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**THE KHALSA ACADEMIES TRUST LIMITED**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**THE KHALSA ACADEMIES TRUST LIMITED**  
**(A company limited by guarantee)**

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**THE KHALSA ACADEMIES TRUST LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

Members:

I Anderson  
T Singh Rai  
M Singh Pangali  
B Mukherjee  
A Goyal

Trustees:

S Rayatt - Chair of Trustees and Chair of Faith & Ethos  
M Singh – Joint Vice Chair and Chair of Finance and Audit Risk  
Committee  
S Jackson - Joint Vice Chair and Chair of Standards Committee  
H Singh Brar - Chair of Personnel Committee  
A Mahmood (resigned on 27/06/2023)  
K Dua  
A Singh Maan  
P Nanda (resigned on 04/04/2023)  
J Grewal (resigned on 23/06/2023)  
G Singh (appointed 12/7/2023)  
Sarah Caton (appointed 13/09/23)

Governance Professional: Mrs R Farmah

Senior Management Team: *Mrs A Notta (CEO), Mr B Basra (CFO), Mr C Steed (Principal at ATAM Academy) & Mr S Shoker (Head of School at TKAW)*

Company Name: The Khalsa Academies Trust

Company Registration Number: 07549443

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

Bankers: Lloyds Commercial Bank, PO BOX 1000, BX1 1LT

Solicitors: Browne Jacobson

Mowbray House, Castle Meadow Road, Nottingham NG21BJ

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

The academy trust operates two Academies; The Khalsa Academy Wolverhampton (TKAW), in Wolverhampton and ATAM Academy in Redbridge. The Academies serves pupils between 5 – 19 years of age and have a combined pupil capacity of 2,940 and had a roll of 1590 in the school census on October 2022.

### **Structure, Governance and Management**

#### **Constitution**

The Khalsa Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of The Khalsa Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Khalsa Academies Trust.

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

The Academy Trust 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 officer's indemnity element from the overall cost of the RPA scheme.

#### **Method of Recruitment and Appointment or Election of Trustees**

The articles of association require the appointment of at least three Trustees to the Company. Members may appoint up to six of the Trustees. The Board reviews its effectiveness continually, looking at the skills and performance of its Trustees. **During last year, the Board completed a review of its Governance, which resulted in the recruitment of new Trustees.** The Trust also advertised for these new roles via its website and professional networking channels after a review of its Governance.

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

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

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

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Structure, Governance and Management (continued)**

**Organisational Structure**

The Trust has established a management structure to enable its efficient running. There is a clear management structure to control the way in which the Trust is run. The structure consists of three levels: the Trustees, the executive team and the academies themselves. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Khalsa Academies Trust has five members who hold the Trust board to account for the performance of the Trust against its charitable objectives.

The Trustees are responsible for setting the overall strategy, adopting an annual operational plan, reviewing the educational progress of the academies, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The executive team control the Trust at an operational level implementing the policies laid down by the Trustees and reporting back to them. As a group, the executive team are responsible for the authorisation of head office spending within agreed budgets and the appointment of staff, though appointments to the executive team always involve a representative of the Trustees.

The Local advisory Boards and the Principal/Head of School manage the Academies on a day-to-day basis. The Local advisory Board for each Academy is delegated Local governance functions and retains a strong focus on three core strategic functions:

- supporting and developing stakeholder engagement promoting the TKAT vision and principles
- holding the Principal/ Head of School to account for the educational performance of the Academy and its pupils

The CEO assumes the accounting officer role.

**Arrangements for setting Pay and Remuneration of Key Management Personnel**

The Board has delegated the arrangement for setting the pay and remuneration for executive directors and senior management to the Remuneration Committee whose members comprise three Trustees including the Chair of the Trust. This committee reviews the performance of the executive directors and ensures that succession planning is in line with the plans of the Trust.

This committee also sets the band of annual pay increases for all staff as guidelines for each of the academies pay committees. The Trust Scheme Of Delegation assigns responsibility for pay increases for all staff within academies to the Principal and the pay committee.

**Trade Union Facility Time**

The Khalsa Academies Trust does not have a formal recognition agreement with any of the recognised Education trade unions & Professional Associations and does not offer Trade Union Facilities Time.

**Related Parties and other Connected Charities and Organisations**

*There are no related parties or connected entities here.*

**Objectives and Activities**

**Objects and Aims**

The principal object and activity of the Trust is the operation of TKAW and ATAM to provide a broad and balanced education for pupils of all abilities in the Wolverhampton and Redbridge areas. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trusts and its Academies.

In accordance with the articles of association, the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education.

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

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives, Strategies and Activities**

**Public Benefit**

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As a Multi Academy Trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities.
- Providing community events such as music festivals
- Providing community service events such as preparing food for the homeless
- Engaging with other local schools to provide sporting opportunities for pupils to interact and engage

**Strategic Report - Achievements and Performance**

The Khalsa Academies Trust commenced operations as a Multi-Academy Trust in January 2015 and operated as a two school MAT for 2023. However, the NTI that was issued in January 2022 was subsequently lifted in May 2023 and as a result the trust is now in a position to fulfil its growth ambitions and targets to meet the DfE's white paper expectations.

This section of the report contains summer results 2022/2023 from two schools that are part of **The Khalsa Academies Trust**.

1. **ATAM Academy:** ATAM academy is an all through school, in academic year 2022/2023 ATAM academy did not have key stage 4 nor key stage 5 cohort therefore only key stage 1 and key stage 2 results have been included in this report.
2. **The Khalsa Academy Wolverhampton:** TKAW is a secondary school with 16 to 18 provision, therefore key stage 4 and key stage 5 summer results have been included for TKAW.

**Percentage of pupils meeting the expected standard at the end of key stage 1**

School / KS1	Pupils	Reading	Writing	Maths
ATAM Results (2022)	86	59%	53%	66%
National (2022)	-	67%	58%	68%
ATAM Results (2023)	60	73%	73%	85%

In Summer 2023, Key Stage 1 at ATAM has performed better than 2022 in all three aspect of the headline figures.

- Reading has improved by 14% and above 2022 national average
- Writing has improved by 204% and above 2022 national average
- Maths has improved by 19% and above 2022 national average

**ATAM: Key Stage 2 Attainment**

**Percentage of pupils meeting the expected standard at the end of key stage 2**

School / KS2	Pupils	Reading	Writing	Maths	Reading, writing and maths
ATAM Results (2022)	58	84%	88%	84%	74%
National (2022)	-	75%	69%	71%	59%
ATAM Results (2023)	59	66%	88%	81%	61%
National (2023)	-	73%	71%	73%	59%

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

**Strategic Report - Achievements and Performance (continued)**

In Summer 2023, Key Stage 2 at ATAM has performed better than national in writing, maths and combined (reading, writing and maths).

**The Khalsa Academy Wolverhampton**

**KS4 outcomes 2022/2023 (Exam results – pending remarks)**

Year 11 Cohort - 123 Students

**Progress 8 (P8)**

- This score shows how much progress pupils made across 8 qualifications. between the end of key stage 2 and the end of key stage 4
- The P8 score for **The Khalsa Academy Wolverhampton is +0.68** (above Local & National)
- The local authority (Wolverhampton) average score for state-funded schools is 0.02
- The average score for all state-funded schools in England is -0.03
- For the second consecutive year, The Khalsa Academy Wolverhampton holds the distinction of being the leading non-selective school in the city.

**Attainment 8 (A8)**

- Schools get a score based on how well pupils have performed in up to 8 qualifications
- The A8 score for **The Khalsa Academy Wolverhampton is +51.107** (above Local & National)
- The local authority (Wolverhampton) average score for state-funded schools (2023) is 45.6
- The average score for all state-funded schools in England (2023) 46.2

**Grade 5 or above in English & Maths GCSEs**

- This measure informs the percentage of pupils who achieved grade 5 or above in English and maths GCSEs
- For this measure **The Khalsa Academy Wolverhampton has achieved 57.7%** (above Local & National)
- The local authority (Wolverhampton) average score for state-funded schools (2023) is 39%
- The average score for all state-funded schools in England (2023) 45%

**Grade 4 or above in English & Maths GCSEs**

- This measure informs the percentage of pupils who achieved grade 4 or above in English and maths GCSEs
- For this measure **The Khalsa Academy Wolverhampton has achieved 78%** (above Local & National)
- The local authority (Wolverhampton) average score for state-funded schools (2023) is 59%
- The average score for all state-funded schools in England (2023) 65%

**Entering EBacc**

- A pupil is considered to have entered for the English Baccalaureate if they entered for qualifications in English, maths, sciences, a language and either history or geography.
- For this measure **The Khalsa Academy Wolverhampton has achieved 74.8%** (above Local & National)
- The local authority (Wolverhampton) average score for state-funded schools (2023) is 26%
- The average score for all state-funded schools in England (2023) 39%

**EBacc average point score**

- The EBacc average points score calculates a pupil's average point scores across the 5 pillars of the English Baccalaureate.
- For this measure **The Khalsa Academy Wolverhampton has achieved 4.72** (above Local & National)
- The local authority (Wolverhampton) average score for state-funded schools (2023) is 3.71
- The average score for all state-funded schools in England (2023) 4.05

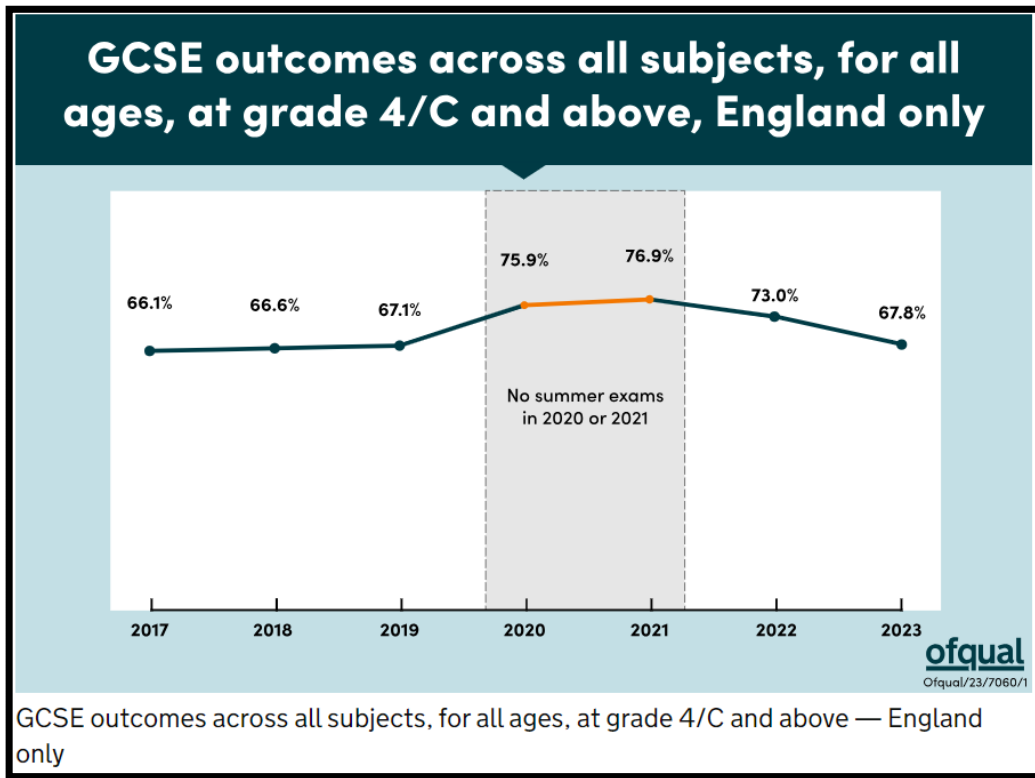
**Key stage 4 Headline Figures**

	Pupils	A8 score	P8 score	Grade 5+ Eng & Maths	Grade 4+ Eng & Maths	EBacc	EBacc APS
National (2023)	-	46.2	-0.03	45%	65%	39%	4.05
TKAW Exam Results (2023)	123	51.07	+0.68	57.7%	78%	74.8%	4.72

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

Strategic Report - Achievements and Performance (continued)

Ofqual GCSE 2023 outcomes



According to infographic released by Ofqual nationally 67.8% achieved GCSE grade 4 or above, TKAW achieved **72.45%** GCSE grade 4 or above

The Khalsa Academy Wolverhampton

KS5 outcomes 2022/2023 (Exam results – pending remarks)

Year 13 Cohort - 59 Students

Average result (L3 Overall)

These figures tell you the average grade and average points that students achieved per L3 Overall entry.

	Average results	Points
Exams 2023	C+	32.33
Exams 2022	C=	31.03



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

**Strategic Report - Achievements and Performance (continued)**

**Average result (A levels)**

These figures tell you the average grade and average points that students achieved per A level entry.

	<b>Average results</b>	<b>Points</b>
<b>Exams 2023</b>	C+	32.67
<b>Exams 2022</b>	C=	31.94
<b>National 2022</b>	B	38.87

**Average result (Applied general qualifications)**

These figures tell you the average grade and average points that students achieved in their applied general qualifications.

	<b>Average results</b>	<b>Points</b>
<b>Exams 2023</b>	Distinction -	30.88
<b>Exams 2022</b>	Merit +	27.92
<b>National 2022</b>	Distinction -	31.98

- The Average point score and Average grade have **improved** from 2022 for Academic and applied general qualifications.
- The **average grade** for Applied general qualifications is **in-line** with 2022 national data.
- DfE has announced not to produce or publish Value added progress for any cohort at 16 to 18 in 2022/2023 as there were no national examination in 2020/2021 at KS4 level

**Ofsted grading:**

The ATAM Academy was graded Outstanding in its inspection in May 2019 and Safeguarding was graded effective in May 2021.

In the last inspection in May 2022 ATAM was graded Requires Improvement. The Trust requested an Action plan to address the Areas of Improvement within the Ofsted report. The action plan is monitored rigorously through a termly monitoring reporting by the Director of Education, who reports to the CEO and into the Standards Committee with progress against the actions. The Trust continues its robust monitoring of the post Ofsted Action plan.

The Khalsa Academy Wolverhampton (TKAW) was graded Good in its inspection in 2018 and its monitoring visit in 2019. The Academy was inspected in June 2023 and continues to hold it's Good Ofsted grade.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

## **Strategic Report - Financial Review**

### **Finance Review**

During the period, ESFA/LA/Government grants received totalled to £10,716,561. There was no other income included within restricted funds during this period. Restricted fund expenditure totalled to £10,455,464. The Trust has reported an in-year surplus on Restricted General Funds of £261,097, of which a further amount of £53,921 has been utilized to fund additional capital expenditure during the year giving an overall net in year surplus of £207,176.

The main source of unrestricted income is donations, totalling £42,406 other trading activities totalling £527,128 and £10,196 bank interest income. Unrestricted fund expenditure totalled to £441,031 giving an in-year surplus of £138,699 on Unrestricted General Funds.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12-month period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2019), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Trust is pleased to report that it has continued to move into a healthier cumulative surplus position of £1,118,128 on General Reserves (Restricted & Unrestricted) and the Cash at bank held at year end was £1,761,516 which is a significant step towards achieving strong financial strength and sustainability of the Trust and ensuring that we have sufficient resources and funds to continue to grow the Trust in the next few years.

It should be noted that it is difficult to compare year on year income and expenditure levels due to the fact that the prior year comparatives includes a third school, Khalsa Secondary Academy which was rebrokered to another Trust effective 1<sup>st</sup> May 2022, whereas for the year ended 31 August 2023, the financials are based solely on our existing two Academies, one of which Atam Academy, is still in the growth phase of its development and will not have all Year Groups in place for another 3 years up to Year 13 and is therefore still increasing pupil numbers, recruiting new teachers & other staff until it has filled all remaining year groups over next few years.

### **Reserves Policy**

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

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

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

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

Total reserves at the end of the period amounted to £51,818,614. This balance includes unrestricted funds (free reserves) of £96,554 which are growing year on year, and restricted funds of £51,746,060 and a pension deficit of £24,000.

The Trust Board have determined within the Reserves policy that the appropriate level of general reserves (restricted & unrestricted funds) should be set at a minimum of 8% of total annual income which will also cover a sum equivalent to one month's payroll across the Trust. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

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

**Reserves Policy (continued)**

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a small pension fund deficit totalling to £24,000 (2022: £25,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

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

**Investment Policy**

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

As at 31 August 2023, no investments were held.

**Principal Risks and Uncertainties**

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

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

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

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

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

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2023. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

**Fundraising**

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

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

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

**Plans for Future Periods**

The Trustees undertake annual Trust Planning days to discuss and consider future strategy and plans for growth of the Trust which are then formalised and incorporated within the annual 3 Year Plan update cycle and submitted accordingly to the ESFA as part of the annual BFR process.

The Trustees would like to grow the Trust in a prudent and sustainable way based on the capacity of the central services function and have tasked the CEO to execute the growth strategy that has been incorporated into the 3-5 year plan to continue to grow the Trust in terms of additional schools/academies joining the Trust.

**Funds Held as Custodian Trustee on Behalf of Others**

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

**Auditor**

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12<sup>th</sup> December 2023 and signed on the board's behalf by:

*Shaminder Rayatt*

**Shaminder Rayatt**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year.

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

<b>Name</b>	<b>Membership</b>	<b>Meetings Attended</b>	<b>Total</b>
Azhar Mahmood	Trustee	2	6
Harbhajan Brar	Trustee	4	7
Jasminder Grewal	Trustee	0	6
Kanwar S Dua	Trustee	7	7
Amrit S Maan	Trustee	6	7
Manmeet Singh	Trustee	6	7
Shaminder Rayatt	Trustee	7	7
Susan Jackson	Trustee	6	7
Priya Nanda	Trustee	0	5

Azhar Mahmood resigned on 27/06/2023.

Priya Nanda (resigned on 04/04/2023) and Jaswinder Grewal (resigned on 23/06/2023).

G Singh (appointed 12/7/2023) and Sarah Caton (appointed 13/09/23) have replaced the vacancies on the Standards Committee.

There are processes in place within the Trust, which effectively handle conflicts of interest. Annually, each Trustee fills out a form detailing personal and business interests. Trust Board and its Committee meeting agendas consistently include a standard item named "declaration of interest," providing Trustees with a platform to disclose any relevant interests. A conflicts of interest policy, outlining expectations, which are adopted and subject to annual review by Trustees. The Trust's Governance Professional compiles the declared interests to maintain an updated and comprehensive register of pecuniary interests, which is regularly reviewed and made

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

accessible on the trust website.

The Trust have followed the AAD recommendations of having 6 meetings a year to demonstrate effective oversight and management of funds, risk and audit.

A Governance Review was conducted by the National Governance Association (NGA) in January 2023, the Trust has promptly implemented an action plan, appointing an independent Governance Professional to ensure ongoing compliance and support Trustees in meeting their obligations.

A subsequent review indicates that the Trust has diligently addressed identified actions, providing documentary evidence for each area. Trustees and leaders have demonstrated a thorough understanding of the review findings, taken comprehensive steps, and made substantive progress, with clear ownership assigned to each action point. The report highlights significant efforts and concludes that the trust has effectively responded to the governance challenges outlined in the action plan resulting in governance being effective.

**The Finance, Risk and Audit Committee**

The Finance, Risk and Audit committee, is a sub-committee of the main board of trustees. The Finance, Risk, and Audit Committee is responsible for overseeing a Trust's financial management, risk mitigation, and internal controls. This committee ensures financial transparency, compliance with regulations, and effective risk management while advising the Trust Board on strategic financial decisions.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Azhar Mahmood	5	6
Amrit S Mann	6	6
Kanwarpreet Singh Dua	3	6
Manmeet Singh (Committee Chair)	6	6

**The Standards Committee**

The Trust Standards Committee advises the Board on matters relating to the Trust's curriculum, teaching and learning, quality and standards of education and Safeguarding. This includes monitoring and advising the Trust Board on the following:

Safeguarding procedures, training, trends, arrangements and audit findings  
Data on attainment and progress for all of the Trust's academies  
School improvement work and leadership and management  
Overall performance of each of the academies against the Ofsted framework  
Standards of Teaching and Learning including CPD  
The Trust quality improvement and intervention strategies and plans  
Special Educational Needs, Disability (SEND) and inclusion  
Disadvantaged pupils  
Partnership working, Admissions arrangements, Community engagement.  
Relevant statutory required policies: Relationships & Sex Education; Personal, Social Health and Economics Education (PSHE); Child Protection and Safeguarding; Admissions; Parental Complaints; SEND; Charging and Remissions;  
Significant focus for sub-committee during the year included the monitoring of progress of ATAM Academy out of Requires Improvement

**THE KHALSA ACADEMIES TRUST LIMITED**  
(A company limited by guarantee)

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Shaminder Rayatt	6	6
Susan Jackson (Committee Chair)	5	6
Priya Nanda	4	5
Jaswinder Grewal	0	6

**The Personnel Committee**

The Personnel Committee is a sub-committee of the Board of Trustees, and its purpose is to ensure that the Trust: Has updated HR policies and procedures that are compliant with statutory and legal requirements and best practice. To review the staffing structure and pay scales of the schools and make recommendations to the Trust Board on any proposed changes, as appropriate. Undertake annual regular review of staff wellbeing and the effectiveness of staff recruitment and retention strategies and policies. To ensure that succession planning for staffing and governance within the Trust is being considered by management. To review and recommend to the Trust Board staff cost budgets and proposed pay increases. Annual review of the performance management process of the Trust and review of pay progression decisions. Have oversight of any casework that has associated financial risks, legal employment related claims and adverse publicity for the Trust.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Harbhajan Brar (Committee Chair)	3	3
Manmeet Singh	3	3
Shaminder Rayatt	3	3

**The Faith and Ethos Committee**

The Faith and Ethos Committee is a sub-committee of the Board of Trustees and its purpose to ensure that the distinctiveness and effectiveness of the Sikh faith within the Trust academies is maintained and enhanced. The Faith and Ethos Committee ensure that; It monitors the provision of Sikh Assemblies; Sikh Studies; Sikh Art, encapsulating Music and Sikh values. It monitors the impact of Spiritual, Moral, Social and Cultural development in the Academy. Addresses any developmental issues from the S48 RE Inspection within faith academies. A forum for robust professional discussion amongst a group of stakeholders is provided. Aspects of being a Trust with Sikh academies including the relationship between Sikh values and British values and community cohesion.

Policies are regularly reviewed, including Religious Education and collective worship and Spiritual, Moral, Social and Cultural development and advise on the implementation of these policies (e.g. RE syllabus, planning of Academy worship etc).

Links between the Sikh national institutions and the academies are developed and fostered . The Gurdwaras within the academies are maintained with sufficient resources and adhere to expected Akaal Takht Rehat Maryada.

**Trustee Meetings**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Manmeet Singh	3	3
Shaminder Rayatt (Committee Chair)	3	3
Amritpal Singh Mann	3	3

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

**The Remuneration Committee**

The Remuneration Committee is a sub-committee of the Board of Trustees, and its purpose is to assist the Board with reviewing and setting recommendations for executive pay as well as overall pay considerations for all employees.

Trustee Meetings Attended

Trustee	Meetings attended	Out of a possible
Manmeet Singh	1	1
Shaminder Rayatt (Committee Chair)	1	1
Harbhajan Brar	1	1

**Review of value for money**

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

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

- Retendering large contracts which included cleaning
- Ensuring competitive quotes for large purchases were sought
- Using DFE Procurement frameworks such as utility services and general school supplies
- Part of the Pelican Purchasing Consortium for in house catering purchasing requirements
- Consolidating suppliers across its schools and using online purchasing portals wherever possible to obtain better pricing

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Khalsa Academies Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



**THE KHALSA ACADEMIES TRUST LIMITED**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

The board of trustees has decided:

- to buy-in an internal audit service from Azets.

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

- Testing of the key financial controls covering payroll, income, expenditures, fixed assets, bank reconciliations, balance sheet control accounts, debtors, creditors and VAT returns.
- Specialist cyber security audit covering review and testing on cyber security control aspects.

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

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

**Review of effectiveness**

As accounting officer, the chief executive 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 auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, audit and risk committee.

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**GOVERNANCE STATEMENT (CONTINUED)**

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on their behalf by:

*Shaminder Rayatt*

**Shaminder Rayatt**  
**Chair of Trustees**



**Anita Notta**  
**Accounting Officer**

**THE KHALSA ACADEMIES TRUST LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of The Khalsa Academies Trust Limited, I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

I confirm that 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.



**Anita Notta**  
**Accounting Officer**  
Date: 12 December 2023

**THE KHALSA ACADEMIES TRUST LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 12 December 2023 and signed on its behalf by:

*Shaminder Rayatt*

**Shaminder Rayatt**  
**Chair of Trustees**

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

**Opinion**

We have audited the financial statements of The Khalsa Academies Trust Limited (the 'academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**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.

**THE KHALSA ACADEMIES TRUST LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
KHALSA ACADEMIES TRUST LIMITED (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.

In connection with our audit of the financial statements, Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**THE KHALSA ACADEMIES TRUST LIMITED**  
**(A company limited by guarantee)**

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

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

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
KHALSA ACADEMIES TRUST LIMITED (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.

*Carly Pinkus*

**Carly Pinkus (Senior statutory auditor)**

for and on behalf of

**BKL Audit LLP**

Chartered Accountants  
Statutory Auditor

35 Ballards Lane  
London  
N3 1XW

12 December 2023



**THE KHALSA ACADEMIES TRUST LIMITED**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 1 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Khalsa Academies Trust Limited during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Khalsa Academies Trust Limited's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Khalsa Academies Trust Limited's funding agreement with the Secretary of State for Education dated 25 March 2015 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KHALSA ACADEMIES TRUST LIMITED 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*BKL Audit LLP*

**Reporting Accountant**

**BKL Audit LLP**

Chartered Accountants  
Statutory Auditor

35 Ballards Lane  
London  
N3 1XW

Date: 12 December 2023

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>						
Donations and capital grants	3	42,406	-	103,325	145,731	85,302
Other trading activities	5	527,128	-	-	527,128	611,673
Investments	6	10,196	-	-	10,196	137
Charitable activities	4	-	10,716,561	-	10,716,561	11,614,197
Assets transferred out of trust		-	-	-	-	(18,147,678)
<b>Total income</b>		<b>579,730</b>	<b>10,716,561</b>	<b>103,325</b>	<b>11,399,616</b>	<b>(5,836,369)</b>
<b>Expenditure on:</b>						
Raising funds		85,491	(64)	-	85,427	-
Charitable activities	8	355,540	10,455,528	1,217,524	12,028,592	13,291,953
<b>Total expenditure</b>		<b>441,031</b>	<b>10,455,464</b>	<b>1,217,524</b>	<b>12,114,019</b>	<b>13,291,953</b>
<b>Net income/(expenditure)</b>		<b>138,699</b>	<b>261,097</b>	<b>(1,114,199)</b>	<b>(714,403)</b>	<b>(19,128,322)</b>
Transfers between funds	17	-	(53,921)	53,921	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>138,699</b>	<b>207,176</b>	<b>(1,060,278)</b>	<b>(714,403)</b>	<b>(19,128,322)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains on defined benefit pension schemes	23	-	21,000	-	21,000	522,000
<b>Net movement in funds</b>		<b>138,699</b>	<b>228,176</b>	<b>(1,060,278)</b>	<b>(693,403)</b>	<b>(18,606,322)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		(42,145)	769,398	51,784,764	52,512,017	71,118,339
Net movement in funds		138,699	228,176	(1,060,278)	(693,403)	(18,606,322)
<b>Total funds carried forward</b>		<b>96,554</b>	<b>997,574</b>	<b>50,724,486</b>	<b>51,818,614</b>	<b>52,512,017</b>

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

The notes on pages 28 to 54 form part of these financial statements.

**THE KHALSA ACADEMIES TRUST LIMITED**

(A company limited by guarantee)

REGISTERED NUMBER: 07549443

**BALANCE SHEET  
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	<b>50,724,486</b>	51,784,764
		<u>50,724,486</u>	<u>51,784,764</u>
<b>Current assets</b>			
Debtors	15	<b>218,916</b>	222,259
Cash at bank and in hand		<b>1,761,516</b>	1,268,527
		<u>1,980,432</u>	<u>1,490,786</u>
Creditors: amounts falling due within one year	16	<b>(862,304)</b>	(738,533)
<b>Net current assets</b>		<b>1,118,128</b>	752,253
<b>Total assets less current liabilities</b>		<b>51,842,614</b>	52,537,017
<b>Net assets excluding pension liability</b>		<b>51,842,614</b>	52,537,017
Defined benefit pension scheme liability	23	<b>(24,000)</b>	(25,000)
<b>Total net assets</b>		<b>51,818,614</b>	52,512,017
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	<b>50,724,486</b>	51,784,764
Restricted income funds	17	<b>1,021,574</b>	794,398
Restricted funds excluding pension asset	17	<b>51,746,060</b>	52,579,162
Pension reserve	17	<b>(24,000)</b>	(25,000)
<b>Total restricted funds</b>	17	<b>51,722,060</b>	52,554,162
<b>Unrestricted income funds</b>	17	<b>96,554</b>	(42,145)
<b>Total funds</b>		<b>51,818,614</b>	52,512,017

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 12 December 2023 and are signed on their behalf, by:

*Shaminder Rayatt*

**Shaminder Rayatt**  
Chair of Trustees

The notes on pages 28 to 54 form part of these financial statements.

**THE KHALSA ACADEMIES TRUST LIMITED**  
(A company limited by guarantee)

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

	<b>Note</b>	<b>2023</b> £	2022 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>536,714</b>	424,726
<b>Cash flows from investing activities</b>			
	20	<b>(43,725)</b>	(115,794)
<b>Change in cash and cash equivalents in the year</b>		<b>492,989</b>	308,932
Cash and cash equivalents at the beginning of the year		<b>1,268,527</b>	959,595
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b>1,761,516</b>	1,268,527

The notes on pages 28 to 54 form part of these financial statements

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

The 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.

• **Grants**

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

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

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

• **Donations**

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

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the Academy'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 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Tangible fixed assets**

Assets costing £500 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 over its expected useful life, as follows:

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

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Long-term leasehold land	- 125 years
Long-term leasehold buildings	- 50 years
Fixtures, fittings and equipment	- 10 years
Computer equipment	- 5 years
Motor vehicles	- 4 years

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.

**1.7 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.

**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 15. 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 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.



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

**1. Accounting policies (continued)**

**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.

The Scottish Widows group personal pension scheme contributions are recognised in the period to which they relate.

**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.

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

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	<b>Unrestricted funds 2023 £</b>	<b>Restricted fixed asset funds 2023 £</b>	<b>Total funds 2023 £</b>
Donations	42,406	-	<b>42,406</b>
Capital Grants	-	103,325	<b>103,325</b>
	<u>42,406</u>	<u>103,325</u>	<u><b>145,731</b></u>
	<b>Unrestricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Donations	1,848	-	1,848
Capital Grants	-	83,454	83,454
	<u>1,848</u>	<u>83,454</u>	<u><b>85,302</b></u>

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

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

	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	9,359,312	<b>9,359,312</b>
Other DfE/ESFA grants		
Pupil premium	333,226	<b>333,226</b>
Others	768,762	<b>768,762</b>
	<hr/>	<hr/>
	10,461,300	<b>10,461,300</b>
<b>Other Government grants</b>		
Local authority grants	255,261	<b>255,261</b>
	<hr/>	<hr/>
	255,261	<b>255,261</b>
	<hr/>	<hr/>
	10,716,561	<b>10,716,561</b>
	<hr/>	<hr/>
	<b>10,716,561</b>	<b>10,716,561</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	10,494,319	10,494,319
Other DfE/ESFA grants		
Start up grants	134,000	134,000
Pupil premium	330,244	330,244
Others	358,329	358,329
	<hr/>	<hr/>
	11,316,892	11,316,892
<b>Other Government grants</b>		
Local Authority grants	297,305	297,305
	<hr/>	<hr/>
	297,305	297,305
	<hr/>	<hr/>
	11,614,197	11,614,197
	<hr/>	<hr/>
	<b>11,614,197</b>	<b>11,614,197</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**5. Income from other trading activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Lettings Income	62,561	<b>62,561</b>
Trip Income	93,763	<b>93,763</b>
Other Income	106,540	<b>106,540</b>
Catering Income	264,264	<b>264,264</b>
	<u>527,128</u>	<u><b>527,128</b></u>

	Unrestricted funds 2022 £	Total funds 2022 £
Lettings Income	74,417	74,417
Trip Income	27,737	27,737
Other Income	140,177	140,177
Catering Income	335,866	335,866
Transport Income	33,476	33,476
	<u>611,673</u>	<u>611,673</u>

**6. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Investment income	10,196	<b>10,196</b>
	<u>10,196</u>	<u><b>10,196</b></u>

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	137	137
	<u>137</u>	<u>137</u>

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

**7. Expenditure**

	<b>Staff Costs 2023 £</b>	<b>Premises 2023 £</b>	<b>Other 2023 £</b>	<b>Total 2023 £</b>
Expenditure on fundraising trading activities:				
Direct costs	-	-	85,427	<b>85,427</b>
Charitable activities:				
Direct costs	6,788,932	998,544	1,054,342	<b>8,841,818</b>
Allocated support costs	1,686,037	682,074	818,663	<b>3,186,774</b>
	<u>8,474,969</u>	<u>1,680,618</u>	<u>1,958,432</u>	<u><b>12,114,019</b></u>
	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other 2022 £</b>	<b>Total 2022 £</b>
Charitable activities:				
Direct costs	7,320,702	1,219,519	1,223,756	9,763,977
Allocated support costs	1,849,338	817,383	861,255	3,527,976
	<u>9,170,040</u>	<u>2,036,902</u>	<u>2,085,011</u>	<u>13,291,953</u>

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>
Educational Activities	<u>8,841,818</u>	<u>3,186,774</u>	<u><b>12,028,592</b></u>
	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Charitable activities	<u>9,763,977</u>	<u>3,527,976</u>	<u>13,291,953</u>

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

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

**Analysis of direct costs**

	<b>Charitable activities 2023 £</b>	<b>Total funds 2023 £</b>
Staff costs	6,167,784	<b>6,167,784</b>
Depreciation	1,217,524	<b>1,217,524</b>
Educational supplies	229,758	<b>229,758</b>
Examination fees	55,007	<b>55,007</b>
Staff development	38,167	<b>38,167</b>
Educational consultancy	193,601	<b>193,601</b>
Other direct costs	116,341	<b>116,341</b>
Recruitment and support	74,196	<b>74,196</b>
Technology costs	128,292	<b>128,292</b>
Teaching supply costs	621,148	<b>621,148</b>
	<hr/> <b>8,841,818</b> <hr/>	<hr/> <b>8,841,818</b> <hr/>
	 <b>Charitable activities 2022 £</b>	 <b>Total funds 2022 £</b>
Staff costs	6,803,206	6,803,206
Depreciation	1,453,995	1,453,995
Educational supplies	369,551	369,551
Examination fees	116,733	116,733
Staff development	36,133	36,133
Educational consultancy	215,593	215,593
Other direct costs	89,609	89,609
Recruitment and support	77,034	77,034
Technology costs	84,627	84,627
Teaching supply costs	517,496	517,496
	<hr/> <b>9,763,977</b> <hr/>	<hr/> <b>9,763,977</b> <hr/>

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Analysis of support costs**

	<b>Charitable activities 2023 £</b>	<b>Total funds 2023 £</b>
Pension finance costs	1,000	<b>1,000</b>
Staff costs	1,662,145	<b>1,662,145</b>
Non cash pension costs	19,000	<b>19,000</b>
Maintenance of premises and equipment	248,962	<b>248,962</b>
Cleaning	225,801	<b>225,801</b>
Rent and rates	105,335	<b>105,335</b>
Insurance	38,409	<b>38,409</b>
Catering	201,970	<b>201,970</b>
Other support costs	233,725	<b>233,725</b>
Energy	280,663	<b>280,663</b>
Governance costs	21,350	<b>21,350</b>
Technology costs	106,369	<b>106,369</b>
Professional services	37,153	<b>37,153</b>
Support staff supply costs	4,892	<b>4,892</b>
	<u>3,186,774</u>	<u><b>3,186,774</b></u>

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Analysis of support costs (continued)**

	Charitable activities 2022 £	Total funds 2022 £
Pension finance costs	7,000	7,000
Staff costs	1,622,954	1,622,954
Non cash pension costs	134,000	134,000
Maintenance of premises and equipment	180,399	180,399
Cleaning	236,279	236,279
Rates	75,739	75,739
Insurance	46,657	46,657
Catering	275,952	275,952
Other support costs	373,780	373,780
Energy	278,309	278,309
Governance costs	33,516	33,516
Technology costs	44,861	44,861
Other staff costs	5,033	5,033
Professional services	121,113	121,113
Support staff supply costs	92,384	92,384
	<u>3,527,976</u>	<u>3,527,976</u>

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

Net income/(expenditure) for the year includes:

	<b>2023</b> £	2022 £
Operating lease rentals	<b>10,089</b>	8,151
Depreciation of tangible fixed assets	<b>1,217,524</b>	1,453,995
Fees paid to auditors for:		
- audit	<b>9,350</b>	11,000
- other services	<b>6,205</b>	7,055
	<u><u>9,350</u></u>	<u><u>11,000</u></u>



**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2023</b>	2022
	£	£
Wages and salaries	<b>6,179,585</b>	6,608,312
Social security costs	<b>619,659</b>	696,188
Pension costs	<b>1,030,685</b>	1,121,660
	<b>7,829,929</b>	8,426,160
Agency staff costs	<b>626,040</b>	609,880
Non cash pension costs	<b>19,000</b>	134,000
	<b>8,474,969</b>	9,170,040

**b. Staff numbers**

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

	<b>2023</b>	2022
	No.	No.
Teachers	<b>89</b>	118
Administration and support	<b>83</b>	93
Management	<b>4</b>	6
	<b>176</b>	217

**c. Higher paid staff**

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

	<b>2023</b>	2022
	No.	No.
In the band £60,001 - £70,000	<b>4</b>	3
In the band £70,001 - £80,000	<b>4</b>	3
In the band £80,001 - £90,000	<b>2</b>	1
In the band £100,001 - £110,000	<b>-</b>	1
In the band £120,001 - £130,000	<b>1</b>	-

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

**10. Staff (continued)**

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £485,571 (2022 - £570,296).

**11. Central services**

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

- Finance
- Accounting
- Reporting and Compliance
- IT and HR management
- Educational support
- Site/facilities support
- Marketing & website development/maintenance

The Academy charges for these services on the following basis:

A fixed percentage amount of total income agreed as part of the Budget approval process and was based on the anticipated level of time & resources required during the year with a year end true up based on actual total income recognised at each school.

The actual amounts charged during the year were as follows:

	<b>2023</b>	2022
	£	£
Atam Academy	<b>405,465</b>	336,603
Khalsa Secondary Academy	-	137,232
The Khalsa Academy Wolverhampton	<b>379,625</b>	406,461
<b>Total</b>	<b>785,090</b>	880,296

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**12. Trustees' remuneration and expenses**

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

During the year ended 31 August 2023, expenses were reimbursed or paid directly to 1 Trustee (2022 - to 2 Trustees) broken down as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Travel and subsistence	<b>244</b>	<b>42</b>

**13. Trustees' and Officers' insurance**

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

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2022	<b>54,959,695</b>	<b>508,194</b>	<b>1,660,961</b>	<b>57,128,850</b>
Additions	-	<b>102,433</b>	<b>54,813</b>	<b>157,246</b>
At 31 August 2023	<b>54,959,695</b>	<b>610,627</b>	<b>1,715,774</b>	<b>57,286,096</b>
<b>Depreciation</b>				
At 1 September 2022	<b>3,826,097</b>	<b>335,850</b>	<b>1,182,139</b>	<b>5,344,086</b>
Charge for the year	<b>970,598</b>	<b>27,946</b>	<b>218,980</b>	<b>1,217,524</b>
At 31 August 2023	<b>4,796,695</b>	<b>363,796</b>	<b>1,401,119</b>	<b>6,561,610</b>
<b>Net book value</b>				
At 31 August 2023	<b>50,163,000</b>	<b>246,831</b>	<b>314,655</b>	<b>50,724,486</b>
At 31 August 2022	51,133,598	172,344	478,822	51,784,764

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

**15. Debtors**

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	2,220	63,915
Other debtors	62,555	50,545
Prepayments and accrued income	154,141	107,799
	218,916	222,259
	218,916	222,259

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

	2023 £	2022 £
Trade creditors	294,915	148,355
Other taxation and social security	167,335	142,005
Other creditors	255,153	176,609
Accruals and deferred income	144,901	271,564
	862,304	738,533
	862,304	738,533
	82,224	130,012
Resources deferred during the year	45,650	82,224
Amounts released from previous periods	(82,224)	(130,012)
	45,650	82,224
	45,650	82,224

At the balance sheet date the academy trust was holding funds received in advance for the 2023/24 academic year.

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

**17. Statement of funds**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>						
General Funds - all funds	(42,145)	579,730	(441,031)	-	-	96,554
<b>Restricted general funds</b>						
General Annual Grant (GAG)	794,398	9,359,312	(9,078,215)	(53,921)	-	1,021,574
Pupil premium	-	333,226	(333,226)	-	-	-
Other ESFA funding	-	768,762	(768,762)	-	-	-
LA and other government funding	-	255,261	(255,261)	-	-	-
Pension reserve	(25,000)	-	(20,000)	-	21,000	(24,000)
	<b>769,398</b>	<b>10,716,561</b>	<b>(10,455,464)</b>	<b>(53,921)</b>	<b>21,000</b>	<b>997,574</b>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	51,784,764	103,325	(1,217,524)	53,921	-	50,724,486
<b>Total Restricted funds</b>	<b>52,554,162</b>	<b>10,819,886</b>	<b>(11,672,988)</b>	<b>-</b>	<b>21,000</b>	<b>51,722,060</b>
<b>Total funds</b>	<b>52,512,017</b>	<b>11,399,616</b>	<b>(12,114,019)</b>	<b>-</b>	<b>21,000</b>	<b>51,818,614</b>

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

Unrestricted funds have been increased by other trading activities and reduced by expenditure incurred in the operation of these trading activities.

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 2023.

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

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

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds - all funds	(227,726)	613,658	(428,077)	-	-	(42,145)
<b>Restricted general funds</b>						
General Annual Grant (GAG)	565,013	10,494,319	(10,149,003)	(115,931)	-	794,398
Pupil premium	-	330,244	(330,244)	-	-	-
Other ESFA funding	-	358,329	(358,329)	-	-	-
LA and other government funding	-	297,305	(297,305)	-	-	-
Other Income	-	134,000	(134,000)	-	-	-
Pension reserve	(620,000)	214,000	(141,000)	-	522,000	(25,000)
	(54,987)	11,828,197	(11,409,881)	(115,931)	522,000	769,398
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	71,401,052	83,454	(1,453,995)	115,931	-	70,146,442
Assets transferred out of trust	-	(18,361,678)	-	-	-	(18,361,678)
	71,401,052	(18,278,224)	(1,453,995)	115,931	-	51,784,764
<b>Total Restricted funds</b>	71,346,065	(6,450,027)	(12,863,876)	-	522,000	52,554,162
<b>Total funds</b>	71,118,339	(5,836,369)	(13,291,953)	-	522,000	52,512,017

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

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

**Total funds analysis by academy**

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
The Khalsa Academy Wolverhampton	1,267,949	1,102,335
Atam Academy	47,240	78,606
Central services	(197,061)	(428,688)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,118,128	752,253
Restricted fixed asset fund	50,724,486	51,784,764
Pension reserve	(24,000)	(25,000)
	<hr/>	<hr/>
<b>Total</b>	<b>51,818,614</b>	<b>52,512,017</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £
Central services	(197,061)

The Trust is taking the following action to return the central services function to surplus:

Central services deficit has reduced significantly in FY 22-23, and as per the three year plan, the trust is on track to ensure that the central services function achieves a break even position within next 2-3 years.

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
Khalsa Secondary Academy	-	-	-	-	-
The Khalsa Academy Wolverhampton	3,207,364	711,934	305,508	1,064,562	<b>5,289,368</b>
Atam Academy	3,520,194	655,443	269,568	1,392,034	<b>5,837,239</b>
Central services	66,266	313,768	31,582	143,362	<b>554,978</b>
Consolidated adjustment	-	-	-	(785,090)	<b>(785,090)</b>
<b>Academy</b>	<b>6,793,824</b>	<b>1,681,145</b>	<b>606,658</b>	<b>1,814,868</b>	<b>10,896,495</b>

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Khalsa Secondary Academy	1,501,531	211,939	285,516	454,902	2,453,888
The Khalsa Academy Wolverhampton	2,968,323	603,325	352,399	979,509	4,903,556
Atam Academy	2,735,533	676,967	188,272	1,107,508	4,708,280
Central services	115,315	357,107	163,093	17,015	652,530
Consolidation adjustment	-	-	-	(880,296)	(880,296)
<b>Academy</b>	<b>7,320,702</b>	<b>1,849,338</b>	<b>989,280</b>	<b>1,678,638</b>	<b>11,837,958</b>



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

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

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	50,724,486	<b>50,724,486</b>
Current assets	96,554	1,883,878	-	<b>1,980,432</b>
Creditors due within one year	-	(862,304)	-	<b>(862,304)</b>
Provisions for liabilities and charges	-	(24,000)	-	<b>(24,000)</b>
<b>Total</b>	<u>96,554</u>	<u>997,574</u>	<u>50,724,486</u>	<u><b>51,818,614</b></u>

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	51,784,764	51,784,764
Current assets	(42,145)	1,532,931	-	1,490,786
Creditors due within one year	-	(738,533)	-	(738,533)
Provisions for liabilities and charges	-	(25,000)	-	(25,000)
<b>Total</b>	<u>(42,145)</u>	<u>769,398</u>	<u>51,784,764</u>	<u>52,512,017</u>

**THE KHALSA ACADEMIES TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

	<b>2023</b>	<b>2022</b>
	£	£
Net expenditure for the year (as per Statement of financial activities)	<b>(714,403)</b>	(19,128,322)
<b>Adjustments for:</b>		
Depreciation	<b>1,217,524</b>	1,453,995
Capital grants from DfE/ESFA	<b>(103,325)</b>	(83,454)
Interest receivable	<b>(10,196)</b>	(137)
Defined benefit pension scheme obligation on transfer out from trust	-	(214,000)
Defined benefit pension scheme cost less contributions payable	<b>19,000</b>	134,000
Defined benefit pension scheme finance cost	<b>1,000</b>	7,000
Decrease in debtors	<b>3,343</b>	83,897
Increase/(decrease) in creditors	<b>123,771</b>	(189,931)
Fixed assets transferred out of trust	-	18,361,678
<b>Net cash provided by operating activities</b>	<b>536,714</b>	424,726

**20. Cash flows from investing activities**

	<b>2023</b>	<b>2022</b>
	£	£
Dividends, interest and rents from investments	<b>10,196</b>	137
Purchase of tangible fixed assets	<b>(157,246)</b>	(199,385)
Capital grants from DfE Group	<b>103,325</b>	83,454
<b>Net cash used in investing activities</b>	<b>(43,725)</b>	(115,794)

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

	<b>2023</b>	<b>2022</b>
	£	£
Cash in hand and at bank	<b>1,761,516</b>	1,268,527
<b>Total cash and cash equivalents</b>	<b>1,761,516</b>	1,268,527

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

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

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,268,527	492,989	1,761,516
	1,268,527	492,989	1,761,516

**23. 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 respective local authorities of the academies listed in the Trustee's Report. Both are multi-employer defined benefit schemes.. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £135,855 were payable to the schemes at 31 August 2023 (2022 - £103,007) and are included within creditors.

**Teachers' Pension Scheme**

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

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

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

**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £852,419 (2022 - £946,766).

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 2023 was £109,000 (2022 - £87,000), of which employer's contributions totalled £83,000 (2022 - £67,000) and employees' contributions totalled £26,000 (2022 - £20,000). The agreed contribution rates for future years are 20.5% - 22.8% per cent for employers and 5.5% - 9.9% per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

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**23. Pension commitments (continued)**

**Principal actuarial assumptions**

London Borough of Redbridge Pension Fund

	<b>2023</b>	2022
	%	%
Rate of increase in salaries	<b>2.95</b>	3.05
Rate of increase for pensions in payment/inflation	<b>2.95</b>	3.05
Discount rate for scheme liabilities	<b>5.20</b>	4.25
	<u><u>          </u></u>	<u><u>          </u></u>

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

	<b>2023</b>	2022
	Years	Years
Retiring today		
Males	<b>21.3</b>	21.6
Females	<b>24.1</b>	24.0
Retiring in 20 years		
Males	<b>21.6</b>	22.7
Females	<b>25.4</b>	25.8
	<u><u>          </u></u>	<u><u>          </u></u>

West Midlands Pension Fund

	<b>2023</b>	2022
	%	%
Rate of increase in salaries	<b>3.95</b>	4.05
Rate of increase for pensions in payment/inflation	<b>2.95</b>	3.05
Discount rate for scheme liabilities	<b>5.20</b>	4.25
	<u><u>          </u></u>	<u><u>          </u></u>

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

	<b>2023</b>	2022
	Years	Years
Retiring today		
Males	<b>20.6</b>	21.2
Females	<b>23.5</b>	23.6
Retiring in 20 years		
Males	<b>20.6</b>	22.9
Females	<b>24.6</b>	25.4
	<u><u>          </u></u>	<u><u>          </u></u>

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

**23. Pension commitments (continued)**

**Share of scheme assets**

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

	<b>At 31 August 2023</b>	At 31 August 2022
	£	£
Equities	<b>308,000</b>	318,000
Corporate bonds	<b>28,000</b>	32,000
Property	<b>90,000</b>	63,000
Cash and other liquid assets	<b>47,000</b>	18,000
Other	-	23,000
<b>Total market value of assets</b>	<b>473,000</b>	454,000

The actual return on scheme assets was £5,000 (2022 - £21,000).

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

	<b>2023</b>	2022
	£	£
Current service cost	<b>(102,000)</b>	(201,000)
Interest income	<b>22,000</b>	8,000
Interest cost	<b>(23,000)</b>	(15,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(103,000)</b>	(208,000)

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

	<b>2023</b>	2022
	£	£
<b>At 1 September</b>	<b>487,000</b>	1,219,000
Transferred out on existing academies leaving the trust	-	(417,000)
Current service cost	<b>102,000</b>	201,000
Interest cost	<b>23,000</b>	15,000
Employee contributions	<b>26,000</b>	20,000
Actuarial gains	<b>(141,000)</b>	(551,000)
<b>At 31 August</b>	<b>497,000</b>	487,000

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

**23. Pension commitments (continued)**

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

	2023 £	2022 £
<b>At 1 September</b>	<b>462,000</b>	599,000
Transferred out on existing academies leaving the trust	-	(203,000)
Interest income	<b>22,000</b>	8,000
Actuarial losses	<b>(120,000)</b>	(29,000)
Employer contributions	<b>83,000</b>	67,000
Employee contributions	<b>26,000</b>	20,000
<b>At 31 August</b>	<b>473,000</b>	462,000

**24. Operating lease commitments**

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	<b>4,076</b>	8,151
Later than 1 year and not later than 5 years	<b>5,814</b>	-
	<b>9,890</b>	8,151

**25. Members' liability**

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

**26. Related party transactions**

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

No related party transactions took place in the period account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. Post balance sheet event**

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



# ***The Khalsa Academies Trust Limited***

*Wolverhampton Millfields Road, Ettingshall, Wolverhampton, England, WV4 6JP*

19/12/2023

Date: .....

Your ref: **KHA001**

BKL Audit LLP  
35 Ballards Lane  
London  
N3 1XW

Dear Sirs

## **The Khalsa Academies Trust Limited**

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy trust's financial statements and, as relevant, your assurance engagement on regularity for the year ended 31 August 2023. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

### **General**

1. We have fulfilled our responsibilities as Trustees as set out in the terms of your engagement letter, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the academy trust have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy trust, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
4. The financial statements are free of material misstatements, including omissions.
5. We approve all adjustments as set out in Appendix A, and all decisions on issues requiring the exercise of judgement. We believe that those uncorrected misstatements identified during the audit are immaterial

both individually and in aggregate to the financial statements as a whole. A list of these items will also be included in Appendix A, if applicable, together with our reasons for not correcting them.

#### **Internal Control and Fraud**

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

#### **Assets and Liabilities**

9. The academy trust has satisfactory title to all assets and there are no liens or encumbrances on the academy trust's assets, except for those that are disclosed in the notes to the financial statements.
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
11. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
12. We consider that the actuarial assumptions made in connection with the valuation of the deficit on the local government defined benefit pension scheme, are appropriate and representative of the scheme members.

#### **Accounting Estimates**

13. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
14. All accounting policies adopted are appropriate for the academy trust and are adequately disclosed.

#### **Loans and arrangements**

15. The academy trust has not granted any advances or credits to, or made guarantees on behalf of directors other than those disclosed in the financial statements.

#### **Legal claims**

16. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

#### **Laws and regulations**

17. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
18. All relevant correspondence with the academy trusts regulators, including serious incident reports, has been made available to you.

#### **Related parties**

19. Related party relationships and transactions, comply with the academy trust's financial regulations, relevant requirements of the Academy Trust Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

#### **Subsequent events**

20. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

#### **Going concern**

21. We believe that the academy trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy trusts needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy trust's ability to continue as a going concern need to be made in the financial statements.

#### **Grants and donations**

22. Grants made by the Department of Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
23. All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.
24. The academy trust has not been in receipt of any income relating to the year ended 31 August 2023 other than that recorded within the books.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make themselves aware of any relevant audit other information and to establish that you are aware of that information.

Yours faithfully

*Shaminder Rayatt*

.....  
**The Khalsa Academies Trust Limited**  
Signed on behalf of the Board of Trustees

# ***The Khalsa Academies Trust Limited***

*Wolverhampton Millfields Road, Ettingshall, Wolverhampton, England, WV4 6JP*

19/12/2023

Date: .....

Your ref: **KHA001**

BKL Audit LLP  
35 Ballards Lane  
London  
N3 1XW

Dear Sirs

## **The Khalsa Academies Trust Limited**

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to The Khalsa Academies Trust Limited and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

### **General**

1. I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between The Khalsa Academies Trust Limited and the Secretary of State for Education the Academy Trust Handbook 2022.
2. I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
3. I acknowledge my responsibility to notify the Trustee Board and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academy Trust Handbook 2022 in performing this duty.
4. Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.

- 5. Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
  
- 6. Full and free access has been granted to all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully



.....  
**Accounting Officer**  
**The Khalsa Academies Trust Limited**