

Company Registration Number: 07954683 (England and Wales)

Khalsa Education Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2020

Khalsa Education Trust
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Khalsa Education Trust

Reference and Administrative Details

Members	Mr Hardev Singh Sidhu (Chair) Dr Jatinder Singh Mehmi Mr Palvinder Singh
Trustees	Mr Hardev Singh Sidhu* Mr Harnek Bhullar Singh * (Chair) Dr Jatinder Singh Mehmi (Education) Mr Palvinder Singh* Mr Richard Berry (Resigned 8 July 2020) Mr Rashpal Singh Sagoo Mrs Rebecca White (Resigned 30 July 2020) Mrs Harsimran Kaur Deagon* (Appointed 18 October 2019) Mr Stuart Jolley* Mr Jordan License* Mrs Vicki Morris* (Resigned 21 January 2020) Mr Amrik Singh Sindhar* Mr Sukhdev Singh Mrs Deborah Kenny* (Appointed 12 December 2019) Mrs Julie Harkness (Appointed 3 December 2020) * members of the finance committee
Company Secretary	Mr Harnek Bhullar Singh
Senior Management Team	Mrs Deborah Kenny (Executive principal from 4 November 2019) Mr Jordon Licence (Head of School) Mrs Sarah Rai (Assistant Principal)
Company Name	Khalsa Education Trust
Principal Office	Fir Tree Rise Leeds LS17 7EZ
Registered Office	24 Station Road Ossett Wakefield WF5 8AD
Company Registration Number	07954683 (England and Wales)

Khalsa Education Trust

Reference and Administrative Details (continued)

Independent Auditor

Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Bankers

Lloyds Bank
17 Westgate
Wakefield
WF1 1JZ

Solicitors

Michelmore LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Khalsa Education Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates Primley Wood Primary School (PWPS), formerly known as Khalsa Science Academy (KSA), a two-form entry primary school for 210 pupils which opened on 1 September 2013.

The school opened in 2013 as a Free School and moved into its new purpose-built building in January 2017. The move was a significant distance for some families from its first location, and this has been an issue for the academy.

Since the previous report, the school has grown and there are currently 171 children on role. A full complement of classes is in place, although 3 of the 6 cohorts are not yet a full complement, leading to funding challenges. In response, Board of Trustees (BoT) has implemented a marketing plan to promote the new name of the school in order to provide clarity to the local community around the school's inclusive character and location.

The school has been growing class by class since its establishment, with 2019-20 introducing the first Year 6 cohort. This is a new and exciting addition to the school's structure and the school has placed great importance on liaising with secondary schools to support our pupils transition from Year 6 to Year 7.

This completed academic year represents a significant change because the school, gained good grades in all categories from the latest OFSTED inspection (December 2019). We are pleased for the children, staff, parents, trustees and trust members. Ensuring the effectiveness of schools is a team effort and that involves collective hard work, diligence and thought over many long hours. Therefore, ahead the team will not be complacent and we will be building on these successes and addressing with rigour the key issues for action in order to take the school further forward.

At the start of the academic year, last September 2019, the trustees went out to recruit a substantive principal, by half term, at the latest. This was secured by entering into a partnership with Manor Wood Primary School (MWPS), which was judged to be outstanding in January 2019, and where the Headteacher is a NLE. This first-class large school offers support for leadership at all levels and has 5 SLEs on its teaching staff. The new Executive Principal is also a member of the strategic leadership team for the Noctua Teaching Alliance. Following a very busy autumn term, all teaching staff are now stable and benefitting from support from the ongoing partnership with Manor Wood.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity which incorporated on 17 February 2012. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Khalsa Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is also known as Khalsa Education Trust

Following on from an external review of governance in autumn 2019, the board of trustees has made several changes to widen its skills and diversity. Details of the trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 the cost of this insurance is included in the total insurance cost but is not separately identifiable.

Principal Activities

The principal activities of the charitable company are to establish and maintain an academy in accordance with the requirements of the Master Funding agreement in place with the Education and Skills Funding Agency (ESFA).

Method of recruitment and appointment or election of members and trustees

The current members were the proposers of the free school, plus trustees' taken as representatives from the staff, parents of the children, and the wider community.

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Trustees' Report (continued)

Policies and procedures adopted for the induction and training of members/trustees

The procedures adopted for the induction and training of members/trustees will vary depending on their existing experience. The induction and training will always include a tour of the school and a chance to meet staff and pupils. All trustees are provided with copies of policies, procedures, minutes, accounts, plans and other documents that they will need to undertake their role. Induction tends to be undertaken informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority, National Governor's Association and other bodies. The Trust looks to undertake an annual skills audit of trustees and should any gaps be identified training courses would be arranged for Trustees to address these issues.

Organisational Structure

The Trust Members Board will normally meet two or three times a year. The Trust Members Board establishes an overall framework for the governance of the Trust and has agreed a detailed scheme of delegation from the Trust Members Board down to the Board of Trustees (BoT) and Executive Principal (EP).

Organisationally the structure of the Trust for 2019-20 remains the same as the previous academic year, with the establishment of the school's Board of Trustees serving as the local governing body of the school, along with the establishment of two sub-committees, i.e. Resources sub-committee and Curriculum sub-committee, who undertake the detailed financial and educational review of the school.

Principally the majority of risks to which the Academy Trust are now exposed to, are considered by the Trustees related to the running of Primley Wood Primary School (PWPS) with a specific focus on improving the standard of education offered at the school to all pupils.

Historically, back in 2015, due to delays in agreeing a feasible capital budget within an increasingly confident construction market place resulted in considerable credibility and PR damage within the school's new potential catchment area. Eventually, sixteen months later, January 2017, the school moved to a new build at the permanent site at Alwoodley, Leeds. Such reputational damage can take a considerable time period to recover from, as much as 3-5 years. Hence, 5 years later, the school is now starting to show signs of recovery coming through, boosted by the good grades awarded by OFSTED, led by an experienced Executive Principal, supported by the stability in staffing and of course through our partnerships, (i.e. Manor Wood Primary School and the Noctua Teaching Alliance). In the future, we also expect the change of name for the school to provide further positive response from the prospective families.

Arrangements for setting pay and remuneration of key management personnel

Remuneration of key management personnel will follow DfE advice and direction of the School Teachers' Pay and Conditions Document (STPCD). Senior staff will have their performance reviewed by Trustees and where deemed necessary by specialist sector experts. Each year the Academy has a Pay Committee made up of the chair, vice chair of Trustees and a sector specialist expert, who is responsible for setting annual targets for the Principal in accordance with the agreed performance management and appraisal policy.

Connected Organisations, Including Related Party Relationships

Trustees of the academy trust are drawn from local public and private sectors. Trustees are aware that all transactions involving connected parties should be conducted at arm's length and at cost, in accordance with the academy trust's financial regulations and normal procurement procedures.

Committed parents from West Yorkshire, have demonstrated their passion for outstanding education for their children by sending them to Primley Wood Primary School at Leeds. Naturally these families needed transportation to have the children attend the school, hence they formed a not for profit establishment, to arrange and provide a transport service for the stated purpose. To this end, the Sikh Community led establishment, lends free of charge, one mini bus, for the Bradford based pupils travelling to the academy. The maintenance, fuel and general up keep of this vehicle, along with the driver and escort(s), as required, are funded by the academy trust.

Objectives, Strategies and Activities

Objects and aims

The primary purpose of the trust is the advancement of education in the local areas in which it establishes schools that maximises each pupil's potential. In setting the objectives the trustees have given careful consideration of guidance on public benefit.

The trust was formed in 2012 in response to local demand for quality education grounded in the core Sikh values of honesty, universal respect, equality and community service. The trust also identified that in an area that is rich with industrial and technological organisation there was demand for schools which focused its teaching on STEM skills (science, technology, engineering and mathematics).

Public Benefit

The trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the trust's aims and objectives and in planning its future activities.

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Trustees' Report (continued)

Strategic Report

Achievements and Performance

Primley Wood Primary School, (PWPS) is a good education provider. The capacity of the leadership team has increased as a NLE has been recruited as Executive Principal (EP) and a partnership has been established with her existing school providing stability and support for individual teachers. PWPS also works closely with the Noctua Teaching Alliance to provide additional capacity. The leadership team and Board of Trustees have a clear view of what the school does well and what it needs to do to improve further. By taking appropriate actions, the school strives to ensure that the high quality of education is sustained to enable the children to gain the maximum benefit from school.

Please note, during these challenging times, in dealing with Covid-19, the school has been open for key workers and vulnerable children during the lock period. During this period, our family care and welfare specialist, has been in touch with families, on a weekly basis, with those who the school considers to be vulnerable. She has also met and spoken by phone to families who have become a concern during the lockdown period. In such difficult times, regular communications with the school community is essential, hence the EP has written to parents, keeping them abreast of ongoing plans. However, this has been rather hindered, because sometimes the information provided by the government, has been delayed or muddled. Therefore, it has not been easy to be definite about the available facts.

It has been clear during the last few months, that an increasing number of families have faced financial hardship and the school has been able to provide access to additional funds thanks to the Just Giving fundraiser and local community-based charities.

Strengths include:

The school has a positive learning culture and children are eager to learn.

"Trustees have managed the expansion of the school well. As the school has grown, trustees have increased the leadership team. More recently, they have appointed an executive headteacher. She is helping to steer the school through the next stage of its improvement. In lessons, pupils behave well. They focus on their learning and are keen to answer questions and to share their ideas" (Ofsted Inspection, December 2019).

Greater focus on science, termly curriculum days, i.e. Space Day, Discovery Day, Stop Plastic Pollution Day and a dedicated science week. The school is now working towards the PSQM (Primary Science Quality Mark).

A strong KS1: "In Reception and Year 1, pupils have a daily phonics lesson. All pupils learn sounds in order, so they can begin to spell and read. By the time pupils leave Reception they have a good phonics knowledge. This continues into Year 1. Pupils practise their reading using books that are well matched to their phonics knowledge. This helps them to increase their fluency and confidence. From Year 2 onwards, teaching focuses on improving pupils' skills of retrieval, inference and choice. Pupils enjoy these activities." (Ofsted Inspection, December 2019).

Following a curriculum review, schemes of work have been strengthened further. Also, currently considering investment in new resources to help support pupils learning, including a range of online resources are made available for pupils to use at home.

Positive relationships with home, where parents and carers are now more proactive in supporting their children at home. This is due to the closer relationship and communication between school and parents / carers.

Prioritising staff wellbeing to ensure robust mental health and to enable them to focus fully on the children and fulfil their roles with energy and expertise.

The school enjoys modern facilities, which are spacious and provide purpose-built rooms, and staffing has stabilised and strengthen since last year, both in terms of capacity and capability, hence this has meant that there is very little need for supply staffing.

Key Performance Indicators

The key indicator for a successful school is the attainment and achievement of its pupils. This will help the trust secure sufficient pupils for the school.

During the time period of this report, the extra SLT capacity and capabilities continue to improve the teaching and learning standards further, hence building upon the latest OFTED Inspection, December 2019.

Despite the constant threat of Covid-19, staff have been extraordinarily resilient and positive although they are all currently extremely tired and ready for the holidays! Hopefully, the new vaccine will become available to school staff in the early spring and life will become more normal for all of us.

Our children continue to be very well settled and accepting of a situation which is unlike any other we have faced in schools. Their learning behaviours are impressive, and they appear to be enjoying school very much.

Primley Wood has at or above national results and the 2019 results are:

Full School 80%

Phonics Year 1 89% Year 2 80%

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Trustees' Report (continued)

These results have been consistently good for the last three years and Phonics scores continue to improve year upon year since 2017. However, given Covid 19 restrictions, judging progress using data is difficult at the moment as there is insufficient data on the system. However, staff know their children well and pupil progress meetings provide detailed and quality information which informs future planning.

Also, home learning is fully in place and most children are engaging with it. A number of strategies are available to families including Google Classroom, Class Dojo and printed packs. Where there is a barrier to home learning, we do our best to remove it and we regularly lend out laptops from school. Suitable opportunities are also in place for the more able children to work individually and with greater challenge.

As at the financial year end, 31 August 2020, PWPS made strong progress. The school has concluded another eventful and extremely busy year. Therefore, on behalf of the Trust Members and the Trustees', I would like to take this opportunity to say a sincere thank you to the senior leaders, and the PWPS staffing team as a whole for all their hard work during the past year. Also, we appreciate the support afforded to us by the passionate parents and the pupils during the same period.

The parents contributed very positively through an independent survey, the results of which were scrutinised and commented on by OFSTED in their latest report, please see the website for further details.

The most recent OFSTED inspection of Dec 2019, awarded the school with a Good for all five judgement areas. Please visit the school website: <http://primleywood.co.uk/ofsted/> to view the full spread of reports.

For the last five years in succession, pupils at PWPS achieve results in-line or above national expectations in their Statutory Key Stage 1 Tests. Due to lockdown restrictions, SATS were cancelled, hence the school uses pupil progress meetings to monitor progress and identify challenges.

Year 2 completed their phonic screening check in December 2020 and 86% of children passed however, due to the January lockdown and the cancellation of statutory testing this academic year, the results were not submitted. Internal monitoring and tracking is still taking place, where possible, throughout the remote learning.

For Pupil Premium / Disadvantaged Children, strategies are in place to support them in terms of catch up. Data has been recorded for this group and the impact of support and invention is regularly monitored. Clearly, if progress is not accelerated new strategies will be implemented. A number of disadvantaged children and families are being supported by the pastoral team and the local school cluster. We are fully aware that social and emotional issues really impact on learning and we have an increasing number of children across school with high levels of anxiety. As a result, some of the additional funding from the government is being used to provide pastoral support in addition to academic interventions.

Despite Covid-19 attendance is improving across the school and was 95% during Autumn, and currently the figure from September – November 2020 is 97%.

The academic year of 2019-20, represents the school's third full year at the permanent site, now housed in a purpose-built, first class education facility. Given that we are a relatively new school to this part of the Leeds district, it will take time to establish ourselves.

Now that we have started to settle in at our new permanent building and site, further investment is applied to strengthen the staffing, resources and marketing to make the local community aware of our existence and progress to date. Going forward, as the school grows, the Trustees' will continue to carefully monitor and evaluate the progress made by its pupils.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Specifically, a 3 Year Forecast Budget has been approved by the Board of Trustees, including a robust and detailed financial projection based on prudent pupil number estimates and resourcing/staffing requirements which is now being executed to ensure that the financial position of the Trust continues to improve and delivers financial resilience and sustainability for the long term. The Board of Trustees recognises a short-term risk in pupil recruitment matters, as these directly reflect the revenue available to the school. Therefore, members/ trustees and the school leadership are determined, wherever possible, to work together in tightly controlling expenditure, raising extra revenues through fund raising and of course, to attract the sufficient number of pupils through a new confident pupil recruitment process. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The further improving education standards within the state of art classrooms, provides the school collective confident in stamping our mark of high quality in teaching, healthy and happy pupils at the school.

Our short-term measures, in controlling expenditure, budgeting and reporting management accounts on a monthly basis maintains a strong financial direction. These have worked effectively, and last year's deficit has been cleared. This year's results are so impressive that they provide a small surplus. Looking further ahead Trustees will need to remain vigilant throughout the next three years before the school can start to build up a healthier surplus.

Given these undertaking, the trustees have a reasonable expectation that the academy trust has adequate resources to continue

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Trustees' Report (continued)

financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies, especially within the minutes of the termly finance and audit subcommittees' meetings.

Financial Review

Most of the academy trust's income is generated from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Financial Review

Most of the academy trust's income is generated from the Education Funding Agency (EFA) and the Local Authority (LA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2020 the academy made a surplus of £9,782 on restricted and unrestricted funds, excluding pension fund movement and fixed asset funds.

The Academy also received capital funding of £30,136 during the period. Details are shown in note 2 to the financial statements.

The Academy held unrestricted funds as at 31 August 2020 of £36,629. Total restricted funds were £nil, excluding the pension scheme deficit of £309,000. The fixed asset funds as at 31 August 2020 were £3,345,133.

The governing body annually monitors the three year budgets, and regularly reviews the in year budget, to ensure the trust remains financially viable.

Principal risks and uncertainties

The funding agreement that the trust has with the Department for Education mitigates against a number of financial and management risks that a company of our size might be subject to.

The trust's objective is to deliver sustainable schools that deliver outstanding education. The trust has established a Business Management Group that meets at least every quarter that considers both the financial and educational risks to achieving this. Internal Control procedures have been developed and adopted with the opening of PWPS.

To a large extent the funding formula is driven by pupil numbers. Whilst the trust has shown a clear need for its schools, against Local Authority concerns about a shortage of primary school places for a number of years, the trust's ability to attract pupils to the new school is the principal risk the trust faces.

Financial and risk management objectives and policies

The Academy Trust's dealings with financial instruments are limited to bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature the Academy Trust's debtors (being principally Government bodies and other schools) and therefore the risk to cash flow is also minimal.

Reserves Policy

The policy of the trustees is to establish and maintain a level of reserves that will be adequate to provide a stable basis for the continuing operation of the trust whilst ensuring that excessive funds are not accumulated.

Investment Policy

The trust seeks to spend the public monies with which we are entrusted for the direct education benefit of pupils as soon as is prudent. The trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Plans for Future Periods

On completing the summer review of the 2019-20 school improvement plan, taking in to account 2019 statutory assessment results across key stage 1 and 2, as well as the school's internal monitoring of pupil progress, the governing body and senior leadership team have compiled a variety of continued and new actions for the following academic year – 2020/21.

However, due to the impact on school life of Covid-19 the key priorities from the 2019-20, will be rolled forward into 2020-21, as they are still pertinent and require consolidation.

School Improvement Plan

The key priorities for the School Improvement Plan (SIP) are:

- To improve curriculum design and implementation to further improve outcomes for all children
- To improve attendance and engagement within the school and wider community
- To further improve the curriculum experience for children in the Early Years Foundation Stage

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Trustees' Report (continued)

Good progress is being made in terms of the SIP priorities and detailed feedback has been provided to Trustees. As a result of the pupil progress meetings across school, writing is a new key area of focus and school improvement priority. Looking further ahead, the success criteria for the above will change and there will be a greater emphasis on evaluating impact on learning, practice and provision.

Overall areas to develop for September 2020 – July 2021

Leadership and Management:

To ensure the new curriculum implemented during 2019-20, is effective and its impact on children's learning is evaluated. This year, the focus will be on "Sticky Knowledge", and the facts that we want the children to retain. To build in a CPD programme for coordinators to lead their subjects in order to raise standards in all subjects.

The Executive Principal and the Head of School, are working together extremely well and the partnership between PWPS and MWPS is becoming increasingly strong. Every opportunity is taken for joint working and plans are in place for middle leaders to work together across the whole school. Sherelle Poole (Family Support Worker) from the MWPS is regularly at PWPS undertaking pastoral and safeguarding work and Katie Lamb is taking a leading role to develop Restorative Practice. Administration colleagues visit MWPS regarding "Parent Pay" and other systems to share best practice. Middle leaders share strategies across both schools to develop a stronger relationship around all subject opportunities for children at PWPS. This approach will continue to consolidate learnings and further improve practice, as well as provision.

Admissions Numbers:

Pupil numbers are increasing at Primley Wood and have grown from **149 to 171 for the start of 2020-21**. The SLT are aware that the good inspection judgement is having a positive impact on applications to the school, as will the name change. The Executive Principal (EP) however, has become aware that there is no catchment area for the school and that PWPS will never appear in a postcode search. As a result, the school has entered into consultation regarding a catchment area.

A new Admissions Policy is in place and funds have been identified to market the school effectively to promote the new name of the school.

Quality of teaching, learning and assessment:

Learning environments are now more stimulating and we have received positive comments regarding this from external visitors to the school. Across the year, triangulations of book scrutinies, lesson observations and pupil voice have provided us with the positive evidence that teaching and learning at the school is good. Our next steps regarding this, is to monitor more regularly, developing subject leaders and sharing accountability.

The Quality of Education – Years 1 to 6 including the impact of curriculum design, delivery and outcomes:

The new curriculum was implemented across effectively and HoS has worked with SLEs to develop the confidence and expertise of staff in a range of subjects. Clearly, the Inspection judged the quality of teaching and learning to be good. However, a continued focus on practice and provision across school is essential if this is to be consistent and to further improve over time. The quality of the environment requires regular review and a plan is in place for various colleagues to visit MWPS over the academic year. Our Head of School, took part in the Peer 2 Peer review at MW with the Headteacher, colleagues from Carr Manor Community School and the Literacy team from MW. Further exchange visits will continue in this manner, as opportunities arise.

The School Improvement Plan has been updated recently and the rag rating reviewed.

Data update

As a result of lock down we have no statutory data for 2019-20. However, we do have internal data. Data across school is collected 3 times a year and the December drop has been shared with the Curriculum Teaching and Learning Committee. Children's progress is recorded from term to term and the expectation is that they will make 1 point progress every half term. Target Tracker enables school to identify children who are making more than expected progress and those who aren't. Groups and individual children are analysed by the SLT and the data is interrogated to ensure that strategies are implemented to address the needs of the children making less than expected progress. In the vast majority of cases these are pupils with SEND who are also assessed using "B Squared" which enables the small steps of progress to be recorded and for meaningful targets to be set. In addition to children with SEND there is a focus on more able children who should make more than expected progress and the interventions they required to ensure that happens. Pupil progress meetings have recently taken place with teachers during which every child was discussed. End of summer targets from FFT were a key focus and strategies for accelerating progress if required to achieve predicted targets.

Observations, work scrutiny and pupil performance discussions suggest that many children are making good progress however there is an issue with the expectations of a minority of teachers. The EP and HoS are aware of this and continue to stress the importance of high expectations and ensuring that barriers to learning are addressed.

The Quality of Education in the Early Years – This includes the impact of curriculum design and delivery including outcomes.

The new baseline test for Reception children was implemented across the country in September 2020. This is intended to give schools a baseline against which to measure progress in the first year. We are yet to determine if this an effective assessment tool especially in a school where there is a high level of new joiners throughout the year.

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Trustees' Report (continued)

Behaviour and Attitudes and Personal Development

Work focused on developing Restorative Practice (RP) across school, working closely with middle leaders from Manor Wood PS, observing lunch time, class lessons and to speak to groups of children about behaviour at PWPS. The findings were reported back to the EP and the major areas they would like addressing include:

- More opportunities for different activities at playtimes
- More varied lunches, some children would like sandwiches as their school dinner, provided by the Catering Agency
- Consistent rewards and consequences rather than whole classes being penalised due to the inappropriate behaviour of a few children
- A greater number of trips

This work continue through the year, further work with the school will be informed by their findings from the initial visit and will include a presentation by the RP pupil team from MWPS to all the children at PWPS.

The EP has spent time visiting and observing children in classes and in the vast majority of lessons behaviour is good or better. In the lessons where this is not consistently the case, work is in place to address this and teachers / TAs are being supported to develop their expertise in managing children's low-level behaviour issues. In recent breaktimes there has been a focus on teaching children outdoor games and over the past week a "Trim Trail" has been constructed in the front playground to provide children with more opportunities for engaging play.

Class Dojo continues to have a positive impact on behaviour and is an effective strategy for communicating with parents. Bullying did not feature in the pupil voice work undertaken by the RP Pupil Team. However, there have been a small number of incidents in school which have been addressed immediately by the SLT. Any behaviour issues are recorded on CPOMS and parents contacted, if warranted.

Jordan License and Lauren Daniels took part in "Team Teach" training on 28th February at MWPS with 10 members of staff. The training was of an excellent quality and focused on strategies to avoid having to physically remove children with inappropriate behaviour or significant needs but also covered the safe movement of children from one place to another.

One homophobic comment has recently been made, dealt with effectively and recorded on CPOMS. There have been no other incidents of hate crime.

Sherelle Poole is in school regularly and is working with an increasing number of parents and children. She has also introduced the "Family Learning Service" to school and has engaged with families in the local area to keep them updated regarding what is on offer at KSA. Sherelle has spent time knocking on doors with the Head of School in a bid to raise its profile in the local area and increase pupil numbers. Her work is having a very positive impact on the social and emotional development of the children with whom she works and her relationship with some vulnerable parents is also extremely effective.

Over the Summer, we have made changes to our behaviour policy. More of an emphasis on restorative practice rather than action and consequence. The policy is based on the book: 'When, an adult changes, everything changes'. In short, we focus on 3 golden rules: Be ready, be respectful and be safe. We have a more consistent and positive approach to all behaviours. This term, we are introducing CPOMS to centrally record and monitor negative behaviours, hate monitoring and safeguarding. Hate monitoring training will be provided by the West Yorkshire Police Safer Schools Officer.

Safeguarding

Our Child Protection policy and the Keeping Children Safe in Education have both been recently updated. Designated Safeguarding Leads (DSLs) continue to be Jordan License, Sarah Rai and Deborah Kenny. Sherelle Poole provides support and advice in her role as Safeguarding and Attendance Lead at MWPS and she monitors all information regarding CPOMS on a twice weekly basis. Sherelle ensures that actions take place as a result of concerns recorded and meets with parents where appropriate.

The Single Central Record is maintained by Sharon Rudd and all appropriate checks are in place regarding new staff and visitors.

The Head of School (HoS) is now Safer Recruitment Trained.

Attendance

In the 2019/20 academic year, the school must ensure a rigorous process is put into place to ensure that all learners are punctual and have high attendance.

Current whole school attendance is **96.21%** which remains above the LA target of 96%. The number of persistent absentees in September 2019 was **19** and that has decreased to **13**. Unfortunately, 3 children have been on extended leave. In March 2019 there were **25** persistent absentees so there is a definite improvement this year.

Unfortunately, the Reception data is having a detrimental impact on attendance figures across the school and this is the result of one child on extended leave in Bangladesh. She cannot be removed from the school roll as we are not aware if she is attending another school

Khalsa Education Trust

Trustees' Report (continued)

The training days for next year are being reviewed currently in a bid to raise attendance further and potentially offer a cheaper week for staff and parents to take holidays at a time which is not traditionally the school holidays.

None of our children are accessing off-site provision and there have been no exclusions this academic year.

Performance management and Pay Progression

The performance management process for 2019/20 was completed during the Autumn Term. During this time, new targets were set for this academic year. Deborah Kenny (Advisor) assisted with this process for the Head of School.

Impact of Pupil Premium Funding

The approved impact report for 2019-20 and plan for 2020-21 are now published on the website as agreed at the meeting on the 10th July 2020.

Impact of Sports Funding

The approved impact report for 2019-20 and plan for 2020-21 are now published on the website as agreed at the meeting on the 10th July 2020.

Special Educational Needs

At present we have 1 child with an EHCP and 1 other child who is currently completing an EHCP request with support from SENDIASS. There are 12 children currently on the SEND register and a further 3 who are not on the register but are being monitored.

For a more detailed breakdown of SEND pupils and progress please refer to the SEND Report to Trustees.

Children who are Looked After (CLA)

There are currently no children who are looked after in school. However, we have two children who are living in "Kinship Care."

Children with disabilities

Primley Wood is a fully inclusive school and every effort is made to ensure that staff are equipped to support children with complex medical needs enabling them to access all the school has to offer. Advice and guidance is sought from the appropriate agencies and parents and children are fully involved in the daily life of the school.

Gifted and Talented / More Able pupils

All teachers are aware of who their more able children are in reading, writing and mathematics and their progress has been discussed in the recent pupil progress meetings. Clearly, it is the priority of the school to ensure that they continue to make accelerated progress and to be provided with the appropriate level of challenge in their learning.

Equality and Diversity

Equality and diversity are promoted at Primley Wood and there is very little evidence of discrimination across school. However, staff are vigilant and refer any issues to the SLT to be dealt with appropriately and they are recorded on CPOMs. The school's Equality Policy Statement is displayed on the website.

Facilities Management (Including Premises and Catering)

All statutory building maintenance has taken place which is required up until the start of the next academic year in September 2020.

The cleaning contract with the LA is replaced by new a contractor. After monitoring the cost and quality, a better value-based arrangement was secured by the SLT. As the school fills with increasing pupil admissions, we required more cleaning capacity and quality, especially faced with Covid challenges for 2020 for the whole school. In light of Covid risks, the EP and HoS have decided to take a number of classrooms, currently used at cloakrooms out of circulation to minimise the amount of regular cleaning required.

Leeds City Council continue to provide school meals. The food and these arrangements are popular with the children.

Health and Safety

As noted above, good progress is being made on Facilities Management work and the preventative maintenance calendar is working well. We have no major injuries to report at this time.

Risk assessments continue to be kept up to date and the Evolve system is used to support decisions regarding trips and residentials.

We currently have 6 members of staff who are First Aid trained, and 3 staff with Team Teach Training.

Staffing, Recruitment and Retention

At current, all other roles are in place with a member of staff recently returning from Maternity leave in the Spring 2 half term. All of our teachers have remained at the school with new additions to cover acting roles, maternity cover and a new year group. We have also begun to work alongside the Red Kite Alliance, who we have supplied us with a teaching student until the end of Autumn Term.

Sickness and Absence

The sickness policy has been implemented and the EP and HoS have met with one member of staff for whom there are concerns. Data from September March 2020 illustrates that there has been 56 days of sickness since September 2019. There are very few teacher absences and the longest period was for a teacher who had an emergency operation. If the figures are removed for 3

Khalsa Education Trust

Trustees' Report (continued)

Unfortunately, in addition to the above, **32.15** days have been lost to absences which are not sickness related. However, if one colleague is removed who has been absent for 12.25 days the figure drops to **19.9** days of leave. Emergency (often family related) leave is at the discretion of the EP and only 5 days can be paid leave.

The positive news is that 6 / 21 staff have been in school every day since the start of the academic year, equating to **29%**. However, **11 / 21 (52%)** of staff have been absent with sickness and **12 / 21 (57%)** have been absent due to other reasons (only 1 colleague for more than 5 days.)

Clearly there is work to be done regarding the level of non-sick leave. The EP and HoS will take advice from the HR team and training will be provided for Trustees to ensure they are equipped to deal with a colleagues reaching Stage 3, if that is ever the case.

Continuing Professional Development

Area of training	Attendees
Team Teach	2 staff members on 1 day of training
Lego Therapy	All staff
Statutory SYESP Moderation and Agreement Trialling	1 member of the SLT
KS2 Statutory Assessment and Reporting	2 members of the SLT (Year 6 teacher)
KS2 Moderation Roadshow	1 member of the SLT (Year 6 teacher)
First Aid Training	5 members of staff
PE CPD	Year 2 – 6 teachers
Playground Games CPD	All staff
Year 4 teacher – visit Year 4 at MWPS	Y4 teacher
Lesson Study CPD	Year 1 – 6 teachers
Support from Noctua and David Owen on planning etc	Year 1 – 6 teachers
Support from Noctua and Marie Burne	Reception teacher
CPD for Science	Reception and Year 3 teachers

Primley Wood continues to access support from Noctua SLEs who have worked with all teaching staff to improve teaching and learning, to support middle leaders to implement curriculum design and to monitor the quality of teaching and learning with senior leaders.

The Head of School, serving as a deputy to the Executive Principal has attended SEF (School Evaluation Form) training to complement the assistance he has received from local leaders and our Improvement Advisor.

Our Assistant Head has undertaken SENCo training alongside which both herself and a Teaching Assistant (one-to-one) have completed the Autism Training (Tier Two and Three.) All staff were recently trained in Autism Tier One. Subject Leads are developing their skills and knowledge with assistance from external consultants and local leaders. This will greatly impact on English, Math and Science across the whole school this year.

For Science, we have also subscribed to the Primary Science Quality Mark programme.

Community Engagement

A new newsletter has been created for the local neighbours by our Marketing Team, which was posted through local doors on 1st March and school received one more expression of interest for nursery. This will continue every few months when there is an update to share with the local community.

Before the lockdown, PWPS was fully booked with external hires for summer holidays – SAA, LJWB, PE Partners etc.

The Yorkshire Post have interviewed the EP and HoS for an education supplement. Photos have been taken around school. Twitter and Facebook continue to work well with our regular community, and we are starting to pick up some new 'friends'

National and Local Update

The key theme of both local and national updates currently appears to be advice regarding Corona Virus which arrives daily. Clearly, we are following the recommendations sent out to us at PWPS and are being extremely vigilant regarding the visits abroad the children make including asking one child who was in Iran at half term to remain at home until it is obvious that they

Khalsa Education Trust

Trustees' Report (continued)

Allegedly, funding for schools is set to rise. However, it is not yet clear whether that will impact on KSA.

The two-year period for reviewing the curriculum has been extended to 3 by the DfE. This is not an issue for PWPS as a great deal of work has already taken place regarding reviewing the intent, implementation and impact of the curriculum on children's learning and ensuring that lessons are sequential.

Sherelle Poole, the EP and HoS have met with the Chair of the ARM Cluster for an update of local services and DK and JL will attend the next meeting of the Family of Schools to gather more information regarding what is on offer for schools and to forge stronger links with local Headteachers.

Consultation regarding a new name for the school

A meeting is planned this week to meet with the volunteer group who offered their support around this agenda previously. The EP is very hopeful that a new name will be agreed by the time the SLT and Chair of the Trustees meet with the Regional Schools Commissioner on 31st March.

Efficiency of the School

Due to careful management of the budget, it is unlikely that there will be a deficit at the end of this academic year and possibly there will be a carry-forward. However, prudence is still required as the carry-forward will be required to cover the potential claw-back of funds due to lower than predicted pupil numbers.

However, it has been possible to purchase a Trim Trail for the children, to set aside some funds to further develop the grounds and to paint the school. Clearly it is necessary to reduce staffing for September to maintain a balanced budget and to continue to be extremely prudent throughout the following year as our Year 6 leavers are one of our largest year groups in school. Increasing pupil numbers remains a priority if school is to become more financially secure.

Overall Effectiveness

Primley Wood is now categorised by Ofsted as a Good School and everybody involved is very proud of this achievement. Our priority now is to build on this judgement and to ensure that Primly Wood is consistently good across the board and that school improvement remains sharp and focused.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held on behalf of others.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the board of trustees on and signed on its behalf by:



.....
Mr H B Singh
Trustee

Khalsa Education Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Khalsa Education 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 members have formally met twice during the year. Attendance during the year at meetings of the trust members was as follows:

Member	Meetings attended	Out of a possible
Mr Palvinder Singh	2	2
Mr Hardev Singh Sidhu (Chair)	2	2
Dr Jatinder Singh Mehmi	2	2

The trust members have a cross section of skills including education, accounting, marketing, IT and general management. During 2019/20, there were no further changes in membership during the academic year.

Overview

The governing body (Board of Trustees) conducts its business to take account of the three roles of the governing bodies as outlined in the Governors' Handbook:

1. Ensuring clarity of vision, ethos and strategic direction;
2. Holding the Headteacher to account for the educational performance of the school and its pupils;
3. Overseeing the financial performance of the school and making sure its money is well spent.

However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body also ensures that the school complies fully with statutory safeguarding procedures. All staff have signed a record to confirm they have read Part 1 of the DfE statutory guidance "Keeping Children Safe in Education". The governing body has familiarised itself with the document and the safeguarding trustee has worked with the safeguarding lead in school to complete the annual safeguarding audit.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, and the senior leadership team at the school.

Supporting these, there are two Committees in place to ensure the Governing Body carries out its core functions effectively and efficiently.

Resources, Premises and Marketing Committee (meets termly)

This Committee has been delegated various roles and responsibilities relating to staffing, the budget and premises. It will cover the terms of reference of the:

- **Finance committee** - responsible for staffing, finance, property management, health and safety and risk management, including GDPR.
- **Audit and risk committee** – responsible for agreeing a programme of work (inter-internal scrutiny) to provide assurance on financial controls and risks. This is a statutory committee unless its functions are covered by another committee (duties cannot be covered by the board and the Chair of the trust board should not Chair this committee).

Curriculum and Pastoral Committee (meets termly)

This Committee has been delegated various roles and responsibilities relating to pupils, teaching and learning and standards. It will cover the terms of reference of:

- **Standards committee** - responsible for the quality of education including ensuring a broad and balanced curriculum is being taught, target setting, assessment and outcomes and the quality of teaching for each of its academies (unless considered by the trust board or delegated to the local governing body).
- **Local governing body**** - responsible for behaviour, safeguarding, attendance, spiritual moral social and cultural development, children, parent and staff voice, equality and diversity, extra-curricular activities, cluster and other partnerships.

Khalsa Education Trust

Governance Statement (continued)

The composition of the governing body

During this academic year there has been significant change in the membership. Three Trustees have left and four new Trustees have been recruited from local good and outstanding schools/colleges. A further two have come from local successful businesses, bringing with them specialist experiences, i.e. premises maintenance and business finance. However, at the start of the new academic year, two parent-governors (trustees) plus another from the community will be joining us on the governing body, because we are always on the lookout for further purposeful committed individuals.

The range of skills across the governing body includes strengths in experience of professional leadership, understanding of national education policy, and financial management.

The Governing Body annually conducts a review of its effectiveness and impact and agreed a formal Code of Conduct on an annual basis.

All Governing Body members have completed Declaration of Business Interest Forms.

All Governing Body members are required to complete a skills audit.

Governing Body members attend training regularly to ensure they have the necessary skills and information needed to carry out the importance work of school governance. A log of training is recorded in the minutes of termly Board meetings.

Governors also conduct scheduled monitoring visits, however, due to Covid 19 restrictions, these have been held via online platforms. Nevertheless, findings are recorded in the Governing Body minutes each term.

Link Governors

Certain Governors have been assigned a key area of responsibility in terms of holding the school to account for the quality of provision and compliance with statutory requirements. They visit the school and report back to the Governing Body. Due to Covid 19 restrictions, such visits have been replaced with online meetings with appropriate colleagues at the school.

Meetings of the governing body and attendance

The Governing Body meets once a term and meetings are formally convened and minutes are taken by the Clerk supplied by Leeds City Council via an annual SLA Governance Services provision.

Last year, the full governing body held three trustee meetings during the full academic year; all meetings were clerked by a trained professional clerk. During the academic year 2019-20, the attendance of trustees was as follows:

	Meetings attended	Out of a possible
Mr Richard Berry	0	2
Mrs Harsimran Kaur Deagon	3	3
Mrs Deborah Kenny	2	2
Mr Stuart Jolley	2	3
Mr Jordan License	3	3
Mr Jatinder Singh Mehmi	1	3
Mrs Vicki Morris	1	2
Mr Rashpal Singh Sagoo	2	3
Mr Amrik Sindhar	0	3
Mr Hardev Singh Sidhu	2	3
Mr Harnek Bhullar Singh (Chair)	3	3
Mr Palvinder Singh	0	3
Mr Sukadev Singh	3	3
Mrs Rebecca White	3	3

Khalsa Education Trust

Governance Statement (continued)

The finance, resources and risk committee of Khalsa Education Trust is a sub-committee of the governing body. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Mr Richard Berry	1	2
Mrs Harsimran Kaur Deagon	1	2
Mrs Deborah Kenny	2	2
Mr Stuart Jolley (Chair)	2	2
Mr Jordan License	2	2
Mr Harnek Bhullar Singh	2	2
Mr Hardev Singh Sidhu	2	2
Mrs Sharon Judd	2	2
Mr Amrik Sindhar	0	2
Mr Bhaghat Singh	0	2
Mr Billy Sagoo	1	2

Review of Value for Money

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

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

Staffing structures are scrutinised by the LGB and trust board to ensure staff are efficiently deployed and are appropriately qualified, experienced and enthusiastic; thus supporting the ethos of the trust.

We focus on the differing needs of every individual pupil. Pupil Premium funding has also be allocated to optimum effect, as detailed in the individual plans within school.

Procurement rules are followed stringently as set out in the Trust's scheme of delegation. Competitive tendering of ICT and electrical services has provided savings to the school and improvements to the services offered.

These principals will continue to be applied as the school continues to grow.

The Purpose and the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Khalsa Education Trust for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

Khalsa Education Trust

Governance Statement (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The trust has considered the need for a specific internal audit function and has appointed the Kate Archer, an independent academies financial consultant from, Moorlands Learning Trust as Responsible Officer (RO). Additional tests to support the work of the finance sub-committee were undertaken by the RO, the resulting findings and recommendations have been adopted to support the going concern.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The Responsible Officer reports to the board of trustees, through the strategic Finance and Compliance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

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

- the work of the reviewer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees onand signed on its behalf by:



Mr H B Singh
Trustee

Mrs D Kenny
Accounting Officer



Khalsa Education Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of Khalsa Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the multi-academy trust 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 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.

Mrs D Kenny
Accounting Officer



Khalsa Education Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Khalsa Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the ESFA Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2012 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on and signed on its behalf by:



Mr H B Singh
Trustee

Khalsa Education Trust

Independent Auditor's Report to the Members of Khalsa Education Trust

Opinion

We have audited the financial statements of Khalsa Education Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 2012 and the Accounts Direction 2019 to 2020 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 trust's affairs as at 31 August 2020 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 2012 and the Academies Accounts Direction 2019 to 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Khalsa Education Trust

Independent Auditor's Report to the Members of Khalsa Education Trust (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the academy trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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

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

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

AJR Russell

Alistair Russell FCA
For and on behalf of
Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

..28/11/21

Khalsa Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Khalsa Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Khalsa Education Trust during the period from 1 September 2019 to 31 August 2020 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 Khalsa Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Khalsa Education 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 Khalsa Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Khalsa Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Khalsa Education Trust's funding agreement with the Secretary of State for Education dated 19 September 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

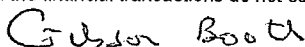
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- an initial risk assessment, the results of which were used to tailor a specific work programme to ensure sufficient appropriate evidence could be obtained to support the conclusion;
- a review of the academy trust's accounting and internal control procedures; and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

28/11/21

Khalsa Education Trust

Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020	Total 2019
		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	5,820	-	30,136	35,956	40,447
Charitable activities:						
Funding for the academy trust's educational operations	3	4,629	805,851	-	810,480	723,973
Other trading activities	4	24,273	8,103	-	32,376	23,451
Investments		436	-	-	436	79
Total		<u>35,158</u>	<u>813,954</u>	<u>30,136</u>	<u>879,248</u>	<u>787,950</u>
Expenditure on:						
Raising funds	5	14,411	-	-	14,411	17,387
Charitable activities:						
Academy trust educational operations	6	4,629	868,290	145,452	1,018,371	828,869
Total		<u>19,040</u>	<u>868,290</u>	<u>145,452</u>	<u>1,032,782</u>	<u>846,256</u>
Net income / (expenditure)		16,118	(54,336)	(115,316)	(153,534)	(58,306)
Transfers between funds	13	(506)	506	-	-	-
Other recognised gains / (losses):						
Actuarial loss on defined benefit pension schemes	13,17	-	(129,000)	-	(129,000)	(45,000)
Net movement in funds		<u>15,612</u>	<u>(182,830)</u>	<u>(115,316)</u>	<u>(282,534)</u>	<u>(103,306)</u>
Reconciliation of funds						
Total funds brought forward		<u>21,017</u>	<u>(126,170)</u>	<u>3,460,449</u>	<u>3,355,296</u>	<u>3,458,602</u>
Total funds carried forward		<u><u>36,629</u></u>	<u><u>(309,000)</u></u>	<u><u>3,345,133</u></u>	<u><u>3,072,762</u></u>	<u><u>3,355,296</u></u>

Khalsa Education Trust**Balance Sheet as at 31 August 2020**

		2020	2019
	Note	£	£
Fixed assets			
Tangible assets	10	3,327,742	3,448,543
Current assets			
Debtors	11	21,024	25,825
Cash at bank and in hand		151,572	166,302
		<u>172,596</u>	<u>192,127</u>
Creditors: Amounts falling due within one year	12	(118,576)	(153,374)
Net current assets		<u>54,020</u>	<u>38,753</u>
Total assets less current liabilities		3,381,762	3,487,296
Net assets excluding pension liability		<u>3,381,762</u>	<u>3,487,296</u>
Defined benefit pension scheme liability	17	(309,000)	(132,000)
Total assets		<u><u>3,072,762</u></u>	<u><u>3,355,296</u></u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	13	3,345,133	3,460,449
Restricted income fund	13	-	5,830
Pension reserve	13	(309,000)	(132,000)
Total restricted funds		<u>3,036,133</u>	<u>3,334,279</u>
Unrestricted income funds	13	<u>36,629</u>	<u>21,017</u>
Total funds		<u><u>3,072,762</u></u>	<u><u>3,355,296</u></u>

The financial statements on pages 21 to 38 were approved by the trustees, and authorised for issue on and are signed on their behalf by:



Mr H B Singh
Trustee

Khalsa Education Trust

Statement of Cash Flows for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	15	(20,651)	9,168
Cash flows from investing activities			
Interest receivable		436	79
Purchase of tangible fixed assets		(24,651)	(29,779)
Capital grants from DfE/ESFA		30,136	40,447
		<u>5,921</u>	<u>10,747</u>
Change in cash and cash equivalents in the reporting period		(14,730)	19,915
Cash and cash equivalents at 1 September 2019		166,302	146,387
Cash and cash equivalents at the 31 August 2020		<u>151,572</u>	<u>166,302</u>

Khalsa Education Trust

Notes to the Financial Statements for the period ended 31 August 2020

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Khalsa Education Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

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 period is deducted from income and recognised as a liability.

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

Donations

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

Other Income

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

Donated goods, facilities and services

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

Khalsa Education Trust

Notes to the Financial Statements for the period ended 31 August 2020

1 Statement of Accounting Policies (continued)

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.

Expenditure on Raising Funds

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

Charitable Activities

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

Tangible Fixed Assets

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

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

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

Freehold land	Not depreciated
Freehold buildings	2% straight line
Leasehold improvements	over term of lease
Furniture and equipment	25% reducing balance
Computer hardware	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Khalsa Education Trust

Notes to the Financial Statements for the period ended 31 August 2019

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible assets, and accounting policies for the depreciation rates used for each class of assets.

Critical areas of judgement

No significant judgements have been made in the process of applying the entity's policies.

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Capital Grants	-	30,136	30,136
Donations	5,820	-	5,820
	<u>5,820</u>	<u>30,136</u>	<u>35,956</u>

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Capital Grants	-	40,447	40,447
	<u>-</u>	<u>40,447</u>	<u>40,447</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
DfE / ESFA grants			
General Annual Grant (GAG)	-	700,465	700,465
Pupil premium	-	40,010	40,010
Other DfE/ESFA grants	-	65,376	65,376
	<u>-</u>	<u>805,851</u>	<u>805,851</u>

Other Government grants

Local authority grants	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Other income from the academy trust's educational operations	4,629	-	4,629
	<u>4,629</u>	<u>805,851</u>	<u>810,480</u>

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
DfE / ESFA grants			
General Annual Grant (GAG)	-	636,308	636,308
Pupil premium	-	27,675	27,675
Other DfE/ESFA grants	-	43,898	43,898
	<u>-</u>	<u>707,881</u>	<u>707,881</u>
Other Government grants			
Local authority grants	-	8,692	8,692
	<u>-</u>	<u>8,692</u>	<u>8,692</u>
Other income from the academy trust's educational operations	7,400	-	7,400
	<u>7,400</u>	<u>716,573</u>	<u>723,973</u>

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Catering	-	8,103	8,103
Other income	24,273	-	24,273
	<u>24,273</u>	<u>8,103</u>	<u>32,376</u>

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Donations	629	-	629
Catering	-	3,888	3,888
Other income	18,934	-	18,934
	<u>19,563</u>	<u>3,888</u>	<u>23,451</u>

5 Expenditure

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2020
	£	£	£	£
Expenditure on raising funds	-	-	14,411	14,411
Academy's educational operations:				
Direct costs	568,477	145,452	46,991	760,920
Allocated support costs	92,151	54,833	110,467	257,451
	<u>660,628</u>	<u>200,285</u>	<u>171,869</u>	<u>1,032,782</u>

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2019
	£	£	£	£
Expenditure on raising funds	-	-	17,387	17,387
Academy's educational operations:				
Direct costs	389,217	154,550	46,472	590,239
Allocated support costs	79,498	45,278	113,854	238,630
	<u>468,715</u>	<u>199,828</u>	<u>177,713</u>	<u>846,256</u>

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the period includes:

	2020	2019
	£	£
Depreciation	145,452	154,550
Fees payable to auditor for:		
- audit	5,500	5,500
- other services	1,200	2,050
	<u>1,200</u>	<u>2,050</u>

6 Charitable Activities

	Unrestricted Funds	Restricted Funds	Total	Total
	2020	2020	2020	2019
	£000	£000	£000	£000
Direct costs – educational operations	3,009	757,911	760,920	590,239
Support costs – educational operations	1,620	255,831	257,451	238,630
	<u>4,629</u>	<u>1,013,742</u>	<u>1,018,371</u>	<u>828,869</u>

	Unrestricted Funds	Restricted Funds	Total	Total
	2020	2020	2020	2019
	£000	£000	£000	£000

Analysis of support costs

Support staff costs	-	92,151	92,151	79,498
Premises costs	1,620	53,213	54,833	45,278
Other support costs	-	102,600	102,600	102,723
Governance costs	-	7,867	7,867	11,131
	<u>1,620</u>	<u>255,831</u>	<u>257,451</u>	<u>238,630</u>

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

7 Staff

a. Staff costs

Staff costs during the period were:

	Total 2020 £	Total 2019 £
Wages and salaries	458,007	339,481
Social security costs	34,521	24,867
Operating costs of defined benefit pension schemes	118,675	68,548
	<u>611,203</u>	<u>432,896</u>
Supply staff costs	49,425	35,819
	<u>660,628</u>	<u>468,715</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	3	3
Administration and support	16	13
Management	2	2
	<u>21</u>	<u>18</u>

c. Higher paid staff

No employees employee benefits (excluding employer pension costs) exceeded £60,000

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £172,910 (2019: £109,328).

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

J License (Head of School):

- . Remuneration £45,000 - £50,000 (2019: £20,000 - £25,000)
- . Employer's pension contributions paid £10,000 - £15,000 (2019: £5,000 - £10,000)

Deborah Kenny (Executive Principal)

The academy paid Leeds City Council £50,000 (2019: £nil) for her services as her position as executive principal. Deborah Kenny is employed by Manor Wood Primary School.

No expenses were reimbursed to trustees during the year (2019: £nil)

Other related party transactions involving the trustees are set out in note 18.

9 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost of this insurance cannot be separately identified but is included in the total insurance cost.

10 Tangible Fixed Assets

	Freehold Land and Buildings	Furniture and Equipment	Computer Hardware	Total
	£	£	£	£
Cost				
At 1 September 2019	3,423,866	216,086	280,212	3,920,164
Additions	-	-	24,651	24,651
At 31 August 2020	<u>3,423,866</u>	<u>216,086</u>	<u>304,863</u>	<u>3,944,815</u>
Depreciation				
At 1 September 2019	188,744	119,065	163,812	471,621
Charged in year	66,578	24,263	54,611	145,452
At 31 August 2020	<u>255,322</u>	<u>143,328</u>	<u>218,423</u>	<u>617,073</u>
Net book values				
At 31 August 2020	<u>3,168,544</u>	<u>72,758</u>	<u>86,440</u>	<u>3,327,742</u>
At 31 August 2019	<u>3,235,122</u>	<u>97,021</u>	<u>116,400</u>	<u>3,448,543</u>

11 Debtors

	2020	2019
	£	£
Trade debtors	806	600
VAT recoverable	8,944	4,929
Prepayments and accrued income	11,274	20,296
	<u>21,024</u>	<u>25,825</u>

12 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	17,081	41,256
ESFA creditor: abatement of GAG	63,428	74,947
Other creditors	350	-
Accruals and deferred income	37,717	37,171
	<u>118,576</u>	<u>153,374</u>

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

12 Creditors: Amounts falling due within one year (continued)

	2020	2019
	£	£
Deferred income at 1 September	19,171	19,199
Released from previous years	(19,171)	(19,199)
Resources deferred in the year	21,717	19,171
Deferred Income at 31 August	<u>21,717</u>	<u>19,171</u>

Deferred income at the year end included:

- . Universal Free School Meals funding received in advance £8,948 (2019: £8,732)
- . Pupil Premium funding received in advance £12,769 (2019 : £8,655)
- . Other DfE/ESFA funding received in advance £nil (2019: £nil)
- . Trip income received in advance £nil (2019: £1,784)

13 Funds

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	5,830	700,465	(706,801)	506	-
Pupil Premium	-	40,010	(40,010)	-	-
Other DfE/ESFA grants	-	65,376	(65,376)	-	-
Catering	-	8,103	(8,103)	-	-
Pension reserve	(132,000)	-	(48,000)	(129,000)	(309,000)
	<u>(126,170)</u>	<u>813,954</u>	<u>(868,290)</u>	<u>(128,494)</u>	<u>(309,000)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	3,365,449	30,136	(145,452)	-	3,250,133
Donated assets	95,000	-	-	-	95,000
	<u>3,460,449</u>	<u>30,136</u>	<u>(145,452)</u>	<u>-</u>	<u>3,345,133</u>
Total restricted funds	<u>3,334,279</u>	<u>844,090</u>	<u>(1,013,742)</u>	<u>(128,494)</u>	<u>3,036,133</u>
Total unrestricted funds	<u>21,017</u>	<u>35,158</u>	<u>(19,040)</u>	<u>(506)</u>	<u>36,629</u>
Total funds	<u>3,355,296</u>	<u>879,248</u>	<u>(1,032,782)</u>	<u>(129,000)</u>	<u>3,072,762</u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

The other restricted general funds relate to grants and other income receivable from the DfE, ESFA and other sources towards the operating activities of the academy trust.

The restricted fixed asset funds represent the net book value of donated fixed assets and assets purchased out of income from other sources which are held for the continuing use of the academy trust.

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

13 Funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(63,906)	636,308	(558,330)	(8,242)	5,830
Pupil Premium	-	27,675	(27,675)	-	-
Other DfE/ESFA grants	-	43,898	(43,898)	-	-
Other grants	1,436	-	(1,436)	-	-
Catering	-	3,888	(3,888)	-	-
Pension reserve	(64,000)	-	(23,000)	(45,000)	(132,000)
	<u>(126,470)</u>	<u>720,461</u>	<u>(666,919)</u>	<u>(53,242)</u>	<u>(126,170)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	3,479,552	40,447	(154,550)	-	3,365,449
Donated assets	95,000	-	-	-	95,000
	<u>3,574,552</u>	<u>40,447</u>	<u>(154,550)</u>	<u>-</u>	<u>3,460,449</u>
Total restricted funds	<u>3,448,082</u>	<u>760,908</u>	<u>(821,469)</u>	<u>(53,242)</u>	<u>3,334,279</u>
Total unrestricted funds	<u>10,520</u>	<u>27,042</u>	<u>(24,787)</u>	<u>8,242</u>	<u>21,017</u>
Total funds	<u>3,458,602</u>	<u>787,950</u>	<u>(846,256)</u>	<u>(45,000)</u>	<u>3,355,296</u>

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

14 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	3,327,742	3,327,742
Current assets	36,629	118,576	17,391	172,596
Current liabilities	-	(118,576)	-	(118,576)
Pension scheme liability	-	(132,000)	-	(309,000)
Total net assets	<u>36,629</u>	<u>(309,000)</u>	<u>3,345,133</u>	<u>3,072,762</u>

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	3,448,543	3,448,543
Current assets	21,017	159,204	11,906	192,127
Current liabilities	-	(153,374)	-	(153,374)
Pension scheme liability	-	(132,000)	-	(132,000)
Total net assets	<u>21,017</u>	<u>(126,170)</u>	<u>3,460,449</u>	<u>3,355,296</u>

15 Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2020	2019
	£	£
Net expenditure for the reporting period	(153,534)	(58,306)
Adjusted for:		
Depreciation charges (note 10)	145,452	154,550
Capital grants from DfE and other capital income (note 2)	(30,136)	(40,447)
Interest receivable	(436)	(79)
Defined benefit pension scheme cost less contributions payable (note 17)	46,000	22,000
Defined benefit pension scheme finance cost (note 17)	2,000	1,000
Decrease in debtors	4,801	1,023
Decrease in creditors	(34,798)	(70,573)
Net cash (used in)/provided by Operating Activities	<u>(20,651)</u>	<u>9,168</u>

16 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.

17 Pension and Similar Obligations

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

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

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

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Notes to the Financial Statements for the period ended 31 August 2019 (continued)

17 Pension and Similar Obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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% employer administration charge) ;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,200 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 pension costs paid to TPS in the period amounted to £50,675 (2019: £30,547).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2020 was £33,000 (2019: £24,000), of which employer's contributions totalled £22,000 (2019: £16,000) and employees' contributions totalled £11,000 (2019: £8,000) The agreed contribution rates for future years are 11.1% for employers and between 5.5% and 12.5% 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	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.45%	3.25%
Rate of increase for pensions in payment/inflation	2.20%	2.00%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.20%	2.00%

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

Sensitivity analysis on defined benefit obligations

	At 31 August 2020 £	At 31 August 2019 £
Discount rate +0.1%	547,000	316,000
Discount rate -0.1%	582,000	339,000
Mortality assumption - 1 year increase	544,000	338,000
Mortality assumption - 1 year decrease	584,000	316,000
CPI rate +0.1%	580,000	330,000
CPI rate -0.1%	548,000	324,000

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equity instruments	198,000	150,000
Bonds	38,000	30,000
Property	11,000	9,000
Other	8,000	6,000
Total market value of assets	<u>255,000</u>	<u>195,000</u>
Present value of scheme liabilities - funded	<u>(564,000)</u>	<u>(327,000)</u>
Deficit in scheme	<u><u>(309,000)</u></u>	<u><u>(132,000)</u></u>

The actual return on scheme assets was £28,000 (2019: £116,000).

Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current and past service costs	68,000	38,000
Net interest cost	2,000	1,000
Total operating charge	<u><u>70,000</u></u>	<u><u>39,000</u></u>

Khalsa Education Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

17 Pension and Similar Obligations (continued)

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

	2020	2019
	£	£
At 1 September	327,000	119,000
Current service cost	62,000	38,000
Past service cost	6,000	-
Interest cost	6,000	3,000
Employee contributions	11,000	8,000
Actuarial loss / (gain)	153,000	159,000
Benefits paid	(1,000)	-
At 31 August	<u>564,000</u>	<u>327,000</u>

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

	2020	2019
	£	£
At 1 September	195,000	55,000
Interest income	4,000	2,000
Actuarial gain / (loss)	24,000	114,000
Employer contributions	22,000	16,000
Employee contributions	11,000	8,000
Benefits paid	(1,000)	-
At 31 August	<u>255,000</u>	<u>195,000</u>

18 Related Party Transactions

Owing to the nature of the academy trust 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 trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures. No transactions with related parties took place in the period of account.