
GURU NANAK SIKH ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

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GURU NANAK SIKH ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members:

Mr Gurvinder Ahluwalia
Dr Lolita Banerji
Mr. Ranjit Sandhu

The Guru Nanak Sikh Multi Academy Trust Board of Directors:

Mr A. Thakur (Chair of Trustees)
Mr A Ghakal (Vice Chair of Trustees)
Mr R Sandhu (Executive Principal & Accounting Officer – Retired August 2021)
Mr P. Ryerson
Mr J Sidhu (Executive Principal & Accounting Officer – Appointed Sept 2021)
Dr P. Bhullar
Mrs G. Sidhu
Dr P. Afzal
Mr C Gringras
Mr D Lawrence
Mr R. Sandhu (Resigned 22 October 2020)

Members of the Audit Committee & Members of the Finance & Personnel Committee

Mr A Thakur Mr A Ghakal - Chair
Dr P. Bhullar Mr. D. Lawrence
Mr J Sidhu

Senior Executive Team of Guru Nanak Sikh Academy

Executive Principal Mr R. Sandhu
Vice Principal Mr A. D'Onofrio
Deputy Head Mrs P. Dhaliwal
Deputy Head Ms A. Chatur
Head of Business & Operations Mr A. Ahmed

Senior Leadership team of Guru Nanak Sikh Academy – Secondary

Executive Principal Mr R. Sandhu
Vice Principal Mr A. D'Onofrio
Head of Business & Operations Mr A Ahmed
Assistant Principal Mrs J. Sidhu
Assistant Principal Mrs D Soneji
Assistant Principal Mr T. Perryman
Assistant Principal Mr K. Culhane
Assistant Principal Mr S. Dhokia
Assistant Principal Mrs G. Sidhu
Assistant Principal Mrs B. Curtis
Assistant Principal Dr P. Bhullar
Assistant Principal Mr J. Perkins

Senior Leadership team of Guru Nanak Sikh Academy - Primary School

Executive Principal Mr R Sandhu
Deputy Headteacher Mrs P Dhaliwal
Head of Business & Operations Mr A Ahmed

Senior Leadership team of Nanaksar Primary School

Executive Principal Mr R Sandhu
Assistant Headteacher Ms A Chatur
Head of Business & Operations Mr A Ahmed

Company name Guru Nanak Sikh Academy Trust

**Company registration
number** 07416734

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal address	Springfield Road Hayes Middlesex UB4 0LT
Registered office	Springfield Road Hayes Middlesex UB4 0LT
Independent auditors	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London NW4 2DR
Bankers	Lloyds TSB Bank 1st Floor, Princess House 1 Suffolk Lane London EC4R 0AX Metro Bank One Southampton Row London WC1B 5HA
Insurance Brokers	RPA DFE Insurance Topmarks Claim

GURU NANAK SIKH ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Guru Nanak Sikh Academy Ltd is a company limited by guarantee and registered at Companies House under registration number 07416734 (England and Wales). The Academy is an exempt charity and is entitled to the same exemptions from UK corporation tax as registered charities.

The directors of The Guru Nanak Sikh Academy Limited are also the directors of the charitable company for the purposes of company law.

The Guru Nanak Sikh Academy Limited became a multi-academy trust (MAT) on 29 August 2013 and the constituent academy schools are The Guru Nanak Sikh Academy and The Nanaksar Primary School, a free school which opened in September 2013.

The Academy is governed by its Memorandum and Articles of Association as amended in its governing documents to accommodate the formation of a multi academy trust structure in August 2013. The directors of the Academy Trust, appointed in accordance with the articles, are the charity directors and are also the directors of the charitable company for the purposes of company law. The directors are legally responsible for the governance and management of the Academy. The directors (directors) also appoint governors at local academy level to ensure governance and management structures are supported.

As part of the Academy's on-going improvement and growth strategy, the structure of the multi academy trust is evolving with changes to its constituent member on the Board of Director and delegation of management to the Local Governing Body of Guru Nanak Sikh Academy and Nanaksar Primary School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

Directors' Indemnities [see Companies Act 2006 s236]

In accordance with the Companies Act 2006 and as per the Article of Association, the Trust has protected the Directors against any claims arising during the course of the Academy Trust business. The Academy Trust has purchased Employer's Liability, Third Party Public Liability and Professional Indemnity from the Education Funding Agency under the Risk Protection Arrangement with unlimited liability. The risk protection arrangement is effective from 01 September 2019 to 31 August 2020 that is renewed annually.

Directors may benefit from any indemnity insurance purchased at the Academy's expense to cover the liability of the Directors which by virtue of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which Directors knew to be in breach of trust or breach of duty or which was committed by the Directors in reckless disregard to whether it was a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors of the Academy.

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

Structure, governance and management (continued)

c. Method of recruitment and appointment or election of Trustees

The Strategic Board appointed all Directors based upon the contribution that they can make to the development and future success of the Guru Nanak Sikh Academy Trust. The directors represent all relevant stakeholder groups including parents, staff and sponsor. Directors are assessed by a panel for their personal qualities, specific skills and expertise they can provide. All directors give of their time freely and receive no remuneration other than reasonable expenses, except those directors who are employees of the Guru Nanak Sikh Academy Trust.

d. Policies adopted for the induction and training of Trustees

New directors are inducted into the workings of the Academy Trust with provision of appropriate documentation relating to the areas of board policies and procedures as well as the mission and ethos of the Academy Trust. The induction period that includes 'show round' allows new directors to fully understand how the organisation operates and the various committees which are used to assist in governance of the Trust.

External training and internal programmes are made available for directors who wish to develop a more detailed understanding of their role and the work of the Board of Directors and the committees.

e. Organisational structure

The Guru Nanak Sikh Academy Ltd supports all its academies through an experienced Board of Directors who are responsible for identifying and establishing strategies and policies and for ensuring that these are implemented throughout the organisation. To assist with this work the directors have established appropriate committees for each School: Finance & Personnel Committee, Standards and Curriculum Committee and an Audit Committee were established in the beginning of the academic year in accordance with the requirement of the Education Skills Funding Agency (ESFA) funding agreement.

The terms of reference and remit of the various committees are reviewed and agreed by the Board of Directors on an annual basis. In addition to the terms of reference, the Board of Directors have a delegated scheme of authority for effective and efficient decision making for the governors of the Local Governing Bodies (LGB). Academies within the trust are further supported by senior management teams who provide the Academy improvement and corporate services.

Provided that the Academy maintains a majority of appointed LGB members, LGBs can request to appoint additional elected staff members. These LGB members are recruited via an advertised process and a skills audit and have had a clear and comprehensive training schedule. LGB members are appointed for a four year period, except that this time limit does not apply to the Executive Principal. LGB members can be re-appointed after the four year period subject to the eligibility of the members at the time of re-appointment.

They include Staff Governors and include both teaching and support staff who may be elected by staff and parents of students attending the School. The Executive Principal acts as an Ex-Officio Governor.

The Terms of Reference for each Committee and Declaration of Pecuniary Interests are conducted at each of the Full Governing Body meetings of the Academic Year.

The working pattern of the Trust Board is designed to mirror that of the LGBs which in itself is matched to the Academy's School Development cycle. This provides both synergy and strategic leverage which will become increasingly important as the Trust matures

The Board of Directors meets at least three times per year to monitor closely the academic progress of the previously underperforming school within the Academy, as required by Ofsted and the Department for Education (DfE).

The role of the Governing Bodies is to:

- Ensure compliance with legal requirements;
- Establish and maintain effective internal controls;
- Ensure the management of all resources;
- Support the academy in responding to the needs of parents and the community.

The Board is the strategic body for the Academies, setting strategic direction and holding senior staff to account for the success of the Academy and the schools within it. It establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. But most importantly, it is responsible for setting general policy, adopting an annual School Development Plan and the

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

Structure, governance and management (continued)

consolidated budget. Governors monitor the School by use of budgets and strategic development plans and make major decisions about the direction of the Schools, capital expenditure and senior staff appointment.

The timing of full Directors' meetings sits within a comprehensive schedule of meetings to review reports and minutes discussed by the committees in the first instance. The pattern of meetings for the academic year 2019/2020 has been scheduled.

The Committee meeting take place between three to six times per year. Standard meetings allow for all necessary business to be conducted, including budget setting and monitoring.

There are three Committees which include the Audit, Finance & Personnel Standards & Curriculum.

1. The Audit Committee - In accordance with the requirement of the ESFA for multi-academy trust, an Audit Committee was established in September 2014. Its terms of reference and membership have been proposed and will be formally approved by the Board of Directors.

2. The Finance & Personnel Committee meets at least 3 times per year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels.

The Personnel Committee review the staffing plan and structure and consider the provision for teaching and support staff. The Committee also consider the issue of staff continuing professional education policy for teaching and non-teaching staff as well as recruitment issues. The Board will identify the need for other committees on an on-going basis that may be beneficial to the development of the academy.

3. The Standards & Curriculum Committee meets at least 3 times per year to evaluate the Trust's impact on all the schools and to consider the deployment of its resources and monitor the budget. It also plans the sharing of good practice and undertakes shared training and development, to discuss and influence the CPD programme for the senior leadership team.

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

Senior leaders are appointed according to the leadership and management requirements of the school's and their skill sets. The Strategic Board of Directors has to approve the pay policy, including the remuneration of senior leaders. Senior leaders are paid in accordance with the leadership scales as outlined in the School Teachers Pay and Conditions of Service document. Pay is determined by the Performance Management Process.

The performance management process will run for twelve months from October to September for teachers and from November to October for the Principal.

Teachers, who are employed on a fixed term contract of less than one year, will have their performance managed in accordance with the principles underpinning the provisions of this policy. The length of the cycle will be determined by the duration of their contract.

Where a teacher starts their employment at the Academy part-way through a cycle, the Principal or, in the case where the teacher is the Principal, the governing body shall determine the length of the first cycle for that teacher, with a view to bringing his/her cycle into line with the cycle for other teachers at the Academy as soon as possible.

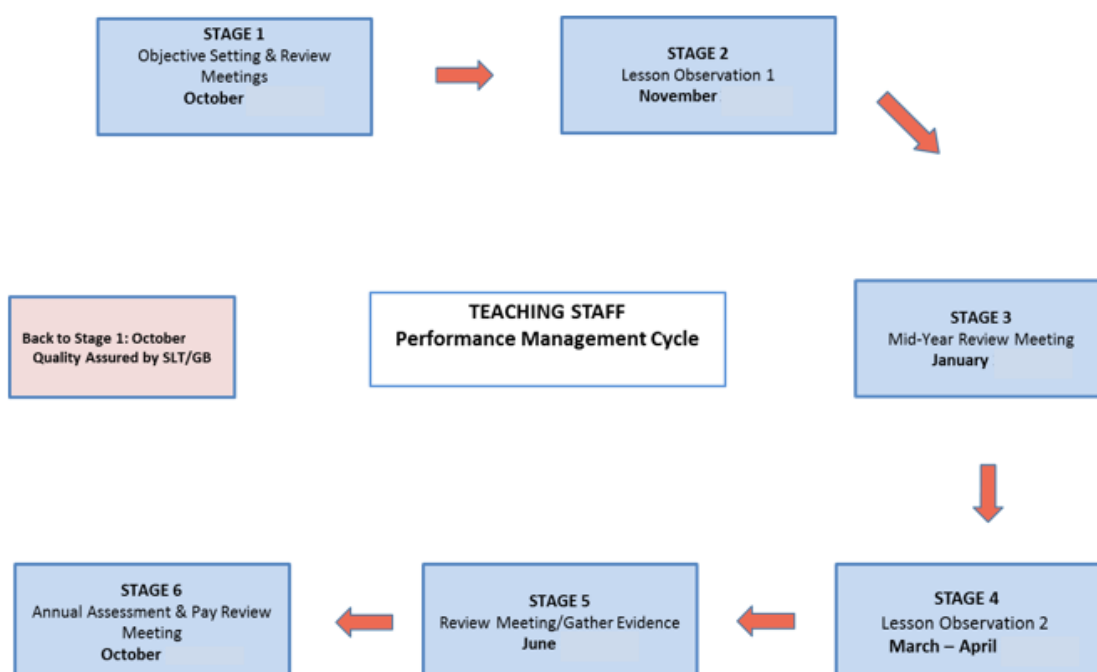
Where a teacher transfers to a new post within the Academy part-way through a cycle, the Principal or, in the case where the teacher is the Principal, the governing body shall determine whether the cycle shall begin again and whether to change the reviewer.

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

Structure, governance and management (continued)

The performance management cycle for academic year 2020 to 2021.



Objectives and activities

a. Objects and aims

Vision Statement of the Multi Academy Trust

"To provide an outstanding learning environment that challenges all of us to achieve our full potential and continually to share our knowledge and skills with the local and global community."

Values

The values of Guru Nanak Sikh Multi Academies Trust are encapsulated by the SHARE acronym. These values are at the heart of everything we do in our schools and they describe the qualities our students and staff value most - Service to others, Humility, Achievement, Respect and Equality.

b. Objectives, Strategies and Activities

Our Objectives

- To build a strong community based on the principles of Sikhism (honesty, hard work and service to others).
- To provide quality education that is broad, balanced and relevant to the needs of pupils within a modern society.
- To enable all pupils to achieve their potential through the highest standards of teaching and learning.
- To develop each pupil's self-esteem, confidence and independence with consideration for others and the concept of Sew.
- To strengthen bonds between home, community and school, providing a preparation for each pupil's entry into the wider community.
- To be committed to encouraging every member of our community to invest in life-long learning and personal development.

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

Objectives and activities (continued)

The main activities of our schools are concerned with;

- * Providing a broad and balanced education for all our pupils
- * Raising standards and achievement so that we are above local and national average in all fields
- * Providing a quality of Teaching and Learning for all our pupils
- * Providing value for money for the funds expended
- * Compliance with statutory requirements
- * Conducting each school's business with the highest standards of integrity, probity and openness
- * Maintaining a Sikh ethos of hard work and service to others.

The Strategic Board of Directors monitor and evaluate the progress of the schools through their respective School Development Plans. The Board ensures that adequate funding, reflecting the priorities of the SDPs is allocated to each school and that there is sufficient funding to ensure material resources are adequately and safely maintained. In accordance with our charitable status, we will continue to recruit our pupils from deprived wards and neighbourhoods without reference to aptitude or ability.

Pupils benefit from the quality of education provided as evidenced in the strong pupil progress and standards of achievement year on year. They become independent learners able to address challenge and difficulty to achieve successfully. Pupils are prepared to become active citizens and play their part in public and civil life through participation in activities such as School Council and undertaking responsible roles as prefects and ambassadors for the schools. Pupils are made aware of British values and how to uphold them as responsible citizens. They are aware of both their local community and wider horizons revealed through educational visits as far afield as Switzerland.

Parents are regarded as partners in learning and this is maximised through the creation of strong home school partnerships for learning.

All staff has the opportunity to further develop through working collaboratively with others to enhance their own expertise. There is a strong element of professional development for unqualified teachers through the Assessment only route.

Governors both challenge and support through their role as critical friends.

Public Benefit

The directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Admissions

GNSA Reception Year (primary) and Year 7 (secondary) are oversubscribed. The Board determine their Admissions criteria and the Local Authority administers the offer of places on their behalf. The Governing Body delegate the admissions process to a panel of three governors who are responsible for fairly allocating school places strictly according to the published criteria. Each year group is full.

Nanaksar primary school which is limited with admissions intake is still a very popular school with a demand on school places once the new school is built.

Both schools are compliant with the Admissions and Appeals Codes and accompanying legislation.

Public benefit

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

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

Strategic report

Achievements and performance

a. Key performance indicators

The Multi Academy Trust has thrived on exceptional educational outcomes despite the challenges faced during COVID during the past year. The resilience and support from staff has delivered results where Guru Nanak Sikh Academy achieved an outstanding set of examination results this year.

During the pandemic, the teachers demonstrated an unwavering commitment and persistence to provide the best learning opportunities for all students. As a result, this minimised the adverse impact the pandemic was able to have on pupils, their learning and future pathways.

The challenges faced with remote learning and catch-up was overcome by the MAT already having invested in using Google and staff being prepared in using the platform for live lessons. Coupled with the wide number of chrome-books already in place and distributed to the most disadvantaged pupils ensured that there was no loss in learning.

GCSE Results students achieved deserve the highest accolade. 72% of the students achieved a Grade 5 or above in English, and 73% achieved this in Mathematics. As in previous years, the academy's entries in EBacc at 84% far exceed the national average of 37%.

These exceptional achievements were also supported by the inspirational teaching, hard work and dedication shown by all of the GNSA teaching community.

The founder of GNSA, Sant Baba Amar Singh Ji, and the executive principal Mr. Jaskamal S. Sidhu, said: "We are very proud of our students as they always strive to achieve their best. It has been inspirational to watch our Year 11 students flourish, develop their self-confidence, self-belief, and motivation.

"We are confident our students will continue to contribute to the local and wider community through the SHARE values, knowledge and skills developed at GNSA."

The MAT also saw the development of the Nanaksar Primary school which is a state of the art 4FE primary school to give pupils the best learning experience within the borough. Nanaksar itself has already established a strong reputation in its standards of education and past results and this development will add to the portfolio of the GNSA Multi Academy Trust as an organisation that is providing the best level of education to produce outstanding role models of society.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

The majority of the Academy Trust's income is derived from the Education Skills Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) and capital grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

As at 31 August 2021 the net book value of fixed assets was over £9.1 million with net current assets of over £1.8 million.

Total funding received from the ESFA amounted to over £9.1 million for the academic year 2020/21.

The key financial policies adopted and reviewed during the period included the risk register and risk assessment, financial policies on tendering, fraud, gifts and hospitality. Delegated financial management are set up within the Academy Trust scheme of delegation and financial policies.

Central support in the areas of finance, IT, catering, human resources and risk management will continue to be developed further to maximise the economy of scale to secure best value for money for the Academy Trust.

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

a. Reserves policy

The Academy Trust aim is to use the allocated funding each year for the full benefit of our current pupils that is consistent with the ESFA requirement for a balanced budget. However it will be necessary to carry forward some reserves and accumulate a prudence level of restricted and unrestricted reserve to manage any unforeseen events:

Working capital reserve of approximately £500K a month for salary and creditors payments to cushion unexpected cash flow reduction and timing differences of income received;
Unforeseen operational costs of £10K that may not be budgeted;
Emergency reserve of £20K for unexpected maintenance arising from potential adverse weather condition;

The Academy Trust current level of restricted and unrestricted reserves of £1,830,495 is sufficient for the needs of the school's and incorporates an element of funding towards the future development of a sixth form centre.

The Board of Directors is committed in developing and maintaining its building and IT infrastructure to support the pupils learning environment with modern technology to maximise pupil achievement. However future financial cost pressure will reduce the level of financial reserves as these reserves are drawn down in the medium term.

b. Investment policy

Investments of the Academy Trust is primarily aimed at maximising cash return by investing surplus cash balances on fixed interest rate deposit to generate cash income with low risk rather than to obtain capital income that has a higher risk profile. The Academy Trust may periodically hold expected large cash balances which may not be required for immediate operational use due to the funding cycle of grants received and payments made to suppliers.

The amount of investment will be based on a fixed sum monetary value instead of a percentage of surplus cash balances that provide more certainty in budgeting income received from investment. The period of investment shall be on a short term basis, and cannot exceed twelve months duration to ensure high liquidity as the funds are expended for the benefit of pupils' education.

c. Principal risks and uncertainties

Risk is the uncertainty surrounding an event and their outcomes that may have significant impact either enhancing or inhibiting any areas of the Academy's operations.

The system of internal control incorporates risk management and therefore the Board of Directors have a primary role to play in the management of risk within the organisation. The Directors can influence significantly whether the culture of the Academy is risk averse or risk taker on decisions making and is also responsible for determining which types of risk are acceptable in any given experience. The Academy needs to strengthen its system of internal financial controls and plans are in progress to achieve this without delay. The Board of Directors set the standards and expectations for all staff with respect to conduct and probity. The directors will also determine the risk appetite and exposure for the Academy Trust. The Board of Directors has approved the Academy Trust's risk profile or exposure.

The Academy has adopted a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. Where risk cannot be eliminated or reduced to sufficiently acceptable levels the directors have ensured that adequate insurance cover has been provided.

The risk management system consists of a set of policies, procedures and register of risk, approved by the relevant committee listed below. These are implemented by the senior leadership team to facilitate an effective and efficient operating environment and therefore enabling the Academy Trust to respond to a variety of operational, financial, reputation and commercial risks.

- Policies and Procedures – use of ESFA Financial Account Handbook.
- Strategic Planning and Budgeting – setting objectives, action plans, and resources allocation.
- Financial Management Policy - detailing the information of the financial activities of the Academy.
- Risk Management Plan – listing of potential risks that are identified i.e. Funding uncertainties impacting on financial risk, child protection and student welfare, health and safety risk and commercial risk faced by the Schools. Use of risk profile assessment matrix to assist in the development of risk management and reviewed annually by the Board of Directors.

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

c. Principal risks and uncertainties (continued)

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy and the individual schools have considerable reliance on continued Government funding through the ESFA. In the last year 88% of the incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors will continue to review practices and will ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy Trust is dependent on implementing rapid and sustained educational achievement in its schools and continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk the Board of Directors ensure that teaching staff are focused on student success and achievement in all the schools and use their work to strengthen each school's leadership and build long term capacity.

Safeguarding and child protection - the Board of Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety, and discipline.

Staffing - the success of the Academy Trust is reliant on the quality of its staff. Development, retention and succession planning is part of the training that will be developed and implemented.

Fraud and mismanagement of funds - the Academy Trust has put a policy in place to include, inter alia, a Responsible Officer to carry out checks on financial systems and records and for internal audit checks as required by the Academy Financial Handbook. All financial staff is encouraged to attend training courses to keep them up to date with the changing requirement of the ESFA funding agreement.

Uncertainty in pupil enrolment - The decisional confirmation of ESFA funding on additional intake of pupil for future years hinder the long term planning strategy of the direction of the Academy Trust.

Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through cake sales, non-uniform days etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. In relation to fundraising, the Trustees confirm that:

- No unsolicited approaches are made to members of the public;
- No commercial participators are used;
- No regularity schemes or standards are applicable; and
- No complaints were made to the academy trust during the year.

Plans for future periods

The Academy Trust will plan for a modest growth in pupil number to meet the current demand of school places and continue with the development of NPS to satisfy parent demand. This will be in the context of:

- Building a strong community based on the Sikh religion;
- Providing quality education that is broad, balanced and relevant to the needs of pupils within a modern society;
- Enable all pupils to achieve their potential through the highest standards of teaching and learning;
- Developing each pupil's self-esteem, confidence and independence with consideration for others and the concept of Sewa;
- Strengthening bonds between home, community and school;
- Providing a preparation for each pupil's entry into the wider community;
- Committing to encourage every member of our community to invest in life-long learning and personal development.
- The Academy Trust has recently reviewed and changed its governance structure in order to look at the future and wider objectives of each of the schools incorporating growth of the Nanaksar School.
- In light of COVID there is a need to invest into technology to support the wider aspects of teaching and learning.

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

Plans for future periods (continued)

- Developments of a lecture theatre hall with additional associated classrooms
- Additional site needs for the Nanaksar primary school which are not covered by the DFE build specification.
- Refurbishment of the Vocational Block to accommodate Post 16 provision.
- Refurbishment of the existing huts to accommodate curricular activities.

There are plans to review existing learning spaces to ensure best use is made for them to support teaching and learning across the Academy.

Development of better learning spaces across the MAT for example building a lecture type area with additional classrooms.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 20 December 2021 and signed on its behalf by:



Mr A. Thakur
Chair of Trustees

GURU NANAK SIKH ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day to day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Guru Nanak Sikh Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

Board of Directors	Meetings Attended	Out of Possible
Mr A. Thakur (Chair)	5	5
Mr A. Ghakal (Vice Chair)	4	5
Dr P Bhullar	5	5
Dr P. Afzal	2	5
Mr P. Ryerson	5	5
Mrs G. Sidhu	5	5
Mr R Sandhu	5	5
Mr J. Sidhu	4	5
Mr D. Lawrence	4	5
Mr C. Gringras	4	5

Standards and Curriculum

Board of Directors	Meetings attended	Out of a possible
Mr C. Gringras (Chair)	3	3
Dr P. Afzal	1	3
Mr J. Sidhu	2	3
Mr R. Sandhu	3	3
Mr P. Ryerson	3	3
Mr. A. Thakur	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Finance and Audit Committee

Attendance at meetings in the year was as follows

Board of Directors	Meetings attended	Out of a possible
Mr A. Ghakal (Chair)	4	5
Dr P. Bhullar (Vice)	5	5
Mrs G. Sidhu	4	5
Mr D. Lawrence	4	5
Mr A. Thakur	4	5
Mr R. Sandhu (Acc Officer)	5	5

The board of directors are supported by Judicium external professional clerking services to help and support the board in ensuring compliance is met at all meetings which also incorporates a skills audit.

The quality of information provided in all reports has allowed board members to scrutinise and to ensure that the Academy is compliant in its operating procedures with effective outcomes of providing quality education.

Management accounts produced allow the char and accounting officer to ensure that financial compliance is adhered to by monitoring and tracking funds across the MAT.

Review of value for money

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

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

Improving Educational Performance and Result

- taking a range of measures to increase the educational standard and levels of attainment for all pupils achieving significantly higher grade than those achieved nationally;
- increasing the quality of teaching across the Academy Trust by ensuring teachers set challenging target for pupils in English, Science and Mathematics;
- ensuring teachers provide feedback to pupils that motivate their learning experience with the involvement of parent in the pupils education;
- provide wider use of mobile IT devices to further improve and accelerate the pupils education and learning experiences;

Governance and Policies

- Governance provide strong consideration and challenges over purchasing, contracts and services to achieve value for money;
- strengthening of financial procedures resulting in greater accountability by management and review of purchasing and procurement policies;
- regular budget monitoring to identify overspend and underspend;
- bank balances are carefully monitored and excessive cash balances are invested in interest bearing deposit;

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Risk Management

- the Academy Trust has opted into the Risk Protection Arrangement (RPA) scheme achieving significant saving for insurance cover cost without adverse risk implications giving unlimited liability cover for Employer's, Third Party Public and Professional Indemnity;

Effective Purchasing

- contracts were reviewed and renegotiated to ensure the best value for money including entering into longer term contracts to deliver reduced costs;
- various purchasing option both on-line internet and direct buying through supplier to achieve best value for money;

Income Generation

- continue to explore activities to generate income from letting out the school premises and facilities;
- develop teacher placement programmes that has generated additional income;
- surplus money are managed and invested in interest bearing account to obtain interest income;
- successful bidding for capital improvement fund to upgrade the fencing of the Academy Trust ground increasing the security environment and safety of pupils;

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Guru Nanak Sikh Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Landau Baker have been appointed to carry out the function of the Responsible Officer (RO) which has been approved by the Board of Directors.

Landau Baker's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the system checks carried out in the current period included:

- review of payroll and purchasing systems
- review of cash management and budgetary process;
- Review of risk assessment and governance structure.

Review of effectiveness

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

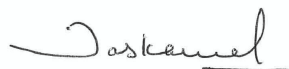
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

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



Mr A. Thakur
Chair of Trustees



Mr J.S. Sidhu
Accounting Officer

GURU NANAK SIKH ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr J.S. Sidhu
Accounting Officer
Date: 20 December 2021

GURU NANAK SIKH ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial 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 of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr A. Thakur
Chair of Trustees

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GURU NANAK SIKH ACADEMY TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

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

Use of our report

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



Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

20 December 2021

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GURU NANAK SIKH ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Guru Nanak Sikh Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Guru Nanak Sikh Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Guru Nanak Sikh Academy 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 Guru Nanak Sikh Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Guru Nanak Sikh Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Guru Nanak Sikh Academy Trust's funding agreement with the Secretary of State for Education dated 29 August 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 20 December 2021

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	8,848	-	27,801	36,649	38,784
Other trading activities	5	21,236	-	-	21,236	11,119
Investments	6	1,767	-	-	1,767	4,097
Charitable activities	4	-	9,846,548	-	9,846,548	9,963,955
Total income		31,851	9,846,548	27,801	9,906,200	10,017,955
Expenditure on:						
Charitable activities	8	-	10,152,297	223,035	10,375,332	10,866,843
Total expenditure		-	10,152,297	223,035	10,375,332	10,866,843
Net income/(expenditure)		31,851	(305,749)	(195,234)	(469,132)	(848,888)
Transfers between funds	19	-	(242,892)	242,892	-	-
Net movement in funds before other recognised gains/(losses)		31,851	(548,641)	47,658	(469,132)	(848,888)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(1,383,000)	-	(1,383,000)	(730,000)
Net movement in funds		31,851	(1,931,641)	47,658	(1,852,132)	(1,578,888)
Reconciliation of funds:						
Total funds brought forward		867,520	(3,435,235)	9,143,814	6,576,099	8,154,987
Net movement in funds		31,851	(1,931,641)	47,658	(1,852,132)	(1,578,888)
Total funds carried forward		899,371	(5,366,876)	9,191,472	4,723,967	6,576,099

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

The notes on pages 27 to 49 form part of these financial statements.

GURU NANAK SIKH ACADEMY TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 07416734

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	9,191,472	9,108,390
		9,191,472	9,108,390
Current assets			
Stocks	16	2,989	3,552
Debtors	17	227,472	433,545
Cash at bank and in hand		1,850,966	1,885,801
		2,081,427	2,322,898
Creditors: amounts falling due within one year	18	(250,932)	(398,189)
Net current assets		1,830,495	1,924,709
Total assets less current liabilities		11,021,967	11,033,099
Net assets excluding pension liability		11,021,967	11,033,099
Defined benefit pension scheme liability	25	(6,298,000)	(4,457,000)
Total net assets		4,723,967	6,576,099
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	9,191,472	9,143,814
Restricted income funds	19	931,124	1,021,765
		10,122,596	10,165,579
Restricted funds excluding pension asset	19	10,122,596	10,165,579
Pension reserve	19	(6,298,000)	(4,457,000)
		3,824,596	5,708,579
Total restricted funds	19	3,824,596	5,708,579
Unrestricted income funds	19	899,371	867,520
Total funds		4,723,967	6,576,099

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue on 20 December 2021 and are signed on their behalf, by:

Mr A. Thakur
Chair of Trustees



The notes on pages 27 to 49 form part of these financial statements.

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	769,362	(366,604)
Cash flows from investing activities			
	22	(276,549)	(161,861)
Change in cash and cash equivalents in the year			
		492,813	(528,465)
Cash and cash equivalents at the beginning of the year		1,885,801	2,414,266
Cash and cash equivalents at the end of the year	23, 24	<u>2,378,614</u>	<u>1,885,801</u>

The notes on pages 27 to 49 form part of these financial statements

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

• **Legacies**

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

• **Donations**

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

1.4 Expenditure

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

GURU NANAK SIKH ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Land and buildings	- 2 - 10% on cost
Fixtures, fittings and equipment	- 25% on cost
Computer equipment	- 25% on cost

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

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

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1. Accounting policies (continued)

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Pensions

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

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

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

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

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1. Accounting policies (continued)

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	8,848	-	8,848	3,360
Capital Grants	-	27,801	27,801	35,424
	<u>8,848</u>	<u>27,801</u>	<u>36,649</u>	<u>38,784</u>
Total 2020	<u>3,360</u>	<u>35,424</u>	<u>38,784</u>	

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4. Funding for the Academy's educational activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General annual grant (GAG)	8,375,367	8,375,367	8,719,223
Other DfE/ESFA grants			
Pupil premium	204,135	204,135	202,185
UIFSM	78,335	78,335	69,329
Others	552,515	552,515	427,202
	<hr/>	<hr/>	<hr/>
	9,210,352	9,210,352	9,417,939
Other Government grants			
Local authority grants	339,280	339,280	192,032
	<hr/>	<hr/>	<hr/>
	339,280	339,280	192,032
Other income from the Academy's educational activities	111,432	111,432	329,307
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	118,160	118,160	10,480
Other DfE/ESFA Covid-19 funding	50,737	50,737	14,197
	<hr/>	<hr/>	<hr/>
	168,897	168,897	24,677
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	16,587	16,587	-
	<hr/>	<hr/>	<hr/>
	16,587	16,587	-
	<hr/>	<hr/>	<hr/>
	9,846,548	9,846,548	9,963,955
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2020	9,963,955	9,963,955	

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

The academy received £118,160 of funding for catch-up premium and costs incurred in respect of this funding totalled £118,160.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings income	7,133	7,133	10,233
Catering income	-	-	(925)
Sale of equipment and materials	14,103	14,103	1,811
	<u>21,236</u>	<u>21,236</u>	<u>11,119</u>
Total 2020	<u>11,119</u>	<u>11,119</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Short term deposits	1,767	1,767	4,097
Total 2020	<u>4,097</u>	<u>4,097</u>	

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational Activities:					
Direct costs	7,045,116	-	325,616	7,370,732	7,097,820
Allocated support costs	1,455,752	921,994	626,854	3,004,600	3,769,023
	<u>8,500,868</u>	<u>921,994</u>	<u>952,470</u>	<u>10,375,332</u>	<u>10,866,843</u>
Total 2020	<u>8,598,564</u>	<u>1,124,220</u>	<u>1,144,059</u>	<u>10,866,843</u>	

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	10,375,332	10,375,332	10,866,843
Total 2020	10,866,843	10,866,843	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	7,370,732	3,004,600	10,375,332	10,866,843
Total 2020	7,097,820	3,769,023	10,866,843	

Analysis of direct costs

	Educational Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	6,974,273	6,974,273	6,860,294
Educational supplies	100,412	100,412	42,976
Examination fees	113,012	113,012	46,796
Teaching supply costs	70,843	70,843	119,746
Educational consultancy	104,813	104,813	25,200
Other direct costs	7,379	7,379	2,808
	7,370,732	7,370,732	7,097,820
Total 2020	7,097,820	7,097,820	

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	79,000	79,000	66,000
Staff costs	1,076,752	1,076,752	1,206,283
Depreciation	223,035	223,035	216,147
Other staff costs	157,936	157,936	140,736
Technology costs	88,700	88,700	120,260
Maintenance of premises and equipment	107,188	107,188	167,219
Support supply staff costs	-	-	2,240
Cleaning	242,390	242,390	305,854
Rates	95,642	95,642	92,290
Energy costs	222,951	222,951	244,179
Insurance	3,249	3,249	28,663
Security and transport	9,887	9,887	3,355
Catering	101,074	101,074	138,440
Other support costs	96,331	96,331	169,280
Legal and professional fees	79,515	79,515	78,092
Governance	14,106	14,106	24,036
Other occupancy costs	27,844	27,844	62,797
Non cash pension costs	379,000	379,000	410,000
Loss on disposal of fixed assets	-	-	293,152
	<u>3,004,600</u>	<u>3,004,600</u>	<u>3,769,023</u>
Total 2020	<u>3,769,023</u>	<u>3,769,023</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Operating lease rentals	39,812	106,044
Depreciation of tangible fixed assets	300,621	216,147
Loss on disposal of fixed assets	-	293,152
Fees paid to auditors for:		
- audit	8,000	11,445
- other services	2,000	6,160
	352,433	723,108

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	6,108,005	6,169,434
Social security costs	620,854	603,213
Pension costs	1,275,673	1,277,291
	8,004,532	8,049,938
Agency staff costs	70,843	121,987
Staff restructuring costs	46,493	16,639
Non cash pension costs	379,000	410,000
	8,500,868	8,598,564

Staff restructuring costs comprise:

	2021	2020
	£	£
Redundancy payments	42,458	-
Severance payments	4,035	16,639
	46,493	16,639

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non statutory/non-contractual severance payments totalling £4,035 (2020: £16,639). Individually, there was one payment made of £4,035.

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11. Staff (continued)

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	101	95
Administration and support	99	109
Management	14	11
	<u>214</u>	<u>215</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	8	8
In the band £80,001 - £90,000	1	1
In the band £170,001 - £180,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,305,247 (2020 - £1,199,135).

12. Central services

No central services were provided by the Academy to its academies during the year and no central charges arose.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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:

		2021	2020
		£	£
R Sandhu (Executive Principal)	Remuneration	170,000 -	170,000 -
		175,000	175,000
P Bhullar (Assistant Principal)	Pension contributions paid	NIL	NIL
	Remuneration	55,000 -	40,000 -
		60,000	45,000
G Sidhu (Assistant Principal)	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
J Sidhu (Assistant Principal)	Remuneration	55,000 -	45,000 -
		60,000	50,000
J Sidhu (Assistant Principal)	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
J Sidhu (Assistant Principal)	Remuneration	65,000 -	60,000 -
		70,000	65,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £2,901 to 2 trustees).

14. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	9,403,406	370,535	493,997	2,833	10,270,771
Additions	223,901	7,442	74,774	-	306,117
At 31 August 2021	<u>9,627,307</u>	<u>377,977</u>	<u>568,771</u>	<u>2,833</u>	<u>10,576,888</u>
Depreciation					
At 1 September 2020	522,769	273,868	362,911	2,833	1,162,381
Charge for the year	85,032	24,445	113,558	-	223,035
At 31 August 2021	<u>607,801</u>	<u>298,313</u>	<u>476,469</u>	<u>2,833</u>	<u>1,385,416</u>
Net book value					
At 31 August 2021	<u><u>9,019,506</u></u>	<u><u>79,664</u></u>	<u><u>92,302</u></u>	<u><u>-</u></u>	<u><u>9,191,472</u></u>
At 31 August 2020	<u><u>8,880,637</u></u>	<u><u>96,667</u></u>	<u><u>131,086</u></u>	<u><u>-</u></u>	<u><u>9,108,390</u></u>

16. Stocks

	2021 £	2020 £
Catering stock	<u><u>2,989</u></u>	<u><u>3,552</u></u>

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	34,135	75,993
Other debtors	100,460	242,000
Prepayments and accrued income	92,877	115,552
	<u><u>227,472</u></u>	<u><u>433,545</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	28,484	52,304
ESFA creditor	15,577	15,577
Other taxation and social security	160,629	164,507
Other creditors	9,505	14,740
Accruals and deferred income	36,737	151,061
	250,932	398,189
	250,932	398,189
	2021	2020
	£	£
Deferred income at 1 September 2020	118,749	211,240
Resources deferred during the year	22,930	118,749
Amounts released from previous periods	(118,749)	(211,240)
	22,930	118,749
	22,930	118,749

At the balance sheet date the academy trust was holding funds received in advance for DfE/ESFA income.

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

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	867,520	31,851	-	-	-	899,371
Restricted general funds						
General Annual Grant (GAG)	1,021,765	8,045,460	(7,893,209)	(242,892)	-	931,124
Pupil premium	-	204,135	(204,135)	-	-	-
UIFSM	-	78,335	(78,335)	-	-	-
Other DfE/ESFA grants	-	848,917	(848,917)	-	-	-
Other government grants	-	339,280	(339,280)	-	-	-
Catch-up premium	-	118,160	(118,160)	-	-	-
Other DfE/ESFA funding	-	50,737	(50,737)	-	-	-
Coronavirus Job Retention Scheme Grant	-	16,587	(16,587)	-	-	-
General funds	-	144,937	(144,937)	-	-	-
Pension reserve	(4,457,000)	-	(458,000)	-	(1,383,000)	(6,298,000)
	(3,435,235)	9,846,548	(10,152,297)	(242,892)	(1,383,000)	(5,366,876)
Restricted fixed asset funds						
Inherited on conversion	5,798,200	-	-	-	-	5,798,200
DfE group capital grants	133,071	27,801	-	242,892	-	403,764
Capital expenditure from GAG	565,843	-	(223,035)	-	-	342,808
Donated Land	2,646,700	-	-	-	-	2,646,700
	9,143,814	27,801	(223,035)	242,892	-	9,191,472

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	5,708,579	9,874,349	(10,375,332)	-	(1,383,000)	3,824,596
Total funds	<u>6,576,099</u>	<u>9,906,200</u>	<u>(10,375,332)</u>	<u>-</u>	<u>(1,383,000)</u>	<u>4,723,967</u>

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds - all funds	893,915	279,041	(305,436)	-	867,520
Restricted general funds					
General Annual Grant (GAG)	1,095,765	8,422,821	(8,295,439)	(201,382)	1,021,765
Pupil premium	-	202,185	(202,185)	-	-
UIFSM	-	69,329	(69,329)	-	-
Other DfE/ESFA grants	-	748,281	(748,281)	-	-
Other government grants	-	192,032	(192,032)	-	-
General funds	-	68,842	(68,842)	-	-
Pension reserve	(3,251,000)	-	(476,000)	(730,000)	(4,457,000)
	<u>(2,155,235)</u>	<u>9,703,490</u>	<u>(10,052,108)</u>	<u>(931,382)</u>	<u>(3,435,235)</u>

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19. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds					
Inherited on conversion	5,860,240	-	(62,040)	-	5,798,200
DfE group capital grants	504,554	35,424	(406,907)	-	133,071
Capital expenditure from GAG	404,813	-	(40,352)	201,382	565,843
Donated Land	2,646,700	-	-	-	2,646,700
	<u>9,416,307</u>	<u>35,424</u>	<u>(509,299)</u>	<u>201,382</u>	<u>9,143,814</u>
Total Restricted funds	<u>7,261,072</u>	<u>9,738,914</u>	<u>(10,561,407)</u>	<u>(730,000)</u>	<u>5,708,579</u>
Total funds	<u><u>8,154,987</u></u>	<u><u>10,017,955</u></u>	<u><u>(10,866,843)</u></u>	<u><u>(730,000)</u></u>	<u><u>6,576,099</u></u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Guru Nanak Sikh Academy	870,163	959,960
Nanaksar Primary School	960,332	929,325
Total before fixed asset funds and pension reserve	1,830,495	1,889,285
Restricted fixed asset fund	9,191,472	9,143,814
Pension reserve	(6,298,000)	(4,457,000)
Total	<u><u>4,723,967</u></u>	<u><u>6,576,099</u></u>

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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Guru Nanak Sikh Academy	6,211,902	955,888	312,237	1,253,081	8,733,108	8,935,533
Nanaksar Primary School	833,214	120,864	6,000	1,111	961,189	1,239,163
LGPS costs	-	379,000	-	79,000	458,000	476,000
Academy	<u>7,045,116</u>	<u>1,455,752</u>	<u>318,237</u>	<u>1,333,192</u>	<u>10,152,297</u>	<u>10,650,696</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	9,191,472	9,191,472
Current assets	899,371	1,182,056	-	2,081,427
Creditors due within one year	-	(250,932)	-	(250,932)
Provisions for liabilities and charges	-	(6,298,000)	-	(6,298,000)
Total	<u>899,371</u>	<u>(5,366,876)</u>	<u>9,191,472</u>	<u>4,723,967</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	9,108,390	9,108,390
Current assets	867,520	1,419,954	35,424	2,322,898
Creditors due within one year	-	(398,189)	-	(398,189)
Provisions for liabilities and charges	-	(4,457,000)	-	(4,457,000)
Total	<u>867,520</u>	<u>(3,435,235)</u>	<u>9,143,814</u>	<u>6,576,099</u>

21. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	<u>(469,132)</u>	<u>(848,888)</u>
Adjustments for:		
Depreciation	223,035	216,147
Capital grants from DfE and other capital income	(27,801)	(35,424)
Interest receivable	(1,767)	(4,097)
Defined benefit pension scheme cost less contributions payable	379,000	410,000
Defined benefit pension scheme finance cost	79,000	66,000
Decrease/(increase) in stocks	563	(2,528)
Decrease/(increase) in debtors	206,073	(159,766)
Increase/(decrease) in creditors	380,391	(301,200)
Loss on disposal of fixed assets	-	293,152
Net cash provided by/(used in) operating activities	<u>769,362</u>	<u>(366,604)</u>

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22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	1,767	4,097
Purchase of tangible fixed assets	(306,117)	(201,382)
Capital grants from DfE Group	27,801	35,424
Net cash used in investing activities	(276,549)	(161,861)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,378,614	1,885,801
Total cash and cash equivalents	2,378,614	1,885,801

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,885,801	(34,835)	1,850,966
	1,885,801	(34,835)	1,850,966

25. Pension commitments

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

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

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

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FOR THE YEAR ENDED 31 AUGUST 2021**

25. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £929,049 (2020 - £902,393).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £464,000 (2020 - £500,000), of which employer's contributions totalled £362,000 (2020 - £393,000) and employees' contributions totalled £ 102,000 (2020 - £107,000). The agreed contribution rates for future years are 21.8 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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25. Pension commitments (continued)

Principal actuarial assumptions

London Borough of Hillingdon Pension Fund

	2021	2020
	%	%
Rate of increase in salaries	3.20	2.50
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
	Years	Years
Retiring today		
Males	22.3	22.1
Females	24.7	24.3
Retiring in 20 years		
Males	23.3	22.8
Females	26.2	25.5

Sensitivity analysis

London Borough of Hillingdon Pension Fund

	2021	2020
	£000	£000
Discount rate +0.1%	(322,000)	(251,000)
Discount rate -0.1%	322,000	251,000
Mortality assumption - 1 year increase	494,000	368,000
Mortality assumption - 1 year decrease	(494,000)	(368,000)
CPI rate +0.1%	292,000	226,000
CPI rate -0.1%	(292,000)	(226,000)

Share of scheme assets

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

	2021	2020
	£	£
Equities	2,844,000	2,227,000
Corporate bonds	1,815,000	1,469,000
Property	968,000	711,000
Cash and other liquid assets	423,000	332,000
Total market value of assets	6,050,000	4,739,000

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25. Pension commitments (continued)

The actual return on scheme assets was £897,000 (2020 - £(222,000)).

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

	2021 £	2020 £
Current service cost	(741,000)	(803,000)
Interest income	84,000	90,000
Interest cost	(163,000)	(156,000)
Total amount recognised in the Statement of financial activities	(820,000)	(869,000)

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

	2021 £	2020 £
At 1 September	9,196,000	7,784,000
Current service cost	741,000	803,000
Interest cost	163,000	156,000
Employee contributions	102,000	107,000
Actuarial losses	2,196,000	418,000
Benefits paid	(50,000)	(72,000)
At 31 August	12,348,000	9,196,000

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

	2021 £	2020 £
At 1 September	4,739,000	4,533,000
Interest income	84,000	90,000
Actuarial gains/(losses)	813,000	(312,000)
Employer contributions	362,000	393,000
Employee contributions	102,000	107,000
Benefits paid	(50,000)	(72,000)
At 31 August	6,050,000	4,739,000

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26. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	8,213	8,780
Later than 1 year and not later than 5 years	1,913	6,586
	<u>10,126</u>	<u>15,366</u>

27. 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.

28. Related party transactions

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

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 13.