Raminder Vig	2	3

**Review of value for money**

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

The accounting officer considers how the Academy'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 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 year 1 September 2021 to 31 August 2022 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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'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 employ RMK Audit Services LTD as internal auditor.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

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

The Trust has had one internal scrutiny carried out in April 22, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

No material failures of weakness were identified during the year as a result of the internal scrutiny work.

**Review of effectiveness**

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

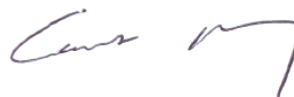
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk 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 December 2022 and signed on their behalf by:



**Mr Jujar Singh**  
**Chair of Trustees**



**Mr Garret Fay**  
**Accounting Officer**

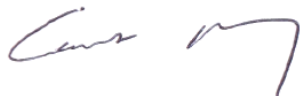
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Sikh Academies Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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



**Mr Garret Fay**  
**Accounting Officer**  
Date: 23 December 2022

**SIKH ACADEMIES TRUST**  
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**STATEMENT OF TRUSTEE'S RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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 2021 to 2022;
- 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 December 2022 and signed on its behalf by:



**Mr Jujar Singh**  
**Chair of Trustees**

**SIKH ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**Opinion**

We have audited the financial statements of Sikh Academies Trust (the 'academy') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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



**SIKH ACADEMIES TRUST**  
**(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 Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

**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 inquired about management's own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and Charities SORP Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- The audit engagement team analysed the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

In addition to the above, our procedures to respond to the risks identified included the following:

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



**Jake Lew (Senior statutory auditor)**

for and on behalf of

**Landau Baker Limited**

Statutory auditors  
Mountcliff House

154 Brent Street  
London  
NW4 2DR

23 December 2022

**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 2021 to 2022, 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 1 September 2021 to 31 August 2022 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 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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.

**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)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Landau Baker Limited*

**Reporting Accountant**

**Landau Baker Limited**

Chartered Accountants  
Statutory auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

Date: 23 December 2022

**SIKH ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	-	(194,714)	22,819	(171,895)	(722,364)
Other trading activities	5	123,463	-	-	123,463	28,699
Investments	6	38	-	-	38	11
Charitable activities	4	-	3,756,853	-	3,756,853	1,357,256
<b>Total income</b>		<b>123,501</b>	<b>3,562,139</b>	<b>22,819</b>	<b>3,708,459</b>	<b>663,602</b>
<b>Expenditure on:</b>						
Charitable activities	8	-	4,073,584	128,996	4,202,580	1,491,410
<b>Total expenditure</b>		<b>-</b>	<b>4,073,584</b>	<b>128,996</b>	<b>4,202,580</b>	<b>1,491,410</b>
<b>Net income/(expenditure) before net gains on investments</b>		<b>123,501</b>	<b>(511,445)</b>	<b>(106,177)</b>	<b>(494,121)</b>	<b>(827,808)</b>
Net gains on investments		-	-	-	-	-
<b>Net income/(expenditure)</b>		<b>123,501</b>	<b>(511,445)</b>	<b>(106,177)</b>	<b>(494,121)</b>	<b>(827,808)</b>
Transfers between funds	17	-	(171,591)	171,591	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>123,501</b>	<b>(683,036)</b>	<b>65,414</b>	<b>(494,121)</b>	<b>(827,808)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,257,000	-	1,257,000	(25,000)
<b>Net movement in funds</b>		<b>123,501</b>	<b>573,964</b>	<b>65,414</b>	<b>762,879</b>	<b>(852,808)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		20,710	(922,878)	49,360	(852,808)	-
Net movement in funds		123,501	573,964	65,414	762,879	(852,808)
<b>Total funds carried forward</b>		<b>144,211</b>	<b>(348,914)</b>	<b>114,774</b>	<b>(89,929)</b>	<b>(852,808)</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 43 form part of these financial statements.

**SIKH ACADEMIES TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 13104715**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	114,774	49,360
		114,774	49,360
<b>Current assets</b>			
Debtors	15	139,218	48,483
Cash at bank and in hand		613,897	225,489
		753,115	273,972
Creditors: amounts falling due within one year	16	(698,818)	(111,140)
		54,297	162,832
<b>Net current assets</b>		54,297	162,832
<b>Total assets less current liabilities</b>		169,071	212,192
<b>Net assets excluding pension liability</b>		169,071	212,192
Defined benefit pension scheme liability	24	(259,000)	(1,065,000)
<b>Total net assets</b>		(89,929)	(852,808)
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	114,774	49,360
Restricted income funds	17	(89,914)	142,122
		24,860	191,482
Restricted funds excluding pension asset	17	24,860	191,482
Pension reserve	17	(259,000)	(1,065,000)
		(234,140)	(873,518)
<b>Total restricted funds</b>	17	(234,140)	(873,518)
<b>Unrestricted income funds</b>	17	144,211	20,710
		(89,929)	(852,808)
<b>Total funds</b>		(89,929)	(852,808)

The financial statements on pages 20 to 43 were approved by the Trustee, and authorised for issue on 23 December 2022 and are signed on their behalf, by:

**Mr Jujar Singh**  
**Chair of Trustees**



The notes on pages 23 to 43 form part of these financial statements.

**SIKH ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	<b>Note</b>	<b>2022</b> £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>445,005</b>	234,398
<b>Cash flows from investing activities</b>			
	20	<b>(56,597)</b>	(8,909)
<b>Change in cash and cash equivalents in the year</b>		<b>388,408</b>	225,489
Cash and cash equivalents at the beginning of the year		<b>225,489</b>	-
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b>613,897</b>	225,489

The notes on pages 23 to 43 form part of these financial statements



**SIKH ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2021 to 2022 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

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

• **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.

• **Transfer on conversion**

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

**SIKH ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

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

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

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

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.

**SIKH ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.7 Cash at bank and in hand**

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

**1.8 Liabilities**

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

**1.9 Pensions**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair 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 31 AUGUST 2022**

**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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Capital Grants	-	22,819	<b>22,819</b>	9,256
Transfer from local authority on conversion	(194,714)	-	<b>(194,714)</b>	(731,620)
	<u>(194,714)</u>	<u>22,819</u>	<u><b>(171,895)</b></u>	<u>(722,364)</u>
Total 2021	<u>(774,015)</u>	<u>51,651</u>	<u>(722,364)</u>	

**SIKH ACADEMIES TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy's charitable activities**

	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	Total funds 2021 £
<b>DfE/ESFA grants</b>			
GAG	2,908,208	<b>2,908,208</b>	1,095,502
Other DfE/ESFA grants			
Pupil Premium	61,550	<b>61,550</b>	20,175
UFSM	68,264	<b>68,264</b>	28,327
ESFA Other - Pioneer Secondary School	242,716	<b>242,716</b>	-
Others	309,531	<b>309,531</b>	96,501
	<hr/>	<hr/>	<hr/>
	3,590,269	<b>3,590,269</b>	1,240,505
<b>Other Government grants</b>			
Local Authority Grants	155,148	<b>155,148</b>	71,671
	<hr/>	<hr/>	<hr/>
	155,148	<b>155,148</b>	71,671
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up Premium	-	-	27,320
Other DfE/ESFA Covid-19 funding	11,436	<b>11,436</b>	17,760
	<hr/>	<hr/>	<hr/>
	11,436	<b>11,436</b>	45,080
	<hr/>	<hr/>	<hr/>
	3,756,853	<b>3,756,853</b>	1,357,256
	<hr/>	<hr/>	<hr/>
	3,756,853	<b>3,756,853</b>	1,357,256
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**5. Income from other trading activities**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	Total funds 2021 £
Catering income	95,212	<b>95,212</b>	20,352
Other income	28,251	<b>28,251</b>	8,347
	<hr/>	<hr/>	<hr/>
	123,463	<b>123,463</b>	28,699
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	28,699	28,699	
	<hr/> <hr/>	<hr/> <hr/>	

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**6. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Bank interest	38	<b>38</b>	11
Total 2021	11	11	

**7. Expenditure**

	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Educational Activities:					
Direct costs	2,204,551	-	156,823	<b>2,361,374</b>	817,663
Allocated support costs	1,038,667	318,948	483,591	<b>1,841,206</b>	673,748
	<u>3,243,218</u>	<u>318,948</u>	<u>640,414</u>	<u><b>4,202,580</b></u>	<u>1,491,411</u>
Total 2021	<u>1,286,863</u>	<u>60,416</u>	<u>144,132</u>	<u>1,491,411</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Educational Activities	<u>2,361,374</u>	<u>1,841,206</u>	<u><b>4,202,580</b></u>	<u>1,491,411</u>
Total 2021	<u>817,663</u>	<u>673,748</u>	<u>1,491,411</u>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2022 £</b>	Total funds 2021 £
Staff costs	<b>2,204,551</b>	762,581
Educational supplies	<b>105,613</b>	25,337
Technology costs	<b>18,412</b>	16,249
Staff development & training	<b>10,265</b>	4,471
Educational consultancy	<b>22,533</b>	9,025
	<b><u>2,361,374</u></b>	<u>817,663</u>

**Analysis of support costs**

	<b>Total funds 2022 £</b>	Total funds 2021 £
Pension finance costs	<b>21,000</b>	8,000
Staff costs	<b>757,622</b>	413,283
Depreciation	<b>14,040</b>	9,231
Non cash pension costs	<b>216,000</b>	111,000
Agency supply costs	<b>65,045</b>	-
Maintenance of premises & equipment	<b>192,320</b>	16,820
Cleaning	<b>42,572</b>	3,238
Rates	<b>22,916</b>	11,796
Energy	<b>61,140</b>	18,989
Security and transport	<b>12,380</b>	1,394
Catering	<b>51,661</b>	17,399
Other support costs	<b>308,407</b>	36,311
Occupancy costs	<b>20,674</b>	9,573
Governance	<b>18,873</b>	8,863
Legal and professional	<b>36,556</b>	7,851
	<b><u>1,841,206</u></b>	<u>673,748</u>

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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2022</b>	2021
	£	£
Depreciation of tangible fixed assets	<b>14,040</b>	9,231
Fees paid to auditors for:		
- audit	<b>7,500</b>	4,950
- other services	<b>3,500</b>	1,700
	<b><u>          </u></b>	<b><u>          </u></b>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2022</b>	2021
	£	£
Wages and salaries	<b>1,794,106</b>	756,526
Social security costs	<b>514,211</b>	152,555
Pension costs	<b>653,856</b>	266,782
	<b><u>          </u></b>	<b><u>          </u></b>
	<b>2,962,173</b>	1,175,863
Agency staff costs	<b>65,045</b>	-
Non cash pension costs	<b>216,000</b>	111,000
	<b><u>          </u></b>	<b><u>          </u></b>
	<b>3,243,218</b>	1,286,863
	<b><u>          </u></b>	<b><u>          </u></b>

**b. Staff numbers**

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

	<b>2022</b>	2021
	No.	No.
Teachers	<b>23</b>	22
Support staff	<b>41</b>	35
Management	<b>4</b>	4
	<b><u>          </u></b>	<b><u>          </u></b>
	<b>68</b>	61
	<b><u>          </u></b>	<b><u>          </u></b>



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**10. Staff (continued)**

**c. Higher paid staff**

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

	<b>2022</b>	2021
	<b>No.</b>	No.
In the band £90,001 - £100,000	<b>1</b>	-
	<u><u>1</u></u>	<u><u>-</u></u>

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustee and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £254,146 (2021 - £206,775).

**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:

	<b>2022</b>	2021
	<b>£</b>	£
Khalsa Primary School	<b>76,693</b>	-
Pioneer Secondary School	<b>46,512</b>	-
<b>Total</b>	<u><u>123,205</u></u>	<u><u>-</u></u>

**12. Trustee's remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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**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 £
<b>Cost or valuation</b>				
At 1 September 2021	16,817	41,774	-	58,591
Additions	-	-	79,454	79,454
At 31 August 2022	<u>16,817</u>	<u>41,774</u>	<u>79,454</u>	<u>138,045</u>
<b>Depreciation</b>				
At 1 September 2021	6,631	2,600	-	9,231
Charge for the year	2,965	4,792	6,283	14,040
At 31 August 2022	<u>9,596</u>	<u>7,392</u>	<u>6,283</u>	<u>23,271</u>
<b>Net book value</b>				
At 31 August 2022	<u>7,221</u>	<u>34,382</u>	<u>73,171</u>	<u>114,774</u>
At 31 August 2021	<u>10,186</u>	<u>39,174</u>	<u>-</u>	<u>49,360</u>

**15. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Other debtors	134,922	9,793
Prepayments and accrued income	4,296	38,690
	<u>139,218</u>	<u>48,483</u>

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**16. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	37,304	-
Other taxation and social security	133,561	35,256
Other creditors	11,688	-
Accruals and deferred income	516,265	75,884
	698,818	111,140

**17. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds - all funds	20,710	123,501	-	-	-	144,211
<b>Restricted general funds</b>						
General Annual Grants (GAG)	142,122	2,908,208	(2,968,653)	(171,591)	-	(89,914)
Pupil Premium	-	61,550	(61,550)	-	-	-
UIFSM	-	68,264	(68,264)	-	-	-
Other DfE/ESFA Grants	-	552,247	(552,247)	-	-	-
Other DfE/ESFA COVID-19 funding	-	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)
	(922,878)	3,562,139	(4,073,584)	(171,591)	1,257,000	(348,914)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds- all funds	49,360	22,819	(128,996)	171,591	-	114,774
<b>Total Restricted funds</b>	<b>(873,518)</b>	<b>3,584,958</b>	<b>(4,202,580)</b>	<b>-</b>	<b>1,257,000</b>	<b>(234,140)</b>
<b>Total funds</b>	<b>(852,808)</b>	<b>3,708,459</b>	<b>(4,202,580)</b>	<b>-</b>	<b>1,257,000</b>	<b>(89,929)</b>

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

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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**17. Statement of funds (continued)**

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

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

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**17. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	2021
	£	£
Khalsa Primary School	<b>(108,877)</b>	162,832
Pioneer Secondary School	<b>42,927</b>	-
Combined Cadet Force	<b>25,885</b>	-
Sikh Academy Trust	<b>94,362</b>	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>54,297</b>	162,832
Restricted fixed asset fund	<b>114,774</b>	49,360
Pension reserve	<b>(259,000)</b>	(1,065,000)
	<hr/>	<hr/>
<b>Total</b>	<b>(89,929)</b>	<b>(852,808)</b>
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	<b>Deficit</b>
	£
Khalsa Primary School	<b>(108,877)</b>
	<hr/> <hr/>

The school budget was understated against expenditure budgets.

The trust minutes raised no concerns, suggesting that the full extent of the schools financial difficulties had not been accurately reported .

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

A full financial management and governance review will now take place to improve efficiencies and cost savings across the Trust.

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

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Khalsa Primary School	1,345,044	957,632	85,732	411,811	<b>2,800,219</b>	1,482,179
Pioneer Secondary School	859,507	81,035	19,881	427,898	<b>1,388,321</b>	-
<b>Academy</b>	<u>2,204,551</u>	<u>1,038,667</u>	<u>105,613</u>	<u>839,709</u>	<u><b>4,188,540</b></u>	<u>1,482,179</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	-	114,774	<b>114,774</b>
Current assets	144,211	608,904	-	<b>753,115</b>
Creditors due within one year	-	(698,818)	-	<b>(698,818)</b>
Provisions for liabilities and charges	-	(259,000)	-	<b>(259,000)</b>
<b>Total</b>	<u>144,211</u>	<u>(348,914)</u>	<u>114,774</u>	<u><b>(89,929)</b></u>

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

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

**19. Reconciliation of net expenditure to net cash flow from operating activities**

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	<u>(494,121)</u>	<u>(827,808)</u>
<b>Adjustments for:</b>		
Depreciation	14,040	9,231
Capital grants from DfE and other capital income	(22,819)	(9,256)
Interest receivable	(38)	(11)
Defined benefit pension scheme cost less contributions payable	216,000	70,585
Defined benefit pension scheme finance cost	21,000	8,000
Increase in debtors	(90,735)	(48,483)
Increase in creditors	587,678	111,140
Pension liability on conversion	214,000	921,000
<b>Net cash provided by operating activities</b>	<u><u>445,005</u></u>	<u><u>234,398</u></u>

**20. Cash flows from investing activities**

	2022 £	2021 £
Interest receivable	38	11
Purchase of tangible fixed assets	(79,454)	(18,176)
Capital grants from DfE Group	22,819	9,256
<b>Net cash used in investing activities</b>	<u><u>(56,597)</u></u>	<u><u>(8,909)</u></u>



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**21. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	613,897	225,489
<b>Total cash and cash equivalents</b>	<b>613,897</b>	<b>225,489</b>

**22. Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	225,489	388,408	613,897
	<b>225,489</b>	<b>388,408</b>	<b>613,897</b>

**23. Conversion to an academy trust**

On 1 May 2022 Khalsa Secondary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sikh Academies Trust from Slough Borough County Council for £NIL consideration.

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

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

	Restricted funds £	Total funds £
<b>Current assets</b>		
Reserves	19,286	<b>19,286</b>
<b>Non-current liabilities</b>		
LGPS	(214,000)	<b>(214,000)</b>
<b>Net liabilities</b>	<b>(194,714)</b>	<b>(194,714)</b>

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**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 Barnett Waddington. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to 31 August 2022.

Contributions amounting to £11,688 were payable to the schemes at 31 August 2022 (2021 - £ -) 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.

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £510,616 (2021 - £219,744).

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

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

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**24. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £146,000 (2021 - £73,000), of which employer's contributions totalled £113,000 (2021 - £56,000) and employees' contributions totalled £ 33,000 (2021 - £17,000). The agreed contribution rates for future years are 20.9 per cent for employers and 5.8 to 8.5 per cent for employees.

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

**Principal actuarial assumptions**

Royal County of Berkshire Fund	<b>2022</b>	2021
	%	%
Rate of increase in salaries	<b>3.90</b>	3.85
Rate of increase for pensions in payment/inflation	<b>2.90</b>	2.85
Discount rate for scheme liabilities	<b>4.25</b>	1.65

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

	<b>2022</b>	2021
	Years	Years
Retiring today		
Males	<b>21.0</b>	21.3
Females	<b>23.8</b>	24.0
Retiring in 20 years		
Males	<b>22.3</b>	22.6
Females	<b>25.3</b>	25.4

**Sensitivity analysis**

Royal County of Berkshire Pension Fund	<b>2022</b>	2021
	£000	£000
Discount rate +0.1%	<b>1,153</b>	1,574
Discount rate -0.1%	<b>1,218</b>	1,665
Mortality assumption - 1 year increase	<b>1,220</b>	1,683
Mortality assumption - 1 year decrease	<b>1,151</b>	1,558
CPI rate +0.1%	<b>1,217</b>	1,661

**SIKH ACADEMIES TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Pension commitments (continued)**

**Share of scheme assets**

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

	<b>At 31 August 2022</b>	At 31 August 2021
	£	£
Equities	<b>567,000</b>	339,000
Corporate bonds	<b>137,000</b>	99,000
Property	<b>110,000</b>	65,000
Cash and other liquid assets	<b>17,000</b>	4,000
Asset backed securities	<b>95,000</b>	47,000
<b>Total market value of assets</b>	<b>926,000</b>	554,000

The actual return on scheme assets was £16,000 (2021 - £40,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2022</b>	2021
	£	£
Current service cost	<b>(329,000)</b>	(167,000)
Interest income	<b>13,000</b>	4,000
Interest cost	<b>(34,000)</b>	(12,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(350,000)</b>	(175,000)

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

	<b>2022</b>	2021
	£	£
<b>At 1 September</b>	<b>1,619,000</b>	1,362,000
Transferred in on existing academies joining the trust	<b>417,000</b>	-
Current service cost	<b>329,000</b>	167,000
Interest cost	<b>34,000</b>	12,000
Employee contribution	<b>33,000</b>	17,000
Actuarial (gains)/losses	<b>(1,241,000)</b>	61,000
Benefits paid	<b>(6,000)</b>	-
<b>At 31 August</b>	<b>1,185,000</b>	1,619,000

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Pension commitments (continued)**

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

	<b>2022</b>	2021
	£	£
<b>At 1 September</b>	<b>554,000</b>	441,000
Transferred in on existing academies joining the trust	<b>203,000</b>	-
Interest income	<b>13,000</b>	4,000
Actuarial gains	<b>16,000</b>	36,000
Employer contributions	<b>113,000</b>	56,000
Employee contributions	<b>33,000</b>	17,000
Benefits paid	<b>(6,000)</b>	-
<b>At 31 August</b>	<b>926,000</b>	554,000

**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 £10 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.