

COMPANY REGISTRATION NUMBER 07549443

THE KHALSA ACADEMIES TRUST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2016

The Khalsa Academies Trust Limited
Reference and administrative details for the year ending 31st August 2016

Members

N S Kandola
G Purewal
S S Jhattu (resigned 31 August 2015)
I Anderson (appointed 9 December 2015)
J Morgan (appointed 1 September 2015)
R Pitt (appointed 9 December 2015, resigned 14 September 2016)
T S Palray (appointed 3 September 2015)
O S Randhawa (resigned 30 September 2015)

Trustees and Directors

N S Kandola - Chairman
M S Kaley (appointed 3 September 2015, resigned 25 November 2016)
S Basra (appointed 1 September 2015)
S Vig (appointed 1 September 2015)
S S Jhattu (resigned 31 August 2015)
J Morgan (appointed 1 September 2015)
T S Palray (appointed 3 September 2016)
J Docherty (appointed 26 April 2016)
R Pitt (appointed 9 December 2015, resigned 14 September 2016)
O S Randhawa (resigned 30 September 2015)
I Singh (resigned 31 August 2015)
Ms K Kaur Mann (appointed 26 April 2016)
C S Hall (appointed 19 November 2016)
D Sheppard (appointed 10 November 2016)

Secretary

N S Kandola

Senior management team

R Codling – Principal Khalsa Secondary Academy
J Sangha – Principal The British Sikh School
B Freeman – Head of Primary The Atam Academy

Registered Office

4 Wood End Close
Farnham Common
Bucks
SL2 3RF

Company Registration Number

07549443

The Khalsa Academies Trust Limited
Reference and administrative details for the year ending 31st August 2016

Auditors

Haines Watts
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

Bankers

Lloyds Bank
Threadneedle Street
London

Solicitors

Browne Jacobson LLP
6 Bevis Marks, London EC3A 7BA

Khalsa Academies Website www.khalsaacademiestrust.com

The Khalsa Academies Trust Limited
Trustees Report for the year ending 31st August 2016

The Trustees present their annual report together with the audited financial statements of the Academy Trust, Khalsa Academies Trust Limited, for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

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 Trust.

The Trustees of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Khalsa Academies Trust Limited.

Details of the trustees who served during the period are as shown on page 2.

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 officers indemnity element from the overall cost of the RPA scheme.

Principal Activities

The principal object of the Company is the advancement for the public benefit of education in the United Kingdom, in particular but without prejudice, to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools with a designated Sikh Religious Character or a Sikh ethos offering a broad and balanced curriculum. The Company's accounts for 2016 include the operation of 2 academies:

The Khalsa Secondary Academy in Stoke Poges
The British Sikh School in Wolverhampton

In addition, the Atam Academy in East London was in its pre-opening phase during the accounting period and successfully opened on 1st September 2016.

Members

The current members of the Company are as follows:

a) The signatories to the memorandum:

N S Kandola

b) One person appointed by the Secretary of State for Education, if applicable:
No appointment made

c) The Chairman of the Board of Trustees:

N S Kandola (also signatory to the memorandum)

**The Khalsa Academies Trust Limited
Trustees' Report (continued)**

d) Additional members appointed

Tasveer Singh
Rodney Pitt
Jane Morgan
Ian Anderson
Gurdeep Purewal
Sarwan S Jhatu

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 any number of trustees.

Trustees' Term of Office

The term of office for any trustee other than the CEO is four years. Any trustee may be reappointed.

Policies and Procedures Adopted for the Induction and Training of Trustees.

Training and induction is tailored to new trustees appropriate to their requirements and previous experience. The Company has adopted an induction policy which provides guidance on access to policies, procedures, minutes, budgets, accounts and other relevant plans and documents that they need to fulfil their role as trustees.

Organisational Structure

The Trustees have delegated the day to day management of the Company to the Executive team supported by a Senior Leadership Team. These managers meet on a regular basis to monitor the educational performance of pupils and the financial and operational performance of the Company.

The Director of Education (previously known as the Executive Principal) is currently the Accounting Officer for the Company. Local accountability is delegated to each academy head teacher and each is supported by a local governing body established as a sub-committee of the Board.

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 and nominations committee whose members comprise four non-executive directors and 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 sets out the responsibility for pay increases for all staff within academies to the Principal and the pay committee.

Risk Management

The trustees are responsible for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding public funds and other funds and assets for which it is responsible. The Board has established an Audit Committee to champion the identification and management of the significant risks faced by the organisation. It meets two times per year or as required and the terms of reference from the Board provide appropriate delegated powers to the Audit committee to fulfil this responsibility. Matters of significance at individual academies are escalated through appropriate procedures to this Committee.

**The Khalsa Academies Trust Limited
Trustees' Report (continued)**

Strategic Report

Academic Performance and key performance indicators

Khalsa Secondary School (KSA)

KSA received its 7th DFE monitoring visit in December 2015. The school was judged at that visit to "be making positive progress". Capacity in leadership had been improved with external support from the Trust's Executive Principal and new Associate Principals were internally promoted.

It was noted that school leaders and Governors have high aspirations. There are some positive signs of school improvement in terms of well above national average attendance at 97.4% and Persistent Absence at 1.2% is well below national average.

Early GCSE entry in RE and Panjabi have already produced outstanding results with 100% of the current Year 10 pupils gaining an A* grade at GCSE RE, including two disadvantaged pupils.

KSA is already responding to the new accountability measures at Key stage 4 with 67% pupils currently working at A*-C in combined English and Mathematics. (Over 80% in English) This is already above the national average 62%. The school target is 78%.

The school target for Progress 8 (the major performance for national league tables from 2016) is +0.25. Which would place the school in the top 30-35% of schools.

KSA achieved an outstanding Section 48 Inspection during 2016. It was rated as requires improvement in its Ofsted inspection during May 2015 which was challenged by the Trustees. Nevertheless, the school has been externally inspected by various third parties and reports that the school is a Good school with outstanding elements have been received.

The British Sikh School (TBSS)

TBSS received its 4th DFE monitoring visit October 2016. The report was very positive. "A new Principal and Vice Principal were appointed in August so leadership is now secure". "The SLT portray as an evaluative and reflective team who have responded well to the actions recommended in the last report".

The report although in the current academic year does give external validation of the progress TBSS has made since its opening in 2015/16. The oversight of the school is strong and this is reflected in a positive ethos, the excellent behaviour of the students and the quality of the learning environment where students have every opportunity to make progress in their learning.

The progress and improvements are noticeable, Student tracking is strong and the progress of different groups of students is monitored by champions on the senior leadership team with EAL (English as an Additional language, G&T, Pupil Premium and SEND shared between them. APS scores for all subjects showed a substantial improvement over the year indicating positive progress for all groups of learners.

Reading age testing has been completed and so a whole school focus on literacy and use of interventions to support reading is a focus. 44% of the school are EAL. This is well above national average and therefore this rightly is a key priority for the school. CAT (Cognitive ability Tests) have been used to baseline students on entry and to inform target setting. Attendance at 98.18% is very high and is a reflection of the positive feel that the students have for the school.

**The Khalsa Academies Trust Limited
Trustees' Report (continued)**

Principal Risks and Uncertainties

The principal risks identified by the trustees fall into two main categories which are

1. Financial (student numbers)

Each of our academies have opened within the last three years and whilst marketing remains a key priority, demand for places has been variable across the academies. Khalsa Secondary Academy has only recently been given planning permission to stay permanently at its current site and historically this factor has resulted in the school filling 70% of its available capacity. Similarly, the British Sikh School is a new school which opened in 2015 and is running at 77% and the Atam Academy is running at 80%. The local governing bodies along with staff and the Trustees actively support and engage in local marketing campaigns to drive up further demand for the academies.

There is also some risk around the level of government funding and whether these levels will take account of pay and pension funding increases in the public sector and general inflation.

2. Sites

Each of the academies are currently planning on moving to new buildings or refurbishment of the existing buildings. There is some risk that the new buildings may not be ready on time due to factors beyond the control of the Trustees. A dedicated estates lead is employed to ensure these building projects complete on time. There is some risk of the planning application for the Atam Academy not being successful which may result in a delay in moving to the permanent site.

3. Recruitment

There is a national shortage of teachers in England and the success of each academy is driven by the recruitment of high quality teaching staff. Due to the physical location of Khalsa Secondary Academy and the uncertainty of the planning decision, recruitment has been more difficult than usual. The trustees have entered a strategic partnership with one of the leading recruitment firms to attempt to find creative solutions to this problem.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust.

Objectives and Activities

The Khalsa Academies Trust (KAT) operates a small number of academies providing high quality publicly funded education for the benefit of students in their respective communities. The trustees understand their responsibilities to deliver this public benefit. Students are at the heart of everything KAT does. All of our students have a right to outstanding education in order to give them the best chances in life. The ethos of KAT is to support and value our students and staff and work closely with the governing bodies of each of the academies. The Sikh ethos of "Seva" is central to our day to day operations both with how students support their local communities and how the academies function.

Public Benefit

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

**The Khalsa Academies Trust Limited
Trustees' Report (continued)**

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 Accounting Policies note of the financial statements.

Financial Review

The financial position of the Trust at the year end is set out on page 20.

The Academy Trust is pleased to report a Net Income for the year of £70,642 (before LGPS FRS 102 actuarial valuation movements), despite a financially challenging year due to pupil numbers being below the maximum intake capacities for both Khalsa Secondary Academy and The British Sikh School. Included in this deficit is £20,000 relating to the LGPS FRS 102 movement for the year. Had this not been included a surplus of £90,642 would have arisen. In addition, the Trust has been facing increased pension costs & associated liabilities as well as upward pressures on Teaching Salaries in a highly competitive & difficult recruitment market.

The Academy's overall Operating Surplus for the year was £12,642, after accounting for the Actuarial Valuation adjustment loss of £58,000 and the overall Funds Carried Forward was (£158,301). However it should be noted that without the adverse impact of the LGPS Pension Valuation Accounting Adjustments for the previous 2 years, the overall Funds carried forward would be (£99,301). The Academy Trust has a three year financial plan in place to resolve the deficit position and move to a sustainable surplus position on a consolidated basis within the timeframe, based on a prudent projection of future student numbers, proactive marketing & recruitment efforts, staff retention and strong financial management & control.

In addition the Academy Trust was awarded capital grants for the year of £1,775,041 (net of vat) for buildings, ICT and FF&E.

Financial and Risk Management Objectives and Policies

The Academy Trust has its own policy and a regularly updated risk register.

Reserves Policy

The Trust held £2,288,212 of funds at the year end. Of this £2,362,992 represented restricted funds and £74,780 represented a deficit on unrestricted funds (See the Statement of Financial Activities on page 19).

The Trustees and Governing body will ensure that, going forward, on a consolidated Multi Academy Trust level, sufficient reserves are held in order to ensure that any delays to receiving the regular monthly funds from the Department for Education do not disrupt the regular outgoing payments required by the school.

Free reserves as well as restricted general reserves are in deficit at the year end and, as noted above, the Trust has a three year financial plan in place to resolve this deficit position.

Investment Policy

The Academy Trust has a formal Investment Policy in place which specifies the level of risk and defined parameters for any investments to be considered, including the authority levels as outlined within the approved Scheme of Delegation. At the present time, it is not anticipated that there will be surplus funds available for longer term investment but short term surplus funds are generally held in interest bearing deposit accounts, with minimal risk, with our main bankers.

Plans for Future Periods

This year has been incredibly busy for the Trust as it moved from a single academy in 2015 to three open academies in September 2016. This growth depended on the formation of a central team of finance, education, estates, IT team that ensured the new academies were supported to open in time as well as deliver outstanding education.

**The Khalsa Academies Trust Limited
Trustees' Report (continued)**

Khalsa Secondary Academy is now a good school as validated through external third party inspections. It also achieved an outstanding Section 48 inspection and the trustees are expecting the formal Ofsted inspection during 2017. Khalsa Secondary Academy buildings are shortly being refurbished which will enhance the quality of the educational environment for its pupils.

During 2017, we are planning to move the British Sikh School from its current temporary buildings to its new facility in Wolverhampton. During 2018, we are planning to move Atam Academy from its current temporary buildings to its brand new facility in Redbridge.

Our short to medium term objectives include:

- To provide an exceptional academic education to all our students.
- Becomes the school of choice for local parents whether Sikh or of another faith or none.
- Achieves an Outstanding Ofsted rating within 5 years of opening.
- To recruit and retain the best quality staff.
- To operate the academies within a Sikh ethos of community service, meditation and honest living.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- 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.

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

 20/12/16
.....
N S KANDOLA Chair of Trustees

**The Khalsa Academies Trust Limited
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.

The Board of Trustees has delegated the day-to-day responsibility to the Director of Education, 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 Trust and the Secretary of State for Education. The Director of Education is 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. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of Possible
N S Kandola, Chair	4	4
M S Kaley	4	4
S S Basra	4	4
J Morgan	1	4
T S Palray	4	4
S Vig	3	3
R Pitt	3	3
J Docherty	1	1
K K Lidher	1	1

Three sub-committees were operational during this period which included Finance and Resources, Audit and Risk and Remuneration and Nominations Committee. These sub committees met twice during the year.

Finance and Resources

	Meetings attended	Out of Possible
N S Kandola	3	3
M S Kaley	3	3
S S Basra	3	3
T S Palray	1	2

Audit and Risk

	Meetings attended	Out of Possible
I Anderson, Chair	2	2
T S Palray	2	2
N S Kandola	2	2
G S Purewal	2	2
R Pitt	2	2
B Basra	2	2

Remuneration and Nominations Committee

	Meetings attended	Out of Possible
N S Kandola	2	2
J Docherty	2	2
K K Lidher	2	2
J Morgan	1	2

The Khalsa Academies Trust Limited Governance Statement (continued)

Each academy held full governing body meetings during the year along with 3 sub committees comprising finance and resources; educational standards and Site/ICT.

Governance reviews were carried out by each academy trust along with appropriate courses for governors such as safeguarding, recruitment, holding the head to account. External safeguarding reviews were commissioned by the trustees for each academy as well as educational reviews.

Each academy had a DFE Inspection, usually twice per year and these have resulted in positive reports for each academy.

Review of Value for Money

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

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

The trust follows the its financial policy for all procurement of products and services and during this financial period, no purchases for goods or services exceeding the tender limit were procured. The five-year contract for the supply of ICT products and services was tendered in 2014 through the DFE/EFA approved framework.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Khalsa Academies 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 the Khalsa Academies Trust for the year ended 31 August 2016 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 Khalsa Academies 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 ongoing process for identifying, evaluating and managing the Trust Academies significant risks.

The Risk and Control Framework

The 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 governing body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

**The Khalsa Academies Trust Limited
Governance Statement (continued)**

Review of Effectiveness

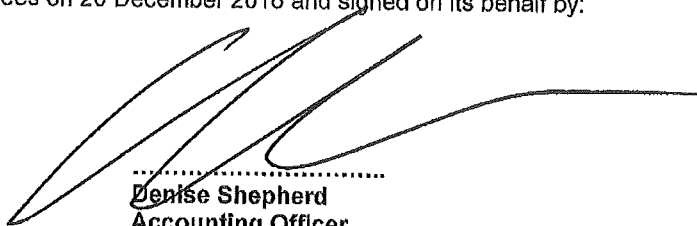
As Accounting Officer, the Director of Education has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the audit committee
- the work of the external auditors
- the financial management and governance self – assessment process
- other explicit review/assurance mechanisms
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the board of trustees on 20 December 2016 and signed on its behalf by:



.....
N S Kandola
Chair of Trustees



.....
Denise Shepherd
Accounting Officer

The Khalsa Academies Trust Limited
Statement On Regularity, Propriety And Compliance

As accounting officer of Khalsa Academies Trust Limited I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

With the exception of restricted funds being utilised to cover a shortfall in the unrestricted funds account as shown in the Statement of Financial Activities, I confirm that no instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:



.....
D Shepherd
Accounting officer

20/12/16

The Khalsa Academies Trust Limited
Statement Of Governors' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 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 Governing Body on 20 December 2016 and signed on its behalf by



.....
N S Kandola
Chair of Governors

The Khalsa Academies Trust Limited
Independent Auditor's Report to the members of The Khalsa Academies Trust Limited

We have audited the financial statements of the Khalsa Academies Trust Limited for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016, 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 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Susan Plumb

Susan Plumb Senior Statutory Auditor
For and on behalf of Haines Watts, Statutory Auditor
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

Date *20 December 2016*

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

In accordance with the terms of our engagement letter dated 28 April 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Khalsa Academies Trust during the period 1 September 2015 to 31 August 2016 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 and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Khalsa Academies Trust and EFA 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 and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Khalsa Academies Trust's funding agreement with the Secretary of State for Education dated 25 March 2015 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance
- review of minutes which may be relevant to regularity
- consideration of discussions with key personnel
- substantive testing of individual transactions

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

Conclusion

With the exception of restricted funds being utilised to cover a shortfall in the unrestricted funds account, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Haines Watts

Haines Watts
Reporting Accountant
For and on behalf of Haines Watts, Chartered Accountants

Date *20 December 2016*

The Khalsa Academies Trust Limited
Statement of Financial Activities for the year ended 31 August 2016
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income from:						
Donations and capital grants	2	13,025	35,000	1,775,041	1,823,066	153,109
Transfer in of schools joining the Trust	21		96,017	135,424	231,441	-
<i>Charitable activities:</i>						
Funding for the academy trust's educational operation	5	-	2,456,822	-	2,456,822	1,050,375
Investments	3	4,046	-	-	4,046	151
Other trading income	4	207,763			207,763	147,425
Total		224,834	2,587,839	1,910,465	4,723,138	1,351,060
Expenditure on:						
Raising funds		260,884	-	-	260,884	216,636
<i>Charitable activities:</i>						
- Academy trust's educational operations	6	-	2,481,147	200,771	2,681,918	1,260,242
Total		260,884	2,481,147	200,771	2,942,802	1,476,868
Net income/(expenditure)		(36,050)	106,692	1,709,694	1,780,336	(125,808)
Transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		(36,050)	106,692	1,709,694	1,780,336	(125,808)
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(58,000)	-	(58,000)	(1,000)
Net movement in funds		(36,050)	48,692	1,709,694	1,722,336	(126,808)
Funds brought forward 1 September 2015		(38,730)	(132,213)	736,819	565,876	692,684
Funds carried forward at 31 August 2016	14	(74,780)	(83,521)	2,446,513	2,288,212	565,876

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The Khalsa Academies Trust Limited
Balance Sheet as at 31 August 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	2,575,539	831,468
Current assets			
Stock	11	28,976	11,836
Debtors	12	263,852	53,047
Cash at bank and In hand		815,557	58,134
		<u>1,108,385</u>	<u>123,017</u>
Creditors: Amounts falling due within one year	13	1,308,712	379,609
Net current (liabilities)/assets		<u>(200,327)</u>	<u>(256,592)</u>
Total assets excluding pension liability		2,375,212	574,876
Pension liability	19	(87,000)	(9,000)
Net assets including pension liability		<u>2,288,212</u>	<u>565,876</u>
Funds of the academy:			
Restricted funds			
Fixed asset funds	14	2,446,513	736,819
General funds	14	3,479	(123,213)
Pension reserve	19	(87,000)	(9,000)
Total restricted funds		<u>2,362,992</u>	<u>604,606</u>
Unrestricted funds		(74,780)	(38,730)
Total funds	14	<u>2,288,212</u>	<u>565,876</u>

The financial statements on pages 22-42 were approved by the trustees, and authorised for issue on 20/12/16 and are signed on their behalf by:



.....
N S Kandola
Chair of Governors

Company Limited by Guarantee
 Registration Number 07549443

The Khalsa Academies Trust Limited
Cash Flow Statement for the year ended 31 August 2016

	Notes	2016 £	2015 £
Net cash flows from operating activities	22	923,178	83,845
Cash flows from investing activities	23	(165,755)	8,555
Change in cash and cash equivalents in the reporting period	24	<u>757,423</u>	<u>92,400</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2015		58,134	(34,266)
Cash and cash equivalents at 31 August 2016	24	<u>815,557</u>	<u>58,134</u>

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (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 2015 to 2016 Issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to £.

First time adoption of FRS 102

These financial statements are the first financial statements of Khalsa Academies Trust Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of the Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

No transitional adjustments were required in equity or income or expenditure for the year.

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 trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants receivable

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

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

Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Income (continued)

Grants receivable (continued)

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

Donations

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's accounting policies.

Other income

Other income is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

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. Assets being constructed are included in fixed assets at cost and will be depreciated once the assets come into use.

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 restrictions 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.

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting Policies (continued)

Fixed Asset (continued)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful lives, as follows:

Leasehold improvement	-	50 years (if site expected to be permanent)
Leasehold improvement	-	2 years (if site expected to be short term)
Fixtures, fittings and equipment	-	10 Years
ICT equipment	-	5 years
Motor vehicles	-	4 years

The depreciation period selected of 50 years is on the assumption that the property will be transferred to the Trust, the improvements may have to be written off over a shorter period.

Transfer in of schools joining the Trust

The transfer in to the Academy Trust involved the transfer of identifiable assets and liabilities and the operations of the schools for nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis. The assets and liabilities have been transferred at fair value. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised as a donation in the Statement of Financial Activities. Further details of the transactions are set out in note 20.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Debtors and prepayments

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

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.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting Policies (continued)

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Leased Assets

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS').

The TPS is a defined benefit schemes, is contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

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

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Accounting policies (continued)
Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Capital grants	-	1,775,041	1,775,041	129,992
Donated services	-	35,000	35,000	-
Other donations	13,025	-	13,025	23,117
	<u>13,025</u>	<u>1,810,041</u>	<u>1,823,066</u>	<u>153,109</u>

Income from donations and capital grants was £1,823,066 (2015 - £153,109) of which £13,025 (2015 - £23,117) was attributable to unrestricted funds, £35,000 (2015 - £nil) was attributable to restricted general funds and £1,775,041 (2015 - £129,992) was attributable to restricted fixed asset funds.

3 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Bank interest	4,046	-	4,046	151
	<u>4,046</u>	<u>-</u>	<u>4,046</u>	<u>151</u>

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

4 Other Trading Income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Lunch provision	101,826	-	101,826	80,407
Transport	54,084	-	54,084	19,728
Enrichment activities	34,620	-	34,620	27,751
Other	17,233	-	17,233	19,539
	<u>207,763</u>	<u>-</u>	<u>207,763</u>	<u>147,425</u>

5 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants				
General Annual Grant	-	2,239,903	2,239,903	879,952
Start up Grant	-	210,000	210,000	163,504
Other DfE/EFA grants	-	6,919	6,919	6,919
	<u>-</u>	<u>2,456,822</u>	<u>2,456,822</u>	<u>1,050,375</u>

Funding for academy trust's educational operations was £2,456,822 (2015 - £1,050,375) of which all was attributable to restricted general funds (2015 same).

£6,919 (2015 - £nil) of other DfE/EFA grants were received for the general premises maintenance purposes.

6 Expenditure

	Staff Costs £	Non Pay Expenditure		Total 2016 £	Total 2015 £
		Premises £	Other Costs £		
Expenditure on raising funds	82,167	-	178,717	260,884	216,626
Academy Trust's educational operations					
- Direct costs	1,574,151	342,752	78,003	1,994,906	868,001
- Allocated support costs	318,242	29,609	339,161	687,012	392,241
	<u>1,892,393</u>	<u>372,361</u>	<u>417,164</u>	<u>2,681,918</u>	<u>1,260,242</u>
	<u>1,974,560</u>	<u>372,361</u>	<u>595,881</u>	<u>2,942,802</u>	<u>1,476,868</u>

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Expenditure continued

All expenditure on raising funds above was attributable to unrestricted funds (2015 same).

£2,481,201 (2015 - £1,156,640) of the above expenditure on the academy trust's educational operations was attributable to restricted general funds and £200,717 (2015 - £103,602) was attributable to restricted fixed asset funds.

Net income / expenditure for the year includes:

	2016 £	2015 £
Operating lease rentals	13,916	13,916
Depreciation	200,771	103,602
Fees payable to the auditor for:		
Audit	5,500	4,000
Other services	1,750	1,000

Charitable activities – educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Direct costs	-	1,994,906	1,994,906	868,001
Allocated support costs				
Support staff costs	-	318,242	318,242	231,943
Technology costs	-	42,586	42,586	41,367
Premises	-	-	-	-
Other support costs	-	290,773	290,773	89,076
Governance	-	35,411	35,411	29,855
	-	687,012	687,012	392,241
Total	-	2,681,918	2,681,918	1,260,242

Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

7 Staff Costs

	2016	2015
	£	£
Staff costs during the period were:		
Wages and salaries	1,457,244	687,084
Social security costs	125,565	57,528
Operating costs of defined benefit pension schemes	212,098	160,178
	<u>1,794,907</u>	<u>904,790</u>
Supply staff	179,653	100,156
Total	<u>1,974,560</u>	<u>1,004,946</u>

The average number of persons (including senior management team) employed by the Academy Trust during the year, and the full time equivalents, was as follows:

	2016	2015
	Number	Number
<i>Charitable Activities</i>		
Teachers	22	16
Administration and support	25	13
Management	5	1
	<u>51</u>	<u>30</u>

(a) Higher paid staff

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

	2016	2015
	No.	No.
£60,001 - £70,000	-	-
£70,001 - £80,000	1	-
£80,000 - £90,000	1	1
	<u>1</u>	<u>1</u>

(b) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust during the year (including former senior management team members) was £363,400 (2015: £96,984).

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

c) Central services

The academy trust 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

The trust charges for these services on the following basis:

For 15-16, the trust charged each school based on fixed amounts agreed as part of the Budget approval process and was based on the anticipated level of time & resources required during the year, including project management during the Pre-Opening Phase of the Atam Academy.

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
The Atam Academy	63,237	-
Khalsa Secondary Academy	33,850	-
The British Sikh School	64,000	-
	<u>161,087</u>	<u>-</u>

8. Related Party Transactions - Trustees' Remuneration and Expenses

In accordance with the Articles of Association, Trustees may enter into a contract for the supply of goods or services to the Company, other than for acting as a Trustee providing the sums paid to the Trustee are reasonable and the Trustee is absent from the part of a meeting which there is discussion about the remuneration. No remuneration is paid for acting as a Trustee or Member. In addition, some staff may serve as Trustees and they may receive their remuneration in their capacity as employees of the Trust, but no remuneration is paid for acting as a Trustee or Member. The other Trustees did not receive any fees or remuneration for the performance of their role as Trustees, but were reimburses expenses necessarily incurred in that role.

N S KANDOLA (Trustee and Chair) (See note 19)
 Consultancy services £10,000 - £15,000 (2015: Nil)
 Employer's pension contribution Nil

S S BASRA (Trustee and Director of Finance)
 Remuneration £55,000 - £60,000 (2015: Nil)
 Employer's pension contribution £12,062,

M S KALEY (Trustee, resigned 25th November 2016)
 Remuneration £10,000 - £15,000(2015: Nil)
 Employer's pension contribution £2,527,

S VIG (Trustee and Executive Principal)
 Remuneration £30,000 - £35,000 (2015: Nil)
 Employer's pension contribution Nil

During the year ended 31 August 2016 £1,582 of travel and subsistence expenses were reimbursed to one trustee in their capacity as trustee (2015 £nil). Related party transactions involving the trustees are set out in note 20.

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

9. Trustees' and Officers' Insurance

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 officers indemnity element from the overall cost of the RPA scheme.

For 2015, the Academy purchased its own insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £425.

10. Tangible Fixed Assets

	Leasehold Improvements	Assets under construction	Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	394,492	-	226,351	349,049	32,634	1,002,526
Additions	264,531	1,127,993	111,089	209,872	-	1,713,485
Transfer in (note 21)	-	-	25,146	206,211	-	231,357
At 31 August 2016	659,023	1,127,993	362,586	765,132	32,634	2,947,368
Depreciation						
At 1 September 2015	15,527	-	33,383	113,282	8,866	171,058
Charged in period	36,638	-	29,484	126,491	8,158	200,771
At 31 August 2016	52,165	-	62,867	239,773	17,024	371,829
Net book values						
At 31 August 2016	606,858	1,127,993	299,719	525,359	15,610	2,575,539
At 31 September 2015	378,965	-	192,968	235,767	23,768	831,468

The academy trust's transactions relating to land and buildings included:

1. continued refurbishment of Pioneer House, the Khalsa Secondary Academy site in Stoke Poges
2. refurbishment of the temporary site at Parkfield in Wolverhampton which the British Sikh School is currently occupying

In addition construction has begun on the permanent site for the British Sikh School at the former Tarmac Building; costs incurred during the year are classified as "assets under construction".

As noted in note 17 a 125 year lease was granted to the Trust in respect of the permanent site for the British Sikh School to enable construction work on commence at cost of £3.1m during the year, funded by the DfE. Once construction has been completed and the site occupied a valuation will be placed on the land and buildings for inclusion in the financial statements in accordance with the Academies Accounts Directive 2015-2016.

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

11. Stock

	2016	2015
	£	£
Books	14,752	11,336
Equipment	14,224	500
	<u>28,976</u>	<u>11,836</u>

12. Debtors

	2016	2015
	£	£
VAT recoverable	48,014	-
Other debtors	14,565	20,511
Prepayments and accrued grant income	201,273	32,536
	<u>263,852</u>	<u>53,047</u>

13. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	307,853	32,280
Taxation and social security	50,727	37,054
EFA abatement of GAG	23,413	255,469
Other creditors, accruals and deferred income	926,719	54,806
	<u>1,308,712</u>	<u>379,609</u>

Deferred income

	2016	2015
	£	£
Deferred income at start of year	-	-
Released from previous years	-	-
Resources deferred in the year	55,319	-
Deferred income at end of year	<u>55,319</u>	<u>-</u>

Deferred income represents EFA funding received in advance of the 16/17 academic year.

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14. Funds

	Balance at 1 September 2015 £	Incoming Resources £	Resources Expended £	Gains/losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual grant	(123,213)	2,377,839	(2,281,147)	-	(26,521)
Start up grant	-	210,000	(180,000)	-	30,000
Other grants	-				
Pension reserve	(9,000)	-	(20,000)	(58,000)	(87,000)
	<u>(132,213)</u>	<u>2,587,839</u>	<u>(2,481,147)</u>	<u>(58,000)</u>	<u>(83,521)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	736,819	1,910,465	(200,771)	-	2,446,513
	<u>736,819</u>	<u>1,910,465</u>	<u>(200,771)</u>	<u>-</u>	<u>2,446,513</u>
Total restricted funds	604,606	4,498,304	(2,681,918)	(58,000)	2,362,992
Unrestricted funds	(38,730)	224,834	(260,884)	-	(74,780)
Total funds	<u>565,876</u>	<u>4,723,138</u>	<u>(2,942,802)</u>	<u>(58,000)</u>	<u>2,288,212</u>

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

Restricted General funds are those which are supplied for a specific duty and the funds spent only in accordance with the agreement or restrictions placed upon them.

Restricted Fixed Asset funds are assets purchased from funds received for that specific purpose.

Unrestricted funds are all other sources of income generated by the Academy to which no restrictions apply regarding the way they are spent.

The trust is carrying a net deficit of £74,780 on unrestricted funds due to historical school transport and catering costs not being fully recovered from pupils during the initial start up phases of schools. The trust has a three year financial plan in place to resolve the deficit position and move to a surplus.

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	2016 £	2015 £
Khalsa Secondary Academy	(75,955)	(161,943)
The British Sikh School	(35,129)	-
The Atam Academy	90,814	-
Central services	<u>(51,027)</u>	<u>-</u>
Total before fixed assets and pension reserve	<u>(71,297)</u>	<u>(161,943)</u>
Restricted fixed asset fund	2,446,513	736,819
Pension reserve	(87,000)	(9,000)
Total	<u>2,288,216</u>	<u>565,876</u>

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14. Funds (continued)

The Khalsa Secondary Academy and the British Sikh School are carrying net deficits of £75,955 and £35,129 respectively on these funds. The cumulative deficit for Khalsa Secondary Academy has reduced significantly during the year by £85,988 due to prudent financial management and the deficit for the British Sikh School in its first year of opening was due to additional staffing costs primarily due to additional unbudgeted teaching resources.

The trust has budgeted for both The Khalsa Secondary Academy and The British Sikh School to deliver sufficient levels of Operating Surpluses in 16-17 to ensure that both schools have significantly reduced carrying net deficits by the end of the academic year, based on prudent financial management, active budget monitoring and targeted fundraising activities.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Educational Supplies £	Other Costs excluding Depreciation £	Total 2016 £	Total 2015 £
The British Sikh School	591,399	13,537	145,730	750,666	-
Khalsa Academy	1,178,768	51,927	435,261	1,665,956	1,373,266
The Atam Academy	28,215	7,141	43,247	78,603	-
Central services	176,178	5,398	65,230	246,806	-
Academy trust	1,974,560	78,003	689,468	2,742,031	1,373,266

15. Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds 2016 £	Restricted General Funds 2016 £	Restricted Fixed Asset Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Tangible fixed assets	-	129,026	2,446,513	2,575,539	831,468
Current assets	-	1,108,385	-	1,108,385	123,017
Current liabilities	(74,780)	(1,233,932)	-	(1,308,712)	(379,609)
Pension liability	-	(87,000)	-	(87,000)	(9,000)
Total net assets/liabilities	(74,780)	(83,521)	2,446,513	2,288,212	565,876

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16. Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	nil	nil

17. Commitments under operating leases

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	13,916	13,916
Amounts due between one and five years	-	13,236
Amounts due after five years	-	-
	<u>13,916</u>	<u>27,152</u>

Land and Buildings Lease arrangements

- The Khalsa Secondary Academy building has been leased from the EFA to the Trust since September 2013 at nil rent under a rolling one year lease. Until such times as all refurbishment costs have been carried out and the site is handed over to the Trust no value is to be attributed to the occupation of the site in the accounts.
- The temporary site which the British Sikh School currently occupies has been leased from Wolverhampton City Council since 1 September 2015. This lease has been extended into 2016/17 whilst the permanent site is built. The annual rent of £35,000 is funded by the EFA and has been included as income and expenditure in these financial statements (see note 2). It is anticipated that the school will move to its permanent location by September 2017.

To enable construction work on the permanent site to be carried out a 125 year lease was granted to the Trust at a cost of £3.1m during the year, funded by the DfE. Once construction has been completed and the site occupied a valuation will be placed on the land and buildings for inclusion in the financial statements in accordance with the Academies Accounts Directive 2015-2016.

- The Atam Academy building is leased from Redbridge College until 31st July 2018, after which time the school will move to its permanent location. The annual rent of £128,313 for 16/17 will be funded by the EFA. Construction of the new site commenced after 31 August 2016.

18. 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.

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19. Pension and similar obligations

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £28,388 (2015: £6,888) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £260,285 (2015: £135,960).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Pension and similar obligations (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £63,446 (2015 £29,707), of which employer's contributions totalled £48,357 (2015 £24,218) and employees' contributions totalled £15,089 (2015 £5,489). The agreed contribution rates for future years are 20.5% - 22.8% for employers and 5.5% - 9.9% (depending on salary and section) for employees.

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

Principal Actuarial Assumptions – Khalsa Secondary Academy

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.2%	4.0%

Principal Actuarial Assumptions – The British Sikh School

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.75%	-%
Rate of increase for pensions in payment / inflation	2.0%	-%
Discount rate for scheme liabilities	2.2%	%

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

Khalsa Secondary Academy:-

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.8	23.7
Females	26.2	26.1
<i>Retiring in 20 years</i>		
Males	26.1	26.0
Females	28.5	28.4

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Pension and similar obligations (continued)

The British Sikh School:-	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.1	-
Females	25.8	-
<i>Retiring in 20 years</i>		
Males	25.3	-
Females	28.1	-

The share of the assets and liabilities in the scheme and the expected rates of return were:

Khalsa Secondary Academy

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	52	23
Bonds	12	5
Property	8	3
Gilts	11	5
Cash	3	1
Other	9	4
Total market value of assets	95	41

Actual return on fund assets was £10,000 (2015 £3,000)

The British Sikh School

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	11	-
Bonds	2	-
Property	1	-
Cash	1	-
Other	2	-
Total market value of assets	17	-

Actual return on fund assets was £1,000 (2015
£3,000)

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Pension and similar obligations (continued)

Combined amounts recognised in the statement of financial position

	2016	2015
	£000	£000
Present value of defined benefit obligation	199	50
Fair value of fund assets	(112)	(41)
Net defined benefit liability	<u>87</u>	<u>9</u>

Combined amount recognised in the statement of financial activities for both academies

	2016	2015
	£000	£000
Current service cost (net of employee contributions)	68	33
Net interest cost	(1)	-
Total operating charge	<u>67</u>	<u>33</u>

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

	2016	2015
	£000	£000
At 1 September	50	-
Current service cost	68	33
Interest cost	2	2
Employee contributions	14	9
Change in financial assumptions	66	6
Benefits paid	(1)	-
At 31 August	<u>199</u>	<u>50</u>

Movements in the fair value of the share of scheme assets:

	2016	2015
	£000	£000
At 1 September	41	-
Interest on assets	3	2
Return on assets less interest	8	1
Employer contributions	47	29
Employee contributions	14	9
Benefits paid	(1)	-
At 31 August	<u>112</u>	<u>41</u>

Remeasurement included in the Statement of Financial Activities

	2016	2015
	£000	£000
Return on fixed assets in excess of interest	8	1
Change in financial assumptions	(66)	(2)
At 31 August	<u>(58)</u>	<u>(1)</u>

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Pension and similar obligations (continued)
Sensitivity analysis – Khalsa Secondary Academy

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	144	148	152
Projected service cost	105	108	111
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	148	148	148
Projected service cost	108	108	108
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	152	148	145
Projected service cost	111	108	105
Adjustment to life expectancy assumption	+1 year	None	-1 year
Present value of total obligation	152	148	144
Projected service cost	111	108	105

Sensitivity analysis – The British Sikh School

	£000	£ 000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	49	51	53
Projected service cost	45	47	49
Adjustment to long term salary increase		No change	1% for next 4 years
Present value of total obligation		51	51
Projected service cost		47	46
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	53	51	49
Projected service cost	49	47	45
Adjustment to life expectancy assumption	+1 year	None	-1 year
Present value of total obligation	52	51	50
Projected service cost	48	47	46

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

20 Related Party Transactions

No related party transactions with trustees occurred during the year except for the following:-

The remuneration paid to N S Kandola for consultancy services are covered under a contract for services through a company, Vidiaa Ltd and are for services other than acting as a trustee. This contract for services was agreed by the Remuneration and Nominations Committee which was chaired by an Independent Director in the absence of N S Kandola. The maximum value of the agreed contract is £65,000 per annum. The remuneration agreed for N S Kandola was on the basis that it is equivalent to a similar level of remuneration that he is currently earning at his main employer. The principal of the agreement was that N S Kandola does not lose any income for services provided to the Trust and nor does he gain any additional benefit from this arrangement.

21 Academies Joining the Trust During The Year

On 1 September 2015 the British Sikh School and the Atam Academy joined the Trust and all the operations and assets and liabilities of these schools were transferred to the Trust for £nil consideration on that date.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain / loss in the Statement of Financial Activities as Donations – transfer in of free schools.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	The British Sikh School	The Atam Academy	Total
	£	£	£
Tangible fixed assets			
Freehold land and buildings	-	-	-
Leasehold land and buildings	-	-	-
Other tangible fixed assets	231,357	-	231,357
Grant income receivable	26,788	-	26,788
VAT receivable	55,207	-	55,207
Cash	518,127	11,318	529,445
Other debtors	14,736	30,983	45,719
EFA VAT creditor	657,085	-	657,085
Net assets / (liabilities)	189,130	42,301	231,441
Represented by			
Restricted fixed asset fund	135,424	-	135,424
Surplus funds	53,716	42,301	96,017
Total	189,130	42,301	231,441

The Khalsa Academies Trust Limited
Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

22 Reconciliation of net income to net cash inflow from operating activities

	2016	2015
	£	£
Net income/expenditure for the reporting period (as per the Statement of Financial Activities)	1,722,336	(126,808)
Adjusted for:		
Depreciation (note 10)	200,771	103,602
FRS 102 pension	78,000	9,000
Capital grants from DfE/EFA	(1,775,041)	(129,992)
Interest receivable (note 3)	(4,056)	(151)
(Increase)/decrease in stocks	(17,140)	(6,386)
(Increase)/decrease in debtors	(210,805)	(238,454)
Increase/(decrease) in creditors	929,103	(3,874)
Net cash provided by (used in) operating activities	<u>923,178</u>	<u>83,845</u>

23 Cash flows from investing activities

	2016	2015
	£	£
Purchase of tangible fixed assets	(1,944,842)	(121,588)
Capital grants from DfE/EFA	1,775,041	129,992
Interest received	4,046	151
Net cash provided by/ (used in) investing activities	<u>(165,755)</u>	<u>8,555</u>

24 Analysis of cash and cash equivalents

	At 1 September 2015 £	Cash flows £	At 31 August 2016 £
Cash in hand and at bank	58,134	757,423	815,557
	<u>58,134</u>	<u>757,423</u>	<u>815,557</u>

25 Explanation of transition to FRS102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014.

No transitional adjustments were required in equity or income or expenditure for the year.