

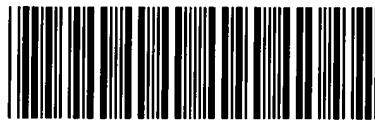
# Nishkam School Trust

## Annual Report and Financial Statements

Year Ended 31 August 2016



THURSDAY



\*A666Q1QU\*

A30

11/05/2017

#213

COMPANIES HOUSE

Company Limited By Guarantee  
Registration Number: 07522245 (England and Wales)



**Content**

Reference and Administrative Details

Patrons' Message

Directors' Report

Governance Statement

Statement on Regularity, Propriety  
& Compliance

Statement of Directors' Responsibilities

Independent Auditor's Reports

Statement of Financial Activities

Balance Sheet

Cash Flow Statement

Notes to the Financial Statements,  
incorporating:

Statement of Accounting Policies

Other Notes to the Financial Statements

**GNNS: FAITH BODY AND SPONSER: Patron: Bhai Sahib Bhai Mohinder Singh Ji And Members Nishkam School Trust (appoint Board of Directors)**  
 Responsibility: Vision

### Nishkam School Trust: Board of Directors

Strategy, Vision, Aspiration, Performance, Finance, Holding it to account each LGB and School Leader  
 Terry Green, (Chair), Dr Brinder Singh Mahon, Shaminder Singh Rai BME, Sarinder Singh Sahota OBE, Sarah Evans OBE, Dr Marius Felderhoff (University Of Birmingham), Raminder Kaur Bahra (Primary Education), Bhupinder Singh Minhas (Business and Finance)

### Executive Officers

Chief Executive Officer – Brinder Singh Mahon  
 Chief Operating Officer – Shaminder Singh Rai

### Central Trust Delivery Teams

#### Nursery Lead

Trust Lead  
 Pervinder Singh

#### Operations Team

Procurement  
 Finance, HR, ICT  
 Governance Support  
 and Training

### Trust Learning and Teaching Faculty

Director: Miss Ella Mesorley

Values led curriculum  
 Accelerated Teaching Support  
 Pupil Data analysis, CPD  
 Assessment and monitoring

#### Faith Curriculum

Mr Ranjit Dhandra

(Content: S48  
 framework)

#### External Independent reporting

and evaluation  
 Education and Inspection  
 Financial Auditors: Governance

### Local Governing Boards (each Chair is a member of the main board)

Responsibility: Achievement, Curriculum, Admissions, Safeguarding, H&S, Finance, Staffing and Performance

NPSB Governors: R. Bahra (Chair)  
 S.S. Sahota, B.S. Minhas, B.S. Rahani,  
 B.K. Semb, G. Kaur

NHS Governors: T. Green (Chair), S.S. Sahota,  
 S. Evans, M. Felderhoff, H.S. Hunjan, V. Desai,  
 D. Sadi, L. Macdon, A. Sheer Gill

NPSW Governors: B.S. Minhas (Chair)  
 J.S. Uppal, G. Singh, S. Singh, J. K. Bahra, C. Bailey,  
 P. Patel, C.K. Chinger, M.S. Rai

NSWL Governors: Dr. B.S. Mahon (Chair),  
 C.R. Heels, A.S. Gohary, B.S. Panagari, M.S.  
 Notary, D.S. Ahluwalia, H.K. Mahi, S. Egan,  
 M.K. Basra

### Local H&S/ Safeguarding committees

Nishkam Primary School  
 (Birmingham)

School Leader: Ms Catherine  
 Heels

Nishkam Nursery  
 (Birmingham)

Nishkam High School

11-19

(Birmingham)

School Leader: Mr Damien Kearns

Nishkam Primary School

Wolverhampton

School Leader: Mr Harmander  
 Dhanjal

Nishkam Nursery  
 (Wolverhampton)

Nishkam School West London

(All-through - 4-19)

School Leader: Mrs Runmi Alder

Nishkam Nursery  
 (West London - in planning)



### **Members**

Mohinder Singh Ahluwalia (Patron)  
Parminder Singh Jhutti  
Jaswinder Pal Singh Chandan

### **Senior Leadership Team**

Terry Green Chair of Directors- Nishkam School Trust  
Dr Brinder Singh Mahon - Chief Executive Officer 1.9.15  
Shaminder S Rai - Chief Operating Officer  
Catherine Heels - Headteacher, NPS  
Damien Kearns - Principal, NHS  
Jaspreet K Cheema - Headteacher, NSWL Easter 2016  
Fummi Alder - Headteacher, NSWL Easter 2016  
Harmander S Dhanjal - Headteacher, NPSW



### **Registered Office Address**

Nishkam High School, Great King Street, Birmingham,

### **Independent Auditor**

Stanley Yule Chartered Accountants

### **Bank**

Barclays Bank plc  
1 Snowhill Queensway, Birmingham B4 6GH



## Patrons' Message

The Nishkam School Trust (NST) has established schools to serve our children and families, to contribute to the development of children and society, and to ensure that children have opportunities to fulfil their spiritual, intellectual and physical potential.

We feel honoured and privileged that parents, who are the primary educators of their children, entrust the education of children to the Nishkam Schools. NST are indebted to the Department of Education for providing the majority of the funding since the first school opened in 2011, and to the Nishkam faith community for complementing the funding and enabling the Trust to enrich the education resources we provide.

Nishkam education endeavours to provide holistic and wholesome environments; to prepare pupils for adulthood, the wider world and to be responsible citizens; create communities where the spirit, intellect and wisdom are nourished; and nurture the ethical, cultural and social development of children. We endeavour to ensure children are happy, secure and inspired to do their very best.

As parents, the happiness and fulfilment of all children is close to our hearts. Collectively we can create environments, where families and communities, in which children will be happy and can flourish. We can build a secure, safe and supportive society, which will provide for our needs and aspirations. Adults have a shared responsibility to create such ideal communities where children witness the true potential of good human beings. Humanity continues to face many challenges. We are optimistic that a new global consciousness and a responsible mind set will overcome these challenges through realigning ourselves with core human values of love, compassion, sacrifice, service and transparency. Alongside achieving material happiness and fulfilment, the world's faith traditions point to more fulfilling aspirations which are possible when we go beyond ourselves, placing the needs of others before our own. All faith based

organisations can play a positive role in helping us become better parents, teachers and citizens, and more importantly, better human beings.

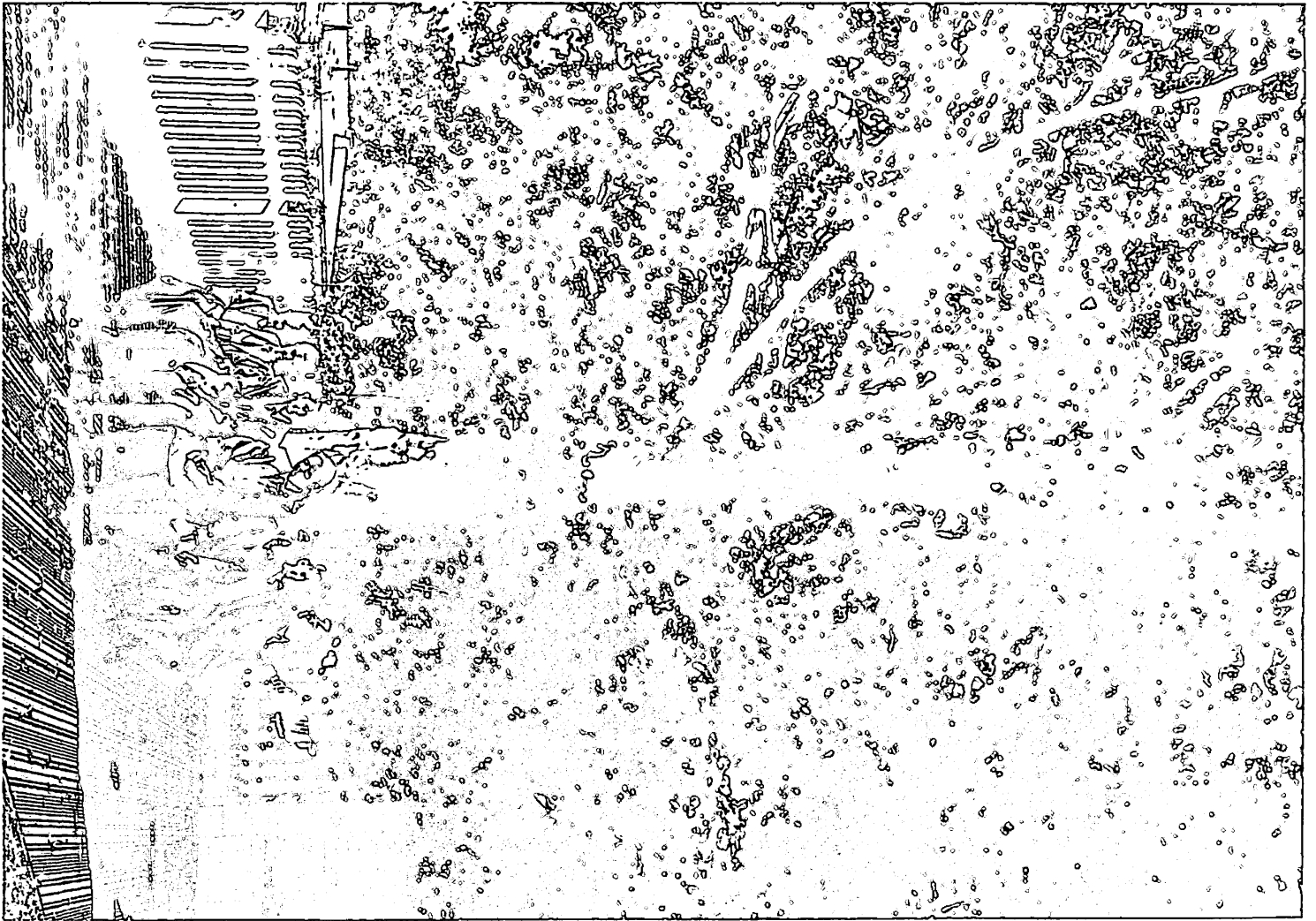
Nishkam Schools are driven and sustained by the principle of '*nishkamta*' - creating a mind-set to serve others without expectation or recognition. The motto of our schools is '*Man Neeva, Mat Uchi* - to be *humble*, to be *wise*'. These are the building blocks of our endeavours to set up the Nishkam School Trust and its schools in Birmingham, West London and Wolverhampton.

The Nishkam Schools flourish because of the unique partnership between the Department of Education, the faith community and entire Nishkam Team (in Birmingham and London). They have all contributed to making our educational endeavours a reality. The efforts of our pupils, teachers, staff, governors and directors, *sewadaars* (volunteers), and community are immeasurable and we are witnessing the potential of this collective team effort bearing fruit. The Nishkam School Trust are to be commended for working with the DfE to open a new school every year, from 2011 to 2014) during one of the most difficult economic climates, and taking responsibility to provide good quality values-led education.

I feel privileged and humbled to be patron of this unique education charity which we believe will be able to deliver life changing educational experience for decades to come and nurture good human beings who have a passion for serving others in the true spirit of Nishkam.

**Bhai Sahib Bhai Dr Mohinder Singh**

**Patron**



# 1 Directors' Report of the Year Ended 31 August 2016

## 1.1 Objects and Aims

Nishkam School Trust (NST) is a charity which governs the Sikh ethos multi-faith schools established under the Governments' Free School Programme. NST is committed to providing quality education that will raise hopes, aspirations and attainment of young people. This will be realised through the implementation of the Nishkam Education Vision, which has emerged from over 35 years of voluntary education work with children locally (Birmingham), nationally (London and Leeds) and internationally (Kenya and India). NST has established four schools since 2012 Nishkam Primary School (opening in 2011) was the first of such schools followed by Nishkam High School (opening in 2012), Nishkam School West London (opening in 2013) and Nishkam Primary School Wolverhampton (joined NST in 2014).

Guru Nanak Nishkam Sewak Jatha (Birmingham) UK - GNNSJ is the key proposer for NST. GNNSJ has a long established and clearly focussed programme of community investment and regeneration in Handsworth, London and Leeds by devoting resources to promote civic, social and economic welfare with particular emphasis on education and community regeneration initiatives

## 1.2 The Nishkam School Vision

**"To empower our children with values enabling them to be good human beings to excel both academically and spiritually, to serve humanity selflessly for the common good with an abundance of love, compassion and forgiveness".**

## 1.3 Primary outcomes

Ensure all learners achieve their best through:

- Becoming good human beings rooted in values/virtues;
- Being enabled to commit to and practise their faith/belief through inspirational knowledge and understanding;
- A love of learning expressed through enquiry and curiosity.

## 1.4 Secondary Outcomes founded on primary endpoints

To empower learners to take control of their progression, to have high expectations, to make well informed decisions on their futures. For example:

1 Through nurturing learners to excel academically to become outstanding Role Models in all areas of professional life:

- Education (perpetuate excellence at NST and beyond)
- Industry (eg business/science/technology)
- Creativity and Sport (eg Music/Drama/Art)
- Government (local, national and global)

2 To nurture learners to become outstanding Role Models in all areas of social life and to give back to humanity through:

- Supporting family/community/society
- Supporting altruistic aims and charity
- Supporting ethical democratic systems of governance

3 To nurture inspirational teachers and staff through:

- Strong coaching and mentoring programmes
- Positive/optimistic/'can do' education approach

## 1.5 Our priorities

- Raising aspirations and achievements aiming for the top quintile of schools nationally through a values led ethos.
- Learning from faith as well as about faith
- Continue to embed teaching excellence across all schools



## **1.6 Why we believe we stand apart from customary faith schools**

We believe faith schools can play a key role not just in nurturing a single faith, but also nurturing and encouraging the faith of each and every pupil, as well as building interfaith understanding. Worshiping collectively and within specific faith groups is a unique and innovative feature of our Schools. The philosophy of faith will resonate throughout the school week and curriculum, rather than being reduced exclusively to religious education lessons.

The Sikh Dharam is emphatic in respecting all faiths and not seeking converts, thereby maximising our contribution towards a cohesive society. The Sikh Dharam has a unique multi-faith ethos, and our Schools reflect this by positively nurturing children of all faiths and beliefs.

## **1.7 Public Benefit**

The directors have given consideration to the Charity Commission's general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing education.

The Trust provides education that:

- is balanced and broadly based on a foundation of values
- promotes the spiritual, moral, cultural, mental and physical development of each child in a multi-faith multi-cultural environment
- prepares students at the school for the opportunities, responsibilities and experiences of later life and to give back to society to build cohesive communities
- raises aspirations, to sustain and increase their knowledge and understanding.
- creates both employment and voluntary opportunities, helping to regenerate community cohesion and the local area.

The directors consider that the activities the Nishkam School Trust carries out in pursuance of its charitable aims provide benefit both to those who attend Nishkam Schools, their parents and the wider communities.

## 2 Achievements and Performance

### 2.1 Capital support

The up-front investments made by our proposing body, GNNSJ in acquiring premises and sites for future schools enabled the NST to quickly gain substantial support from the Government in terms of capital and revenue funding for each school. In September 2011 GNNET support enabled NST to open its first full day school in 3 - 11 Soho Road, Handsworth. Subsequently it received approvals to open further schools in Birmingham and North West London, and to support a fledgling school in Wolverhampton. Currently the schools provide full time education to a total of 1135 children, which will rise to over 2940 pupils when the schools are at full capacity.

As well as providing the on-going revenue funding for the day to day running costs of each school, the Government through the Education Funding Agency (EFA) have provided the following capital inputs towards building costs of each school: £1.4m for the Nishkam Primary School; £9m towards the Nishkam High School Birmingham; and a further circa £25m has been approved and ear-marked for building the all-through school in West London. The EFA has also provided £1.5m to the Nishkam Primary School Wolverhampton when it opened as the Anand School in 2013.

### 2.2 Evidence of effectiveness

The schools measure and evaluate the impact on pupil's educational attainment, character development, improvement in behaviour and engagement, as well as the spiritual, moral, social and cultural development of children.

The evidence of teacher assessment, self-review and evaluation by pupils, and feedback from parents and partner organisations is complemented by external findings and evidence as summarised below.

- Ofsted inspections in 2014-15 rated the two Birmingham schools as "Outstanding" in all areas. Inspectors highlighted 'Students achieve exceptionally well' and that 'Nearly all of the teaching is consistently good or outstanding'.

Inspectors also noted that 'Students' spiritual, moral, social and cultural development is promoted outstandingly well.' 'Behaviour is exceptional.'

- The independent Statutory Inspection of Faith Education in Nishkam Schools also found the two schools to be 'Outstanding' in all areas Sikh 'Ethos' multi-faith Schools. Inspectors mentioned that 'teaching of Religious Studies and faith development leads to outstanding progress and personal development overall'.
- Most pupils, many of whom are from disadvantaged backgrounds, are becoming more altruistic; lead social action projects, raise funds, and participate in out-of-school character building activities.
- The impact on character was confirmed by the Jubilee Centre's School Values Measure assessment; 'Students in the school consider themselves to be virtuous and this is supported by their dilemma responses that suggest that they broadly solve moral problems as one would expect of a person with good character.'
- We also measure the effectiveness of all staff as role models of character through 360 appraisals.

There is regular reporting to parents on character, academic achievements and behaviour.

### 2.3 This year has seen the following milestones.

Overall, The Trust has worked intensively to create a 'Language of Values' and that has been central to Trust CPD days during the 2016 calendar year. It has manifested itself in the creation of the 'Nishkam Passport' which is given to every pupil at all of our schools. Furthermore, the Trust is now developing a sequence of short, twenty minute, lessons that feature the 50 shared values that underpin our approach to faith development and shape the ethos of the schools within the Trust.

In addition, the Trust has appointed Ela McSorley (Summer term 2016), as Trust lead for learning, teaching and assessment, in addition to her role as Senior Vice Principal at Nishkam High School. Ms McSorley is leading on an 'excellence' curriculum and assessment model following the removal of National Curriculum Levels. Most recently, Ela was asked to write a chapter in Dame Alison Peacock's book, 'Life After Assessment'. NST is collaborating with the new Birmingham University Free School, in this purpose.

#### Other headlines:

- Nishkam Primary School Birmingham (since 2011) - admitted the fifth cohort of children Reception Year. Total pupils on roll 420 (September 2015)
- Nishkam High School (since 2012) - admitted the fourth cohort of children in Year 7 and Year 12. Total pupils on roll 460; (September 2015) Appointment of new Assistant-Principal and head of Sixth Form, Mr Chris Deeks; April 2016 - Senior Leadership Team strengthen further with the appointment of second Assistant-Principal, Mr Andrew Brown and Faculty Heads.
- Nishkam School West London; all-through School (since 2013); September 2015 - admitted the third cohort of children into the Reception Year. Total pupils on roll 190.
- Nishkam Primary School Wolverhampton (joined NST in Sept 2014); September 2015 - second cohort of children in Reception Year admitted under NST (Previously called Anand Primary School); September 2015 - Reception Year enlarged to Two-Form entry with 60 pupils. Total pupils on roll 160; April 2016 - Ofsted monitoring visit, to review the implementation of the action plan following on from the full Section 5 inspection in June 2014, highlighted that the school has responded successfully to the areas for improvement and is on course for the next inspection which could be any time before December 2017.

The Trust has also participates in and learns from other initiatives to build character through education:

- The Trust is a part of the Association for Character Education (ACE)
- The Jubilee Centre's Character Framework and subsequent programs to pilot teaching materials and CPD initiatives
- Birmingham's city-wide initiative to develop the 24 Moral and Spiritual dispositions.

The schools are continuing to collaborate with local schools and other partners in creating new initiatives and sharing lessons learnt. We collaborate with other state and independent schools to improve staff development and enhancing pupil experiences.

Parents, community organisations and local employers continue to inform the development of the academic curriculum and values education.

## **2.4 Collaboration and partnership projects**

The Nishkam schools collaborate with key stakeholders including pupils, parents, teachers, local community, employers and higher education institutions to enrich the provision for children.

The schools arose out of local social action and community regeneration projects, which were established to improve the opportunities for local children. The schools are the cornerstone of the hopes and aspirations of the local community to offer enhanced education, enriched experiences and lift the horizons of local children and young people growing up in an area with high deprivation indices.

### 3 Nishkam Primary School

Nishkam Primary School opened in September 2011, was approved in wave 1 of Free Schools initiative, as one of the first of only 24 free schools starting with Reception, and Years 1 and 2. In each of the subsequent years 60 new pupils have been admitted to the Reception year and in August 2016 the school consisted of Reception, Years 1, 2, 3, 4, 5 and 6 classes. The school continues to be oversubscribed and there are waiting lists in all year groups.

The innovative and imaginative development of the infrastructure for Nishkam Primary School at 3, 5 and 7 Soho Road (completed September 2011) and 9 and 11 Soho Road (completed September 2012) was delivered as a *Kar Sewa* ('labour of love') project. Through a unique partnership between the Department of Education, GNNSJ (main proposer), Nishkam School Trust, Harkirit Construction (a private civil engineering contractor) and over 100 *sewadaars* (volunteers) the project was delivered on time to a superior specification, complementing antiquity with modernity.

In 2015 two new classrooms were created from the Sports Hall, the height of the rooftop playground walls raised using glass panels to match existing, rooftop playground resurfaced, additional outdoor play space was created by using the church yard in the neighbouring St Michael's Church. The proposing body, GNNSJ, and NST are continuing negotiations with the owners of other neighbouring properties to acquire more buildings to provide a sports hall, larger dining area and more outdoor play space.

#### 3.1 Overall School performance headlines

- Pupil achievement at Nishkam Primary School is outstanding. All groups of pupils make sustained progress year on year.
- Pupils enter reception below the age expected education levels in all 17 areas of learning. The majority of pupils leave reception reaching expected and above levels. Pupils continue to make rapid and sustained progress in Reception.
- Reception pupils achieving a Good Level of Development was 71%, compared with a national average of 69.3%.
- In Year one 93% of pupils passed the Phonics test in comparison to the national average of 81%.

- There are no significant differences between the performance of different subsets of pupils.
- Expected levels in 2016 are above average in reading, writing and sciences.
- Key Stage 1 attainment was above the national expected levels in reading, writing and sciences, and slightly below in maths.
- Key stage 2 attainment was below the national average.
- The majority of children in all year groups have made at least good progress.

#### 3.2 Early Years (age 4-5) Attainment

The majority of pupils entered the EYFS with skills and knowledge which are below their age related expectations in all areas. The percentage of pupils achieving a Good Level of Development in 2016 was 71% compared to the national figure of 69.3%.

#### 3.3 End of KeyStage 1 (age 7) Attainment

Pupils reaching the required level in the phonics has increased to 93% in 2016 compared to 81% nationally. There are no significant differences between the performance of different groups of pupils.

There has been sustained improvement in Key Stage 1 attainment levels over time. Expected levels in 2016 are above average in reading, writing and sciences.

	(Expected %)		Exceeding (%)	
	NPS	National	NPS	National
Reading	77	74	10	24
Writing	67	65	12	13
Maths	72	73	13	18
Sciences	85	82		Non-available

### 3.4 End of Key Stage 2 (age 11) Attainment

The table below compares the average attainment (APS) with national averages

	(Expected %)		Exceeding (%)	
	NPS	National	NPS	National
Reading	53	66	12	19
Writing	63	74	13	15
Maths	65	70		17

3.5 Overall effectiveness, including the promotion of the pupils' spiritual, moral, social and cultural development (SMSC)

#### **The overall effectiveness and promotion of pupils' SMSC development is outstanding.**

The schools' focus on faith education helps pupils develop a set of values that gives them a foundation for their lives and influences their homes.

Prayer and worship are woven throughout all aspects of the schools' work and are evident in all aspects of its work. This leads to outstanding behaviour, positive relationships between and among adults and pupils, and a shared commitment to living as good human beings.

Pupils achieve high standards in Religious Education, and their personal faith and belief are nurtured very effectively. As a result they develop excellent attitudes of respect for all faiths and learn to use the language of faith with confidence. The school is values driven. Values such as love, compassion, humility and forgiveness are given a very high standing. Values are intended to manifest in pupils having a commitment to becoming good people and responsible members of the community. There is a strong sense of 'family' at Nishkam Primary School.

The impact of this approach has meant that pupils have excellent overall behaviour for learning, and greater aspirations. As a result, pupil progress is outstanding overall.

### 3.6 Key Improvement Areas for 2016-2017

- 1.. Raise whole school attainment in all areas especially Ks1 and KS2 outcomes
- 2.. Narrow the GLD attainment gap between boys and girls
- 3.. For PSED ensure the percentage of pupils meeting the expectation and above will exceed national averages
- 4.. Raise KS1 outcomes to significantly above national average
- 5.. Ensure progress in writing for SEN pupils is in-line with other subjects and pupils
- 6.. Improve KS2 pupil outcomes for reading, writing and maths. School to achieve at least 85% floor target.

## 4 Nishkam High School including Sixth Form

The 4 Form Entry School for 700 pupils opened in Sept 2012. After just 59 days from first gaining access to the proposed school site, phase 1 of the construction project to convert an industrial hall into a bespoke, 10 classroom temporary school building was completed. Through a unique combination of contractor and community *Kar Sewa* the work was completed on time and within budget. Approximately 50,000 voluntary hours went into the construction works.

In 10 September 2012 the first cohort of 125 students were admitted into Year 7 and Year 12. In each of the subsequent years 100 new pupils have been admitted into Year 7, with a smaller number to the Sixth Form, and in August 2016 the school consisted of Years 7, 8, 9 and 10 with two year groups in the Sixth Form giving a total of 435 students. The School has been oversubscribed with waiting lists since opening.

The permanent school building was constructed on the same site adjacent to phase 1 buildings, by working closely with the DfE and BAM Construction was appointed as the construction partner. Main construction works commenced in April 2013 with phase 2 completion in April 2014 and phase 2A in July 2014. After just 18 months of first opening students moved from the temporary building to the new school in April 2014.

The major capital funding by the DfE (£7m) was complemented by a contribution by the proposer GNNSJ (£1.2m) and volunteer labour input of 50,000 hours has enabled the construction of an iconic building in a deprived area of Birmingham. The building has been nominated for excellence in construction awards. The finished school includes the following features and facilities:

- 3 storey building
- Hi-tech classrooms and lab spaces
- Large open atrium and spiritual space
- Landscaped exterior grounds with indoor and outdoor sports facilities.

### 4.1 Overall School performance headlines

The pioneering work to develop a unique approach delivery the new National Curriculum and Assessment continues to be at the cutting edge of curriculum innovation amongst secondary schools. The work undertaken by the school is featured in a publication authored by

Dame Alison Peacock, a member of the DfE Commission for Assessment After Levels.

Following the government's decision to remove National Curriculum Levels of achievement, the school's work on developing curriculum and assessment puts it to the fore amongst secondary schools. The work undertaken by the school is featured in a publication authored by Dame Alison Peacock, a member of the DfE Commission for Assessment Without Levels.

### 4.2 Key Stage 3 Pupil Performance (Years 7, 8 and 9)

Year 9 highlights

- In 2016 the overall outcomes for Year 9 were Good for Attainment and Requires Improvement for Progress.
- In ten subjects students showed progression through the thresholds with an average of 0.64 movement in one year.
- In four subjects learner progress was below the expected threshold.

### 4.2 Key Stage 3 Pupil Performance (Years 7, 8 and 9)

Based on teacher assessment in Year 10, halfway through the two-year GCSE course:

- Overall student Progress is Good and Attainment is Requires Improvement.
- 41 students have an APS of 5 or above (new 'good' GCSE grade, roughly equivalent to a C+)
- 28 students have both English and Maths at 5 and above
- 28 students have 5 or more GCSEs at 5+ with English and Maths
- 35 students have neither Maths nor English at 5 or above
- 47 students have 5 or more GCSEs at 5+
- 30 students underachieving have been assigned mentors and are part of the intervention work.

### 4.4 KS4

Seven pupils sat Italian.

- Six gained an A\* and one gained an A
- The first full cohort of GCSE's will be undertaken next year.

## 4.5 Year 12 and 13

### AS Levels 2014/15

Due to the changeover to a two year assessment in A levels only Mathematics and RS had As results in 2016.

- The results were positive and show an upward trend in both subjects.
- Both Attainment and Progress was Good overall.
- In Maths, based on 14 students, nine were above target, two were on target and three were below target. Thus giving a Value Added outcome of 0.5 overall.
- In RS, all five students were above target. Giving a Value added outcome of 1.
- The overall VA for students in the other subjects that they will take on into Year 13 is +0.22.

### A2 Results 2015/2016

- The pass rate (A\* - E) was 100%, this compares with 98.5% in 2014-15, 91.5% in 13/14 and to a national pass rate (14/15) of 98.1%
- All grades at D or higher.
- Overall, grades have moved upwards, with no E or U grades in 2015-16.
- There was an increase the proportion of A, C and D grades.

### 4.6 Overall effectiveness, including the promotion of the pupils' spiritual, moral, social and cultural development (SMSC)

- The overall effectiveness and promotion of pupil's SMSC development is outstanding, also confirmed by the Section 48 inspection in June 2015.
- Leaders and governors share and articulate an ambitious vision for the school in which the pursuit of excellence in academic studies is matched by a deep commitment to creating socially responsible citizens who put others first.
- The values that the school promotes define every aspect of its work and equip its students with secure foundations for their life.
- Students make outstanding progress in their academic and personal development.
- The Faith Curriculum is well taught and ensures that students acquire deep learning about religion and understand how to apply

this to their lives.

- Collective worship is the heartbeat of the school. It is inclusive and, affirms all who attend. As a result, students develop thoughtful attitudes to faith and the relationships between and among adults and students are exceptional.
- The promotion of students' spiritual, moral, social and cultural development is outstanding. As a result the school is a harmonious learning community where students are moved to take compassionate action in their support of good works, both locally and globally.
- The inclusive nature of the school combines with an outward facing attitude that embraces the wider community so that there is mutual benefit from these links.

### 4.7 Key Improvement Areas for 2016-2017

- Ensure that all teaching is good or better; work to over inconsistency and support those teachers who are within the RI category.
- Develop a highly challenging KS3 curriculum, to increase the number of students at secure and excellence.
- Reduce the pockets of disengagement and low level disruption in some lessons. Previously a high number of cover teachers and non-specialists delivering KS3.
- Support staff to gain confidence in new curriculum and assessment system, and achieve the same robustness and coherence across the curriculum.
- All subject areas have KS3, KS4, and where appropriate, KS5 curriculum maps, as well as learner can do statements.
- Curriculum maps are shared and understood by learners and parents; progression is clearly set out for each strand of the subject.
- Pupil Premium students achieve parity with non-Pupil Premium students with regard to attendance, progress and attainment
- SEN pupils achieve parity with non-SEN pupils with regard to attendance, progress and attainment
- Forward planning of staffing costs (and recruitment) for 16/17; review of curriculum model in light of national drivers (Progress 8 and EBac suite of qualifications)

## 5 Nishkam School West London

DfE approved the Nishkam School West London as a Four-Form entry All-Through School for (4-19 yrs) in July 2012. Because of the long lead times for building a purpose built school, the School opened in September 2013 as a primary school with a Reception Year of 50 pupils and 44 pupils in Year 1 in a temporary location. Subsequently NST, DfE and the London Borough of Hounslow (LBoH) worked collaboratively to secure a suitable permanent site for the whole School. The temporary site in London Road, Hounslow was imaginatively converted in 60 days utilising a unique partnership between an EFA contractor and community Kar Sewa volunteers.

During 2014 the three partners identified a 12 acre site. It was purchased by the EFA, who also funded the project development and full designs for the new school buildings. The plans for the new home for the NSWL will bring into public use a derelict site in Wood Lane, Osterley to provide the following benefits:

- A new, purpose built school for 1,400 students.
- Meet the education aspirations of the local community.
- Assist in providing new school places in an area which has the 7<sup>th</sup> highest London borough for pupil growth.
- New sports facilities with a sports hall, a grass pitch and a multi-use games area.
- Transport plans to encourage sustainable travel journeys.

During 2015-16 there has been far-reaching public consultations and partnership working with the LBoH and the EFA to support the planning application for the new site. Application for planning permission was submitted June 2015. After an extensive period of public consultation the application was approved the Planning Committee of the LBoH in December 2015. A subsequent Judicial Review (JR) of planning approval, by a resident's group, was not turned by the High Court in July 2016. It is understood that the same group will Appeal the JR decision in the coming months.

In September 2015 the fourth cohort of 50 children were admitted into the Reception Year, with 50 pupils in Year 1, 50 in Year 2 and 50 in Year 3 (Total on roll 187).

The following summary provides an overview of pupil progress.

### 5.1 Overall school performance headlines

- Pupils, on average, enter reception below the age expected education levels in all 17 areas of learning. Pupils make rapid and sustained progress in Reception so that by the end of the year the majority of children are at least in line with national expectation, with the vast majority being above for Reading, Writing and Maths.
- Pupil achievement is outstanding. Pupils make rapid progress in all groups, so that by the end of KS1, the vast majority have made more than the expected progress in reading, writing and maths.
- Reception pupils achieving a Good level of development increased to from 51% in 2014 to 59%, compared with a national average of 60%. The prediction for 2015/16 is 70%.
- Phonics screening has continued to be above the national average for the last three years. In 2016 98% of pupils passed the Year 1 Phonic test in comparison to the national average of 81%.
- There are no significant differences between the performance of different groups of pupils.
- Key Stage 1 attainment was above average for Reading, Writing and Maths.
- Progress over time for Key Stage 1 is outstanding.
- The School is awaiting its first Ofsted, however visits from the DfE, ex HMI and local authority, this term define the school as at least Good with Outstanding features.

### 5.2 Early Years Attainment

The majority of pupils entered the EYFS with skills and knowledge which were below their age related expectations in the majority of areas. Almost all children made at least typical progress in all areas of learning, with the vast majority making rapid progress so that by the end of the year, majority of children were at or above national expectation.

Attainment in Reading, Writing, Maths and Expressive Arts was higher than national figures. The percentage of pupils achieving a Good Level of Development was 72% compared to the national figure of 69.3% in 2016.



### 5.3 End of Key Stage 1 Attainment

Reading is promoted strongly and phonics is taught well. As a result, 82% of pupils reached the level required in the phonics screening check in 2015 compared to 77% nationally in 2015. There are no significant differences between the performance of different groups of pupils.

Pupils reaching the required level in the phonics has increased to 98% in 2016 compared to 81% nationally. There are no significant differences between the performance of different groups of pupils.

There has been sustained improvement in Key Stage 1 attainment levels over time. Expected levels in 2016 are above average in reading, writing and sciences.

	(Expected %)		Exceeding (%)	
	NSWL	National	NSWL	National
Reading	96	74	44%	24
Writing	83	65	35	13
Maths	92	73	40	18
Sciences	83	82		Non-available

### 5.4 Overall effectiveness, including the promotion of the pupils' spiritual, moral, social and cultural development (SMSC)

The overall effectiveness and promotion of pupil's SMSC development is at least Good (confirmed by DfE visit in Autumn 2015). "The spiritual life of the school is a clear strength but all aspects of SMSC are well covered." (DfE Visit November 2015).

Faith education is taught on a weekly basis, which helps pupils develop a set of values.

The strong vision and values of the School mean that the pupils actively debate and discuss issues that are important to them. In discussion, the pupils showed high levels of satisfaction with all aspects of the School.

The school is values driven. Values such as love, compassion, humility and forgiveness are given a very high standing. Values are intended to manifest in pupils having a commitment to becoming good people and responsible members of the community.

The impact of this approach is that the pupils value their education and behaviour is at least Good.

### 5.5 Key Priority Areas for 2016-2017

- Provision in the EYFS is further developed, with the introduction of focus activities.
- The curriculum enables all groups of children to make accelerated progress.
- Literacy skills are embedded across the curriculum, enabling children to make accelerated progress.
- An effective and comprehensive maths scheme is in place, enabling children to make accelerated progress.
- Ensure that at least 90% of children reach the required standard in the phonics screening test.
- Raise attainment of children at the end of Reception so that GLD is above national expectation.
- Ensure that at least 90% children are at or above Age Related Expectation by the end of the academic year in reading, writing and maths (Years 1 - 4).
- Ensure that the vast majority (90%+), children to meet their end of year targets
- Ensure that teachers provide regular and appropriate feedback so that pupils know what they need to do to improve their work and accelerate progress.

## 6 Nishkam Primary School, Wolverhampton.

The School was originally approved by the DfE as Two-Form entry primary school in April 2013 and opened in September 2014 as the Anand Primary School. DfE provided £1.5m to refurbish a disused Victorian school buildings and to build new classrooms for Reception and Year 1 groups. Wolverhampton City Council provided the school site at 'pepper-corn' rent. After opening Anand Primary School struggled to recruit sufficient pupils. In September 2013 there were about 20 pupils in one Reception Class instead of the planned 60 pupils. The Head teacher resigned in Easter 2014

In April 2014 the Trustees of the Anand Primary School together with the DfE approached and agreed for NST to manage the School from September 2014. During the transition period NST oversaw the completion of the building contracts, as well as recruiting a new Head teacher, new teaching staff and increasing the pupil numbers. The NST were able to strengthen the local Board of Governors, extend engagement with the local community, and provide business management and strategic support. Excellent working relationships were established with the DfE, Local Authority and local stakeholders.

In September 2014 pupil recruitment had improved, a strong staff team formed and teaching was moved to the new building. Both the new Reception cohort and the Year 1 were full. The new school building was formally open by the Rt Hon William Hague MP, First Secretary of State and Leader of the House of Commons, in February 2015

In September 2015 pupil recruitment continued to strengthen and the Reception Year was enlarged to a Two Form entry with 60 pupils. The staff team was strengthened further. In August 2016 the school consisted of Reception, Years 1 and 2 with 167 children on roll.

The school has a diverse intake with at least 6 different religions and 8 nationalities; the school is representative of the school is representative of the local area in modern Britain.

### 6.1 Overall School performance headlines

- Pupils enter reception below the age expected education levels in all 17 areas of learning. The

majority of pupils leave reception reaching expected and above levels. Pupils continue to make rapid and sustained progress in Reception Year.

- By the end of the year 71% of pupils in the Reception class achieved a 'Good Level of Development' which is slightly above national averages.
- 92% of pupils passed the Year 1 Phonics test in comparison to the national average of 77%.
- There are no significant differences between the performance of different groups of pupils.

### 6.2 Early Years Data

The majority of pupils entered the EYFS with skills and knowledge which are below their age related expectations in all areas. There has been a significant number of pupils with English as an additional language. In addition this cohort has seen a high degree of mobility throughout the year. The average point score for the cohort was 33.5 which is slightly lower than national average of 34 points in 2016. The cohort achieved 71.4% Good Level of Development which is slightly above national of 69.3%.

### 6.3 KS1 data summary

End of Key Stage 1 Attainment: Reading is promoted strongly and phonics is taught well. As a result, 82% of pupils reached the level required in the phonics screening check in 2015 compared to 77% nationally in 2015. There are no significant differences between the performance of different groups of pupils.

Pupils reaching the required level in the phonics has increased to 93% in 2016 compared to 81% nationally. There are no significant differences between the performance of different groups of pupils.

There has been sustained improvement in Key Stage 1 attainment levels over time. Expected levels in 2016 are above average in reading, writing and sciences.

	(Expected %)		(Exceeding %)	
	NPS	National	NPS	National
Reading	77	74	10	24
Writing	67	65	12	13
Maths	72	73	13	18
Sciences	85	82		Non-available

#### **6.4 Overall effectiveness, including the promotion of the pupils' spiritual, moral, social and cultural development (SMSC)**

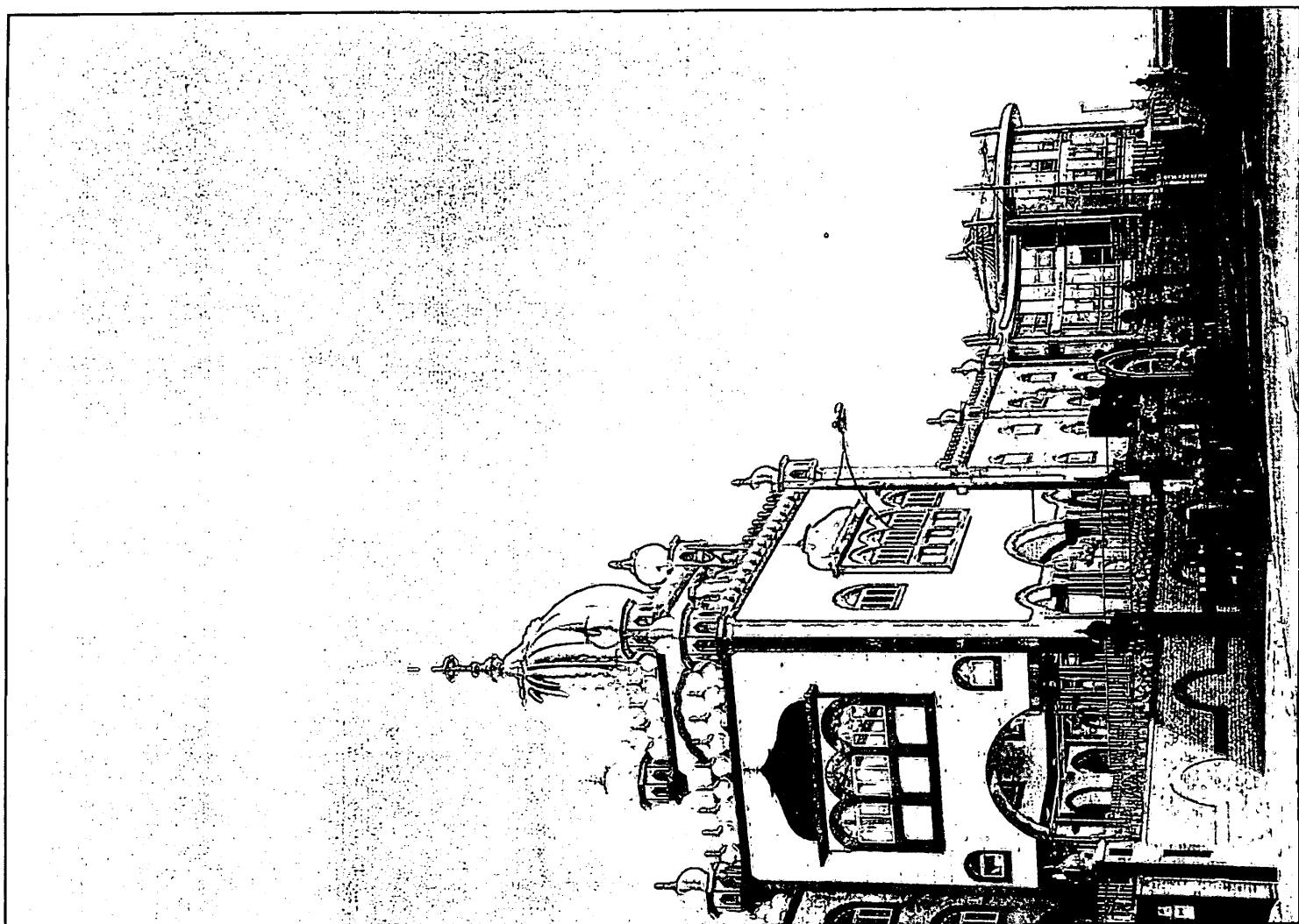
There is a very positive ethos in the school. Pupil behaviour is driven by the values and whole school ethos. The school has adopted the Birmingham SACRE 24 dispositions, developed with the full involvement of the NST multi-academy trust, these are woven throughout the curriculum. As a result:

- Pupils conduct themselves well during lunch times, and are actively engaged and focused during lessons.
- Behaviour and conduct of pupils is overwhelmingly positive. Pupils are well behaved, mannered, courteous and polite.
- Pupils talk about values regularly and share these at home too.

In addition, the 'Class Dojo' system helps to promote good behaviour in the school. It is an online system which provides instant recognition and feedback for both pupils and parents. It has become a key discussion topic amongst parents, teacher and pupils.

#### **6. 5 Key Improvement Areas for 2016-2017**

- Ensure School judged at least Ofsted Good at next inspection.
- Ensure high levels of pupil progress particularly in Mathematics and Writing in KS1
- Assessment data is scrutinised regularly for accuracy at all times. Leaders and governors view of achievement is accurate and used effectively to challenge any under performance
- Delivery of all lessons meets the needs of all pupils including the more able
- Teaching is consistently good or better in order for all pupils to make secure progress, particularly in Mathematics and Writing
- Accurate assessment is used to set pupil targets and supports high levels of progress
- Ensure high levels of pupil progress particularly in Mathematics and Writing in KS1
- Ensure needs of more able pupils are met and they are challenged to make greater progress.
- Improve overall attendance to at least 97%



## **7 GNNSJ (Proposer) contribution**

NST are indebted to our proposer, and governing faith body, Guru Nanak Nishkam Sewak Jatha, GNNSJ (Birmingham) UK, for its significant contribution in both capital, voluntary commitment, and vision. The monetary contribution is as follows:

- Acquisition of freehold properties amounting to £9.2m (NPS and NHS)
- Refurbishment costs to date of a further £0.8 million. (NPS, NHS, NSWL)
- In addition to the above financial contributions a further £1million was put forward by the proposer organisation towards the High School. The proposer has also encouraged and enabled many selfless volunteers to contribute their time towards the management and supervision of the project. Many contributed as bricklayers, carpenters, semi-skilled personnel and labourers. Such direct volunteering input equates to over 100,000 hours of pro-bono effort to August 2013 which at an hourly rate of £10 this equates to £1m of Nishkam (selfless) service.

The board would like to extend their sincere gratitude to GNNSJ and the community for their continued support, guidance and inspiration as the Trust expands its educational reach.

## 7.1 Projects and initiatives to promote values and virtues education

GNNSJ, is also involved in the following projects which will complement the Nishkam Schools and promote values in society.

### a. Museum of World Religions

The Museum is intended to be a shared space for dialogue and understanding between people from different faith communities as well as for people of no religious or faith affiliations. It will serve as an educational resource for learners of all ages, and provide an opportunity for individuals to explore the part that religion plays in contemporary life. GNNSJ is the lead partner organisation to bring this significant landmark project to fruition

### b. Charter for Forgiveness and Reconciliation

The Charter will draw attention to the activity of 'forgiveness' which has its roots in the quality of compassion, which is the foundation for all Dharam, Religions or Faiths. It will serve as inspiration for healing and reconciliation in a fractured world. Forgiveness and reconciliation are part of our journey to peace, together with learning from our shared history and seeking restorative justice. The process of forgiveness and reconciliation can only be engaged in freely and voluntarily by individuals and communities. GNNSJ is again the lead partner organisation.

### c. Engagement with Jubilee Centre for Character and Virtues

(School of Education, University of Birmingham)

The Jubilee Centre for Character and Virtues is a pioneering interdisciplinary research centre focussing on character, virtues and values in the interest of human flourishing.

It promotes a moral concept of character in order to explore the importance of virtue for public and professional life.

The Centre is a leading informant on policy and practice in this area and through its extensive range of projects contributes to a renewal of character and virtues in both individuals and societies.

d. GNNSJ of support in education at a university level, in particular University of Birmingham

Project;

Lectureship in Sikh Studies,  
Dr Jhutti-Johal, (Jan 02 - Mar 11)

Funding 380,453.00

Religions, Civil Society & The UN  
Dr Martin Stringer, Dr Josef Boehle, (Oct 11 Dec 14)

Funding 147,500.00

Religion and Peacebuilding & A Charter for Forgiveness  
Dr Josef Boehle, (Oct 2011-Dec 2014)

Funding 76,000.00

**Total GNNSJ Funding 603,953.00**

#### **e. GNNSJ Wider Participation**

**June, 2005** - Participation in the 'Tripartite' Forum on Interfaith Dialogue and Cooperation for Peace at the invitation of the Temple of Understanding. (United Nations Headquarters, New York).

**October 2005** - Participation in the service of thanksgiving to celebrate the 60<sup>th</sup> Anniversary of the United Nations. (St Paul's Cathedral, London, UK).

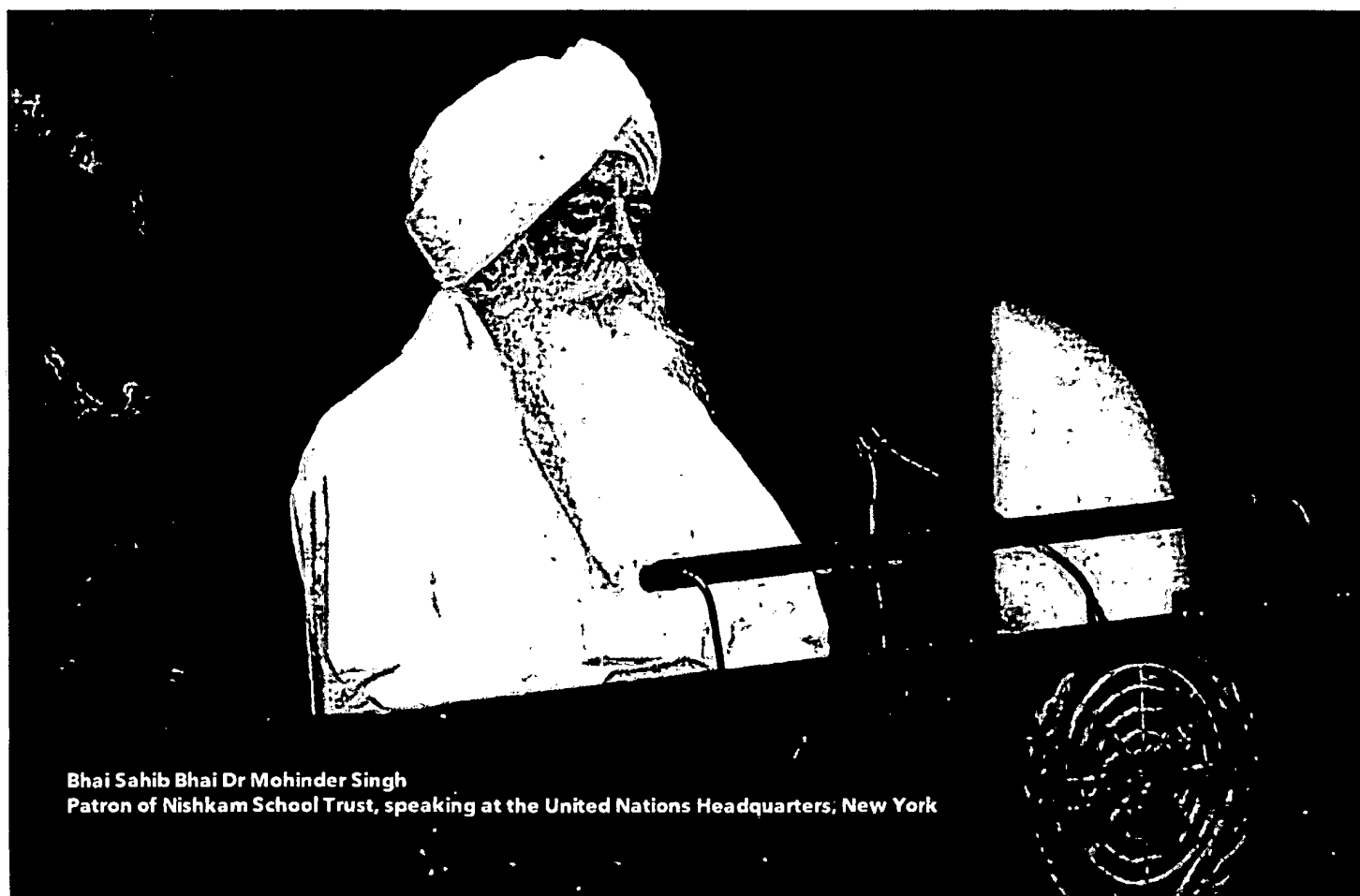
**September 2006.** Speaker at the 59<sup>th</sup> Annual DPi / NGO Conference. Papers presented: 'Promoting respect for cultural diversity in conflict resolution' and 'Best Practice Summary' (United Nations Headquarters, New York).

**January 2008** - Contribution to interfaith book commissioned by UNESCO. Chapter entitled; 'The Spiritual Development of the Individual: A Prerequisite for Delivering the Millennium Development Goals from a Sikh Perspective.'

**September 2008.** - Participant in 61<sup>st</sup> Annual DPi / NGO Conference at the (UNESCO Headquarters, Paris, France).

**September 2008** - Recipient of the prestigious Hollister award from Temple of Understanding for tireless intra and interfaith work, and dedication to advancing interfaith issues at the United Nations, and honoured as one of fifty interfaith visionaries in 2010. Supporter of UN World Interfaith Harmony Week since 2011.

**February 2012** - Speaker at special event to mark UN World Interfaith Harmony Week on 'Common Ground for the Common Good.' (United Nations Headquarters, New York).



**Bhai Sahib Bhai Dr Mohinder Singh**  
Patron of Nishkam School Trust, speaking at the United Nations Headquarters, New York

## **8.1 Constitution**

The academy trust is a limited by guarantee and exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Nishkam School Trust are also the director of the charitable company for the purposes of company law. The charitable company is known as Nishkam School Trust.

## **8.2 Member's 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 cease to be a member.

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

The Articles of Association require the members of the Trust to comprise of a minimum of 3 subscribers to the Memorandum of Association, up to 5 persons appointed by Guru Nanak Nishkam Sewak Jatha, the Chairman of the Governors and any person appointed unanimously by the existing members. The Secretary of State can appoint a member by delivering or posting a notice appointing that person to the office of the trust.

The minimum number of Governors shall be not less than 3. The members may appoint up to 7 Governors.

Governors are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term.

## **8.4 Arrangement for setting pay and remuneration of key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The Head Teacher and other staff Governor only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff,

and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses from the academy trust in respect of their role as Governor. The Trust's pay structure is in accordance with the Government's official guidelines.

## **8.5 Going Concern**

After making appropriate enquiries and budgetary planning, the governing body has a reasonable expectation that the 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.

## **9 Financial Review**

The Free School's income during the year ended 31 August 2016 was almost entirely obtained from the Education Funding Agency, the Department for Education and GNNSJ in the form of revenue, capital and other grants. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Grant income was £6,793,162 of revenue income and £1,081,941 of capital grants and therefore totalling £7,875,103

## **10 Principal Risks and Uncertainties**

The principle risks and uncertainties that the directors will monitor in 2015/16 include;

- Government funding
- Budget
- Staffing
- Pupil applications
- Pupil progress



## **11 Reserves Policy**

As at 31 August 2016 the trust held restricted funds of £15,358,509. This is made up of a fixed asset fund of £14,597,913 which is represented by fixed assets, and a general reserve of £760,596 which represents the General Annual Grant surplus which will be carried forward to next year.

## **12 Investment Policy**

The directors' investment powers are governed by the articles of association, which permits the trust's funds, not immediately required, to be invested in furtherance of its objects. The trust did not engage in any investment of surplus funds during the year under review.

## **13 Auditors**

In so far as the directors are aware;

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors 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 auditors, Stanley Yule Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the members of the governing body and signed on its behalf by:

Dr Brinder Singh Mahon  
Chief Executive Officer



20-12-16

Date

## **14 Governance Statement for the Year Ended 31 August 2016**

### **14.1 Scope of Responsibility**

As directors, we acknowledge we have overall responsibility for ensuring that Nishkam School 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 governing body has delegated the day-to-day responsibility to the 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 Nishkam School Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### **14. 2 Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

**NST Directors & Governors Meeting  
Attendance 2015-16**

<b>DIRECTORS - Nishkam School Trust</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Terry Green (Chair) - appointed Oct 2015	3	3
Brinder Singh Mahon - appointed Jan 2011	3	3
Dr Sarinder Singh Sahota OBE - appointed Jan 2011	3	3
Sarah Evans OBE - appointed Dec 2013	1	3
Dr Marius Felderhof - appointed Aug 2013	1	3
Shaminder Singh Rai - appointed Feb 2016	1	1
Raminder Kaur Bahra - appointed Nov 2015	3	3
Bhupinder Singh Minhas - appointed July 2015	3	3
<b>GOVERNORS - Nishkam Primary School Birmingham</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Raminder Kaur Bahra (Chair) - appointed 9 <sup>th</sup> July 2014	3	3
Brinder Singh Mahon - appointed Jan 2011	2	3
Dr Sarinder Singh Sahota OBE - appointed Jan 2011	3	3
Bhupinder Singh Minhas - appointed Mar 2015	1	1
Bhopinder Rahanu - appointed 1 <sup>st</sup> June 2012	3	3
Balwinder Kaur Sembl - appointed 9 <sup>th</sup> July 2014	3	3
Gurpreet Kaur - appointed 9 <sup>th</sup> July 2014	1	3
<b>GOVERNORS - Nishkam High School Birmingham</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Terry Green (Chair) - appointed Nov 2015	3	3
Brinder Singh Mahon - appointed Jan 2011	3	3
Dr Sarinder Singh Sahota OBE - appointed Jan 2011	3	3
Sarah Evans OBE - appointed 6 <sup>th</sup> December 2013	2	3
Dr Marius Felderhof - appointed 31 <sup>st</sup> August 2013	2	3
Harcharan Singh Hunjan - appointed 14 March 2013	2	3
Vijay Dsa - appointed 14 <sup>th</sup> March 2013	2	3
Djafar Sadi - appointed 27 <sup>th</sup> February 2014	2	3
Louis Maciel - appointed 10 <sup>th</sup> November 2013	2	3
Avtar Sheergill - appointed 1 Sep 2014	2	3
<b>GOVERNORS - Nishkam School West London</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Brinder Singh Mahon (Chair) - appointed 1 <sup>st</sup> Jan 2013	2	3
Catherine Heels - appointed 1 <sup>st</sup> August 2013	2	3
Davinder Ahluwalia - appointed 1 <sup>st</sup> August 2013	3	3
Aneel Singh Golhar - appointed 1 <sup>st</sup> August 2013	3	3
Harshinder Kaur Mahli - appointed 1 <sup>st</sup> August 2013	2	3
Mantej Singh Notay - appointed 10 <sup>th</sup> January 2014	3	3
Sue Espi - appointed 1 <sup>st</sup> December 2015	2	3
Manjit Basra appointed 1 <sup>st</sup> December 2015	2	3
Bahader Singh Panesar appointed 15 July 2015	2	3
<b>GOVERNORS - Nishkam Primary School Wolverhampton</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Bhupinder Singh Minhas (Chair) - appointed 31 <sup>st</sup> Oct 2014	3	3
Jasbir Singh Uppal - appointed 1 <sup>st</sup> Sep 2014	3	3
Gurpal Singh - appointed 1 <sup>st</sup> Sep 2014	2	3
Surjit Singh - appointed 1 <sup>st</sup> Sep 2014	2	3
Jaspreet Kaur Bahla - appointed 1 <sup>st</sup> Sep 2014	2	3
Chris Bailey - appointed 10 March 2015	3	3
Tarun Patel - appointed 10 Nov 2014	1	3
Charan Kaur Chinger - appointed 10 Nov 2014	3	3
Manreshpal Singh Rai - appointed 2 <sup>nd</sup> Mar 2016	0	1

## 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 at Nishkam School Trust and up to the date of approval of the annual report and financial statements.

## Capacity to Handle Risk

The governing body has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

## 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 governing body;
- regular reviews of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Shaminder Singh Rai, as the Chief Operating Officer and Responsible Officer and Harjit Lall as Financial Controller for the Trust bringing the essential accounting and stewardship skills. With appropriately qualified individuals at the helm stewardship and governance will be further strengthened. The internal control environment is a standing agenda item for the Finance and Audit Committee. The RO's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. On a termly basis the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. No material weaknesses were noted.

## Review of Effectiveness

The accounting officer 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 Responsible Officer;
- work of the external auditor;
- financial management and governance self-assessment process;
- work of the executive managers within the 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 the review of the system of internal control by the Finance and Audit Committee and a plan to ensure continuous improvement of the system is in place. Approved by order of the members of the governing body and signed on its behalf by:

Dr Brinder Singh Mahon  
**Chief Executive Officer**

Date:

Shaminder Singh Rai  
**Accounting officer**

Date:

  
20-12-16

## **15 Statement on Regularity, Propriety and Compliance For The Year Ended 31 August 2015**

As accounting officer of Nishkam School Trust I have considered my responsibility to notify the trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 trust governing body are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Shaminder Singh Rai  
**Accounting officer**

Date::

## **16 Statement of Directors' Responsibilities for the Year Ended 31 August 2015**

The trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the directors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the governors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The directors 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 directors 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 the EFA/DfE have been applied for the purposes intended.

The directors 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.

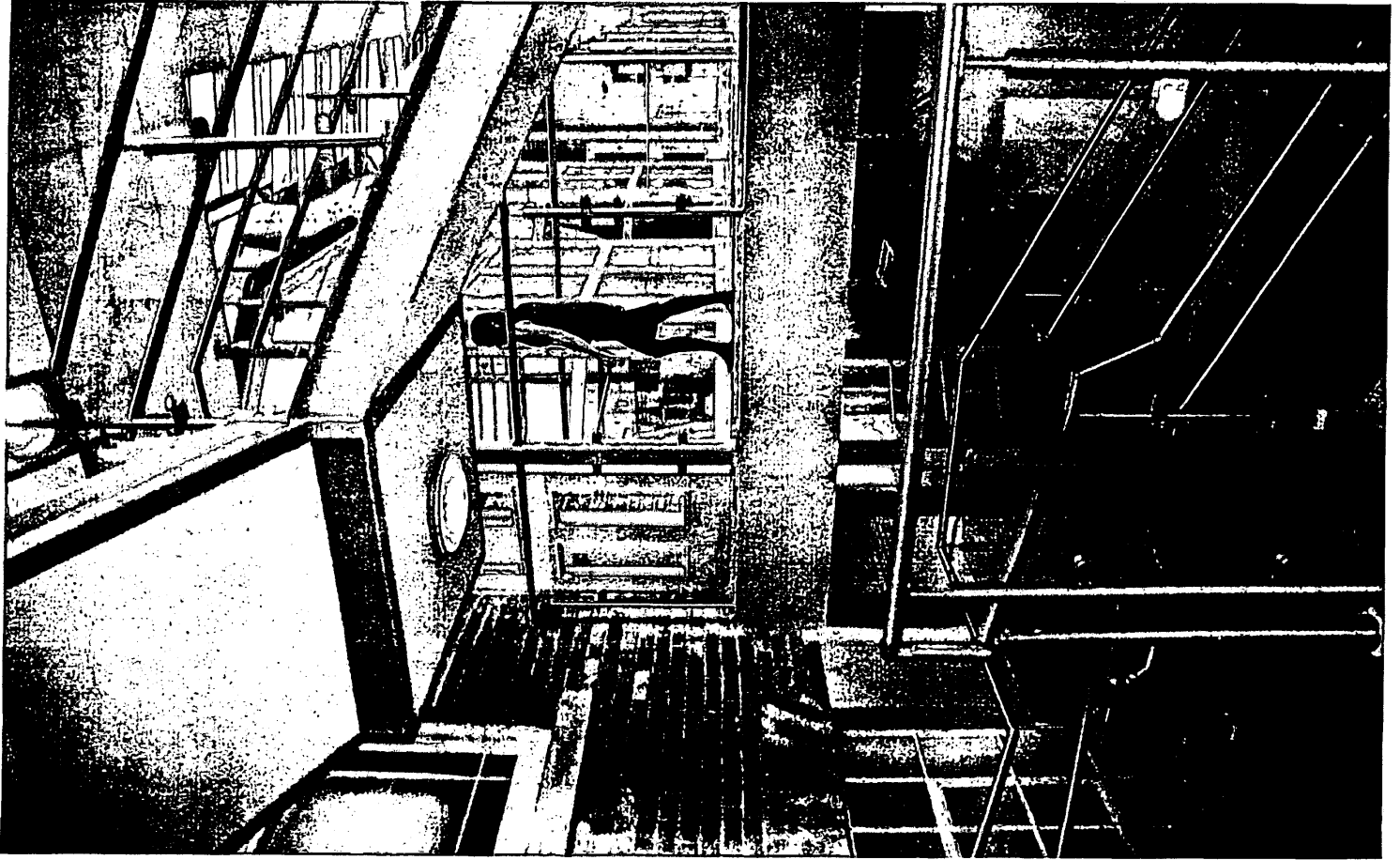
Approved by order of the members of the governing body and signed on its behalf by:

Dr Brinder Singh Mahon  
**Chief Executive Officer**

Date:



20-12-16



**Report of the Independent Auditors to the Members of  
Nishkam School Trust**

---

We have audited the financial statements of Nishkam School Trust for the year ended 31 August 2016 on pages eleven to forty two. 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' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees (who are also the directors of the charitable company 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 charitable company'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 Report of the Trustees 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 charitable company'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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

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

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



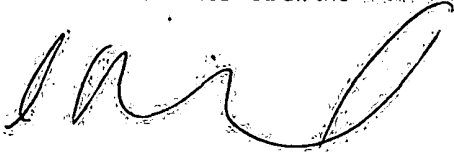
**Report of the Independent Auditors to the Members of  
NISHKAM SCHOOL TRUST**

---

**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.



Ian Bidmead FCA (Senior Statutory Auditor)  
for and on behalf of Stanley Yule Chartered Accountants  
Statutory Auditors  
Waterside House  
Waterside Business Park  
1649 Pershore Road  
Birmingham  
West Midlands  
B30 3DR

Date: 20 - 12 - 2016

**Independent Reporting Accountant's Assurance Report on Regularity to  
Nishkam School Trust and the Education Funding Agency**

---

In accordance with the terms of our engagement 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 Nishkam School 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 Nishkam School Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Nishkam School Trust and the 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 Nishkam School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Nishkam School Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Nishkam School Trust's funding agreement with the Secretary of State for Education 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

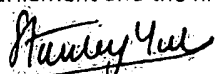
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.



Stanley Yule Chartered Accountants  
Waterside House  
Waterside Business Park  
1649 Pershore Road  
Birmingham  
West Midlands  
B30 3DR

Date: 20-12-2016

**NISHKAM SCHOOL TRUST**

**Statement of Financial Activities  
for the year ended 31 August 2016**

		<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>DfE/EFA Capital Grants £</b>	<b>Total 2016 funds £</b>	<b>Total 2015 funds £</b>
<b>INCOME AND ENDOWMENTS FROM</b>	<b>Notes</b>					
Donations and capital grants	2	<b>12,214</b>			<b>12,214</b>	97,669
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	<b>6,793,162</b>	<b>1,081,941</b>	<b>7,875,103</b>	8,411,134
Other trading activities	4	<b>345,138</b>			<b>345,138</b>	300,609
Investment income	5	<b>30,087</b>			<b>30,087</b>	92
<b>Total</b>		<b>387,439</b>	<b>6,793,162</b>	<b>1,081,941</b>	<b>8,262,542</b>	8,809,504
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations		<b>387,439</b>	<b>6,513,752</b>	<b>911,068</b>	<b>7,812,259</b>	6,703,311
<b>NET INCOME</b>			<b>279,410</b>	<b>170,873</b>	<b>450,283</b>	2,106,193
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes			<b>(179,000)</b>		<b>(179,000)</b>	(101,000)
<b>Net movement in funds</b>		-	<b>100,410</b>	<b>170,873</b>	<b>271,283</b>	2,005,193
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>			<b>660,186</b>	<b>14,427,040</b>	<b>15,087,226</b>	13,082,033
<b>TOTAL FUNDS CARRIED FORWARD</b>			<b>760,596</b>	<b>14,597,913</b>	<b>15,358,509</b>	15,087,226

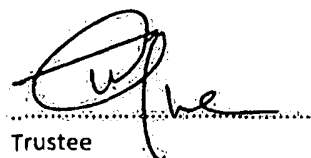
The notes form part of these financial statements

# NISHKAM SCHOOL TRUST

## Balance Sheet At 31 August 2016

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Intangible assets	13	16,401	21,728
Tangible assets	14	<u>15,157,298</u>	<u>14,921,183</u>
		<b>15,173,699</b>	<b>14,942,911</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	15	412,868	462,699
Cash at bank		<u>865,713</u>	<u>771,521</u>
		<b>1,278,581</b>	<b>1,234,220</b>
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>(590,771)</u>	<u>(988,905)</u>
<b>NET CURRENT ASSETS</b>		<u><b>687,810</b></u>	<u><b>245,315</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>15,861,509</b>	<b>15,188,226</b>
<b>PENSION LIABILITY</b>	20	<u><b>(503,000)</b></u>	<u><b>(101,000)</b></u>
<b>NET ASSETS</b>		<u><u><b>15,385,509</b></u></u>	<u><u><b>15,087,226</b></u></u>
<b>FUNDS</b>	19		
Restricted funds:			
General Annual Grant		1,263,596	761,186
DfE/EFA Capital Grants		14,597,913	14,427,040
Pension Reserve		<u>(503,000)</u>	<u>(101,000)</u>
		<u><b>15,358,509</b></u>	<u><b>15,087,226</b></u>
<b>TOTAL FUNDS</b>		<u><u><b>15,358,509</b></u></u>	<u><u><b>15,087,226</b></u></u>

The financial statements were approved by the Board of Trustees on 20-12-2016 and were signed on its behalf by:

  
Trustee

The notes form part of these financial statements

**NISHKAM SCHOOL TRUST**

**Cash Flow Statement  
for the year ended 31 August 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>1,141,078</u>	<u>2,940,735</u>
<b>Net cash provided by (used in) operating activities</b>		<u>1,141,078</u>	<u>2,940,735</u>
<b>Cash flows from investing activities:</b>			
Purchase of intangible fixed assets		-	(14,926)
Purchase of tangible fixed assets		<u>(1,141,855)</u>	<u>(2,678,218)</u>
Interest received		<u>777</u>	<u>92</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(1,141,078)</u>	<u>(2,693,052)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>94,192</u>	<u>247,683</u>
		<u>771,521</u>	<u>523,838</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>865,713</u>	<u>771,521</u>

The notes form part of these financial statements

**NISHKAM SCHOOL TRUST**

**Notes to the Cash Flow Statement  
for the year ended 31 August 2016**

---

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>450,283</b>	<b>2,106,193</b>
<b>Adjustments for:</b>		
Depreciation	<b>911,068</b>	<b>881,420</b>
Interest received	<b>(777)</b>	<b>(92)</b>
Decrease in debtors	<b>74,900</b>	<b>1,083,044</b>
Decrease in creditors	<b>(517,396)</b>	<b>(1,129,830)</b>
Difference between pension charge and cash contributions	<b>223,000</b>	<b>-</b>
<b>Net cash provided by (used in) operating activities</b>	<b><u>1,141,078</u></b>	<b><u>2,940,735</u></b>

## **NISHKAM SCHOOL TRUST**

### **Notes to the Financial Statements for the year ended 31 August 2016**

---

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statement of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Nishkam School Trust meets the definition of a public benefit entity under FRS 102.

##### **Going concern**

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

##### **Income**

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

##### **Grants**

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

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

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

##### **Sponsorship income**

Sponsorship income is provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

## **NISHKAM SCHOOL TRUST**

### **Notes to the Financial Statements - continued for the year ended 31 August 2016**

---

#### **1. ACCOUNTING POLICIES - continued**

##### **Donations**

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

##### **Other income**

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

##### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

##### **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 the activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

##### **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and not-charitable trading.

##### **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.



## **NISHKAM SCHOOL TRUST**

### **Notes to the Financial Statements - continued for the year ended 31 August 2016**

---

#### **1. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 25% on cost, 20% on cost and improvements to property
Leasehold	- 2% on cost
Fixtures and Fittings	- 25% on cost
Motor Vehicle	- 25% on cost

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Nishkam Primary School opened in September 2011. Nishkam High School opened in September 2012. Nishkam School West London opened in September 2013. Assets used specifically in each school have been depreciated from the relevant dates.

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

##### **Taxation**

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

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

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

---

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

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

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

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

**Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## **NISHKAM SCHOOL TRUST**

### **Notes to the Financial Statements - continued for the year ended 31 August 2016**

---

#### **1. ACCOUNTING POLICIES - continued**

##### **Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is 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 unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use the defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interests on the net defined liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and the interest income and 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 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 20, 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.

# NISHKAM SCHOOL TRUST

## Notes to the Financial Statements - continued for the year ended 31 August 2016

### 1. ACCOUNTING POLICIES - continued

#### 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.

#### Leased Assets

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

#### 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.

### 2. DONATIONS AND CAPITAL GRANTS

	2016 £	2015 £
Donations	<u>12,214</u>	<u>97,669</u>

### 3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
General Annual Grant	-	6,793,162	6,793,162	5,868,401
DfE/EFA Capital Grant	<u>-</u>	<u>1,081,941</u>	<u>1,081,941</u>	<u>2,542,733</u>
	<u>-</u>	<u>7,875,103</u>	<u>7,875,103</u>	<u>8,411,134</u>

### 4. OTHER TRADING ACTIVITIES

	2016 £	2015 £
Parental Contributions	<u>345,138</u>	<u>300,609</u>

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**5. INVESTMENT INCOME**

	2016 £	2015 £
Rents received	29,310	-
Deposit account interest	<u>777</u>	<u>92</u>
	<u><b>30,087</b></u>	<u><b>92</b></u>

Rent income relates to the following:

	2016 £
Nishkam High School - Room Rental	23,310
Nishkam School Wolverhampton - Nursery Room Rental	<u>6,000</u>
	<u><b>29,310</b></u>

**6. EXPENDITURE**

				2016	2015
		Non-pay expenditure			
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academies educational operations					
Direct costs	3,919,510		656,303	4,575,813	3,845,465
Allocated support costs	772,113	656,162	1,808,171	3,236,446	2,857,846
	4,691,623	656,162	2,464,474	7,812,259	6,703,311

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration	13,615	14,000
Accountancy charges	52,662	74,826
Depreciation - owned assets	905,741	878,657
Hire of plant and machinery	17,453	3,596
Solicitors Fees	1,500	4,530
Computer software amortisation	<u>5,327</u>	<u>2,762</u>

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Direct costs	338,549	4,237,264	4,575,813	3,845,465
Support costs	<u>48,890</u>	<u>3,187,556</u>	<u>3,236,446</u>	<u>2,857,846</u>
	<u>387,439</u>	<u>7,242,820</u>	<u>7,812,259</u>	<u>6,703,311</u>

	2016 Total £	2015 Total £
<b>Analysis of support costs</b>		
Support staff costs	772,113	698,010
Depreciation	911,068	881,420
Technology costs	127,147	61,418
Premises costs	656,162	617,196
Other support costs	702,179	506,445
Governance costs	<u>67,777</u>	<u>93,357</u>
<b>Total support costs</b>	<u>3,236,446</u>	<u>2,857,846</u>

**8. SUPPORT COSTS**

	Management £	Information technology £	Human resources £	Premises Costs £
Academy's educational operations 2016	<u>2,116,486</u>	<u>127,147</u>	<u>44,722</u>	<u>656,162</u>
Academy's educational operations 2015	<u>2,082,426</u>	<u>61,418</u>	<u>-</u>	<u>617,196</u>
	Finance costs £	Pension costs £	Governance costs £	Totals £
Academy's educational operations 2016	<u>1,152</u>	<u>223,000</u>	<u>67,777</u>	<u>3,236,446</u>
Academy's educational operations 2015	<u>3,449</u>	<u>-</u>	<u>93,357</u>	<u>2,857,846</u>

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**8. SUPPORT COSTS – continued**

**Management Costs**

	2016	2015
	Total	Total
	£	£
Wages and Salaries	686,626	607,101
National Insurance	39,899	26,895
Pension costs	45,588	64,013
Amortisation	5,327	2,762
Depreciation	905,741	878,658
Hire of plant and machinery	17,453	3,596
Recruitment and support	49,200	25,026
Repairs and maintenances	35,993	63,188
Cleaning	44,061	30,555
Stationery and printing	70,168	59,125
Insurance	22,290	25,484
Sundry Items	30,069	26,475
Advertising and marketing	5,716	56,206
Subscriptions	37,043	35,438
Telephone and internet	26,228	22,808
Travel and subsistence	48,980	34,170
Security	15,529	12,216
Motor Expenses	2,837	3,968
IT and business management consultancy	27,738	104,742
	<u>2,116,486</u>	<u>2,082,426</u>

**Direct costs**

	2016	2015
	Total	Total
	£	£
Wages and Salaries	2,996,932	2,513,689
National Insurance	261,902	197,143
Pension Costs	420,550	266,030
Supply Teacher Costs	167,315	138,957
Subcontractor	72,811	12,427
Educational Supplies	109,364	141,645
Trips and events	45,915	63,130
Uniforms	-	2,590
Examination fees	6,789	7,152
Staff development	45,082	43,203
Educational consultancy	126,790	83,530
Catering	259,904	270,367
Educational materials	62,459	115,602
	<u>4,575,813</u>	<u>3,854,465</u>

## **NISHKAM SCHOOL TRUST**

### **Notes to the Financial Statements - continued for the year ended 31 August 2016**

---

#### **9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 August 2016 nor for the year ended 31 August 2015.

##### **Trustees' expenses**

During the year ended 31 August 2016, travel and subsistence expenses totalling £1,026 were reimbursed or paid directly to 2 trustees (2015: £942 to 2 trustees).

#### **10. TRUSTEES' AND OFFICERS' INSURANCE**

The charitable company 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.



**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**11. STAFF COSTS**

	2016 £	2015 £
Wages and salaries	3,683,558	3,120,790
Social security costs	301,801	224,039
Other pension costs	<u>466,138</u>	<u>320,042</u>
	4,451,497	3,664,871
Supply teacher costs	167,315	138,957
Sub-Contractor	<u>72,811</u>	<u>12,427</u>
	<u>4,691,623</u>	<u>3,816,255</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2016	2015
Teachers	69	59
Educational support staff	36	27
Non-teaching staff	<u>74</u>	<u>55</u>
	<u>179</u>	<u>141</u>

Included in average cost are part-time members of staff.

**The key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £312,580 (2015: £239,086).

The Head Teacher and other staff Governor only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses from the academy trust in respect of their role as Governor.

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**11. STAFF COSTS – continued**

The value of governor's remuneration and other benefits was as follows

£	2016	2015
15,000-20,000	Jaspreet Uppal	
15,000-20,000		Sajinira Shabani
20,000-25,000		Jaspreet Bahia
20,000-25,000		Balwinder Sembhi
25,000-30,000	Balwinder Sembhi	
30,000-35,000		Terry Green
30,000-35,000	Gurpreet Kaur	Louise Marciel
45,000-45,000		Gurpreet Kaur
45,000-50,000	Djafar Sadi	Djafar Sadi
75,000-80,000	Catherine Heels	

The staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff.

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

	2016	2015
£60,001-£70,000	1	2
£70,001-£80,000	1	1
£80,001-£90,000	1	-

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>DfE/EFA Capital Grants £</b>	<b>Total funds £</b>
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	16,014	81,655	97,669
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	5,868,401	2,542,733	8,411,134
Other trading activities	-	300,609	-	300,609
Investment income	-	92	-	92
<b>Total</b>	-	6,185,116	2,624,388	8,809,504
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	-	5,821,891	881,420	6,703,311
<b>NET INCOME</b>		363,225	1,742,968	2,106,193
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	(101,000)	-	(101,000)
<b>Net movement in funds</b>	-	262,225	1,742,968	2,005,193
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>				
As previously reported	-	678,871	12,684,072	13,362,943
Prior year adjustment	-	(280,910)	-	(280,910)
<b>As Restated</b>	-	397,961	12,684,072	13,082,033
<b>TOTAL FUNDS CARRIED FORWARD</b>	-	660,186	14,427,040	15,087,226

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

---

**13. INTANGIBLE FIXED ASSETS**

	<b>Computer software £</b>
<b>COST</b>	
At 1 September 2015	<b><u>26,637</u></b>
<b>AMORTISATION</b>	
At 1 September 2015	<b>4,909</b>
Charge for year	<b><u>5,327</u></b>
At 31 August 2016	<b><u>10,236</u></b>
<b>NET BOOK VALUE</b>	
At 31 August 2016	<b><u>16,401</u></b>
At 31 August 2015	<b><u>21,728</u></b>

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**14. TANGIBLE FIXED ASSETS**

	Work Under construction £	Long leasehold £	Improvements to property £
<b>COST</b>			
At 1 September 2015	-	1,932,835	13,195,793
Additions	<u>938,914</u>	<u>21,177</u>	<u>106,482</u>
At 31 August 2016	<u>938,914</u>	<u>1,954,012</u>	<u>13,302,275</u>
<b>DEPRECIATION</b>			
At 1 September 2015	-	38,477	1,016,429
Charge for year	<u>-</u>	<u>38,829</u>	<u>495,492</u>
At 31 August 2016	<u>-</u>	<u>77,306</u>	<u>1,511,921</u>
<b>NET BOOK VALUE</b>			
At 31 August 2016	<u>938,914</u>	<u>1,876,706</u>	<u>11,790,354</u>
At 31 August 2015	<u>-</u>	<u>1,894,358</u>	<u>12,179,364</u>
	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 September 2015	1,502,324	66,493	16,697,445
Additions	<u>75,283</u>	<u>-</u>	<u>1,141,856</u>
At 31 August 2016	<u>1,577,607</u>	<u>66,493</u>	<u>17,839,301</u>
<b>DEPRECIATION</b>			
At 1 September 2015	675,898	45,458	1,776,262
Charge for year	<u>355,736</u>	<u>15,684</u>	<u>905,741</u>
At 31 August 2016	<u>1,031,634</u>	<u>61,142</u>	<u>2,682,003</u>
<b>NET BOOK VALUE</b>			
At 31 August 2016	<u>545,973</u>	<u>5,351</u>	<u>15,157,298</u>
At 31 August 2015	<u>826,426</u>	<u>21,035</u>	<u>14,921,183</u>

The work under construction relates to the building work for the new school building in London, Hounslow.

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>18,712</b>	22,064
Other debtors	<b>108,275</b>	155,239
VAT	<b>170,416</b>	150,000
Prepayments	<b>115,465</b>	<u>135,396</u>
	<b><u>412,868</u></b>	<b><u>462,699</u></b>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>90,840</b>	226,656
Social security and other taxes	-	63,424
Other creditors	<b>56,393</b>	315,450
Accruals and deferred income	<b>340,536</b>	312,194
Accrued expenses	<b>103,002</b>	<u>71,181</u>
	<b><u>590,771</u></b>	<b><u>988,905</u></b>

**Deferred Income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred income brought forward	<b>140,962</b>	140,962
Resources deferred during the year	<b>199,574</b>	<u>171,231</u>
	<b><u>340,536</u></b>	<b><u>312,193</u></b>

£140,962 relates to a project development grant in respect of Nishkam School West London.  
Resources deferred during the year relate to revenue funding received in advance.

# NISHKAM SCHOOL TRUST

## Notes to the Financial Statements - continued for the year ended 31 August 2016

### 17. OPERATING LEASE COMMITMENTS

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

#### Land & Buildings

	2016 £	2015 £
Amounts due within one year	384,301	384,301
Amounts due between one and five years	1,115,068	1,325,804
Amounts due after five years	2,765,161	3,688,400
	<u>4,264,530</u>	<u>5,398,505</u>

#### Operating leases

	2016 £	2015 £
Amounts due within one year	14,601	-
Amounts due between one and five years	7,899	-
Amounts due after five years	-	-
	<u>22,500</u>	<u>-</u>

### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	DfE/EFA Capital Grants £	2016 Total funds £	2015 Total funds £
Fixed assets	-	-	15,173,699	15,173,699	14,942,911
Current assets	-	1,278,581	-	1,278,581	1,234,220
Current liabilities	-	(590,771)	-	(590,771)	(988,905)
Pension liability	-	(503,000)	-	(503,000)	(101,000)
	<u>-</u>	<u>184,810</u>	<u>15,173,669</u>	<u>15,358,509</u>	<u>15,087,226</u>

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**19. MOVEMENT IN FUNDS**

	At 1.9.15 £	Net movement in funds £	At 31.8.16 £
<b>Restricted funds</b>			
General Annual Grant	761,186	502,410	1,263,596
DfE/EFA Capital Grants	14,427,040	170,873	14,597,913
Pension Reserve	<u>(101,000)</u>	<u>(402,000)</u>	<u>(503,000)</u>
	<u>15,087,226</u>	<u>271,283</u>	<u>15,358,509</u>
<b>TOTAL FUNDS</b>	<u><u>15,087,226</u></u>	<u><u>271,283</u></u>	<u><u>15,358,509</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General	387,439	(387,439)	-	-
<b>Restricted funds</b>				
General Annual Grant	6,793,162	(6,290,752)	-	502,410
DfE/EFA Capital Grants	1,081,941	(911,068)	-	170,873
Pension Reserve	<u>-</u>	<u>(223,000)</u>	<u>(179,000)</u>	<u>(402,000)</u>
	<u>7,875,103</u>	<u>(7,424,820)</u>	<u>(179,000)</u>	<u>271,283</u>
<b>TOTAL FUNDS</b>	<u><u>8,262,542</u></u>	<u><u>(7,812,259)</u></u>	<u><u>(179,000)</u></u>	<u><u>271,283</u></u>



# **NISHKAM SCHOOL TRUST**

## **Notes to the Financial Statements - continued for the year ended 31 August 2016**

### **19. MOVEMENT IN FUNDS – continued**

#### **Restricted general funds**

These funds relate to Government funding for the provision of education by the Charitable Company. The General Annual Grant is revenue from the EFA, from which the academy is expected to meet its day to day running cost.

#### **Restricted fixed asset funds**

These funds include grants used for the building works and the purchase of furniture, equipment and ICT equipment. Fixed asset purchases from Department for Education grants are subject to restrictions under the school's funding agreement with the Department for Education.

The grants are released over the useful life of the acquired assets.

Under the funding agreement with the Secretary of State, the academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

#### **Analysis of Academies by Fund Balance**

	2016	2015
	£	£
Nishkam Primary School	772,272	607,529
Nishkam High School	407,528	174,599
Nishkam School West London	80,002	-15,540
Nishkam School Wolverhampton	3,794	-5,402
	<u>1,263,596</u>	<u>761,186</u>
Total before fixed asset fund and pension reserve	1,263,596	761,186
Restricted fixed asset fund	14,597,913	14,427,040
Actuarial Loss	(503,000)	(101,000)
	<u>15,358,509</u>	<u>15,087,226</u>
Total	15,358,509	15,087,226

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**19. MOVEMENT IN FUNDS – continued**

**Analysis of Academies by Cost**

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
	£	£	£	£	£
Nishkam Primary School	1,207,573	241,619	224,878	298,120	1,972,190
Nishkam High School	1,622,094	218,907	161,984	411,894	2,414,879
Nishkam School West London	679,994	138,400	66,981	374,818	1,260,193
Nishkam School Wolverhampton	353,284	70,658	84,301	91,382	599,625
Central Costs	56,565	102,529	118,159	154,051	431,304
	<u>3,919,510</u>	<u>772,113</u>	<u>656,303</u>	<u>1,330,265</u>	<u>6,678,191</u>

# **NISHKAM SCHOOL TRUST**

## **Notes to the Financial Statements - continued** **for the year ended 31 August 2016**

### **19. MOVEMENT IN FUNDS - continued**

#### **Central Service**

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Accountancy Charges		72,926
Audit		14,000
Consultancy Charges	106,094	127,848
Other Costs	5,469	117,530
Human Resources	42,488	
Educational Supplies	118,159	
Staff Costs	159,094	79,844
	<u><b>431,304</b></u>	<u><b>412,148</b></u>

The Trust charges for these costs services as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Nishkam Primary School	157,454	103,037
Nishkam High School	166,118	103,037
Nishkam West London	69,310	103,037
Nishkam School Wolverhampton	38,422	106,037
	<u><b>431,304</b></u>	<u><b>412,148</b></u>

The trust charges for central services on the following basis:

Pupil number per school. Accountancy and audit fees were directly apportioned to the schools.

## NISHKAM SCHOOL TRUST

### Notes to the Financial Statements - continued for the year ended 31 August 2016

---

#### 20. PENSION AND SIMILAR OBLIGATIONS

##### 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 Employers 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 (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for services 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
- 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%

During the previous year the employer contributions rate was 14.1%. The TPS valuations for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £362,847 (2015 - £256,059)

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

Under the definitions set out in FRS102, 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.

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**20. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

**Local government pension scheme**

**Local government pension scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £168,203, of which employer contributions totalled £102,014 and employees' contribution totalled £66,189.. The aggregate contributions rates for future years are 9% percent for employers and up to 12.5% percent 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.

The amounts recognised in the balance sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	<b>(939,000)</b>	<b>(270,000)</b>
Fair value of plan assets	<b><u>436,000</u></b>	<b><u>169,000</u></b>
	<b><u>(503,000)</u></b>	<b><u>(101,000)</u></b>
Deficit	<b><u>(503,000)</u></b>	<b><u>(101,000)</u></b>
Liability	<b><u>(503,000)</u></b>	<b><u>(101,000)</u></b>

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

	<b>Defined benefit pension plans</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>280,000</b>	<b>90,000</b>
Net interest from net defined benefit asset/liability	<b><u>66,000</u></b>	<b><u>1,000</u></b>
	<b><u>346,000</u></b>	<b><u>91,000</u></b>
Actual return on plan assets	<b><u>-</u></b>	<b><u>6,000</u></b>

# NISHKAM SCHOOL TRUST

## Notes to the Financial Statements - continued for the year ended 31 August 2016

### 20. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Defined benefit obligation	(270,000)	(133,000)
Current service cost	(280,000)	(90,000)
Contributions by scheme participants	(30,000)	(29,000)
Interest cost	(66,000)	(8,000)
Estimated benefits paid net of transfers in	-	2,000
Actuarial losses/(gains)	(296,000)	(12,000)
Benefits paid	<u>3,000</u>	<u>-</u>
	<u>(939,000)</u>	<u>(270,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Fair value of scheme assets	169,000	92,000
Contributions by employer	136,000	44,000
Contributions by scheme participants	76,000	29,000
Estimated benefits paid net of transfers in and including unfunded	-	(2,000)
Expected return	-	7,000
Actuarial gains/(losses)	-	(1,000)
Benefits paid	(3,000)	-
Assets return less interest	44,000	-
Assets interest costs	<u>14,000</u>	<u>-</u>
	<u>436,000</u>	<u>169,000</u>

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**20. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The major categories of scheme assets as amounts of total scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Equities	<b>192,000</b>	<b>101,000</b>
Government Bonds	<b>22,000</b>	<b>13,000</b>
Other Bonds	<b>28,000</b>	<b>17,000</b>
Cash/liquidity	<b>21,000</b>	<b>8,000</b>
Other	<b>35,000</b>	<b>16,000</b>
Property	<b>26,000</b>	<b>14,000</b>
	<b><u>324,000</u></b>	<b><u>169,000</u></b>

**London Borough of Hounslow Pension Fund**

	<b>2016</b>	<b>2015</b>
Equities	<b>75,000</b>	<b>36,000</b>
Gilts	<b>5,000</b>	<b>3,000</b>
Other Bonds	<b>20,000</b>	<b>9,000</b>
Property	<b>5,000</b>	<b>3,000</b>
Absolute return portfolio	<b>4,000</b>	<b>2,000</b>
Cash	<b>3,000</b>	<b>2,000</b>
	<b><u>112,000</u></b>	<b><u>55,000</u></b>

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**20. PENSION AND SIMILAR OBLIGATIONS  
- continued**

The major categories of the schemes assets as amounts of total scheme assets are as follows:

**West Midlands Pension Fund**

	2016	2015
	%	%
Equities	59	60
Government Bonds	7	7
Other Bonds	9	10
Property	8	9
Cash/Liquidity	6	5
Other	11	9

**London Borough of Hounslow Pension Fund**

	2016	2015
	%	%
Equities	66	66
Gilts	5	6
Other Bonds	18	16
Property	5	6
absolute return portfolio	4	4
Cash	3	3

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

**West Midlands Pension Fund**

	2016	2015
Discount rate	2.2%	4%
Future salary increases	3.75%	4.15%
Future pension increases	2%	2.4%
Inflation assumption (CPI)0	1.2%	2.4%



**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**20. PENSION AND SIMILAR OBLIGATIONS  
- continued**

**London Borough of Hounslow Fund**

	<b>2016</b>	<b>2015</b>
Discount Rate	<b>2.2%</b>	<b>4%</b>
Future salary increases	<b>4.1%</b>	<b>4.5%</b>
Future pension increases	<b>2.3%</b>	<b>2.7%</b>
Inflation assumption (CPI)0	<b>0.9%</b>	<b>0.9%</b>

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

**West Midlands Pension Fund**

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>23.1</b>	<b>23.0</b>
Females	<b>25.8</b>	<b>25.6</b>
Retiring in 20 years		
Male	<b>25.3</b>	<b>25.2</b>
Females	<b>28.1</b>	<b>28.0</b>

**London Borough of Hounslow Pension Fund**

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.1</b>	<b>22.1</b>
Females	<b>26.7</b>	<b>26.6</b>
Retiring in 20 years		
Male	<b>24.4</b>	<b>24.2</b>
Females	<b>29.1</b>	<b>28.9</b>

Amounts for the current and previous period are as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Defined benefit pension plans</b>		
Defined benefit obligation	<b>(939,000)</b>	<b>(270,000)</b>
Fair value of scheme assets	<b>436,000</b>	<b>169,000</b>
Deficit	<b>(503,000)</b>	<b>(101,000)</b>
Experience adjustments on scheme assets	<b>-</b>	<b>1,000</b>

## **NISHKAM SCHOOL TRUST**

### **Notes to the Financial Statements - continued for the year ended 31 August 2016**

---

#### **21. CAPITAL COMMITMENTS**

A contractual obligation was entered into during the year with BAM Construction Limited amounting to £24m for the construction of the Nishkam School West London, Isleworth, Hounslow. The Trust received funding approval for the construction of the school building from the Department of Education. During the year to 31 August 2016, £896k was expensed relating to the permanent construction.

## NISHKAM SCHOOL TRUST

### Notes to the Financial Statements - continued for the year ended 31 August 2016

#### 22. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations 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 directors have an interest. All transactions invoking such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

##### **Guru Nanak Nishkam Sewak Jatha (Birmingham) UK**

An unincorporated charity in which the Patron Mohinder Singh Ahluwalia was a trustee.

In September 2011 Nishkam School Trust entered into a 25 year lease relating to properties at 3 Soho Road and 9 to 11 Soho Road. Guru Nanak Nishkam Sewak Jatha (Birmingham) UK hold the freehold. A leasehold interest was held by Guru Nanak Education Trust.

##### **Guru Nanak Nishkam Education Trust**

A charity in which the Patron Mohinder Singh Ahluwalia was a Trustee.

##### **Nishkam Civic Association**

A Charity in which the Director Professor Upkar Singh Pardessi and the patron Mohinder Singh Ahluwalia were Trustees and the Chief Operation Officer is a director.

##### **Nishkam Security Limited**

A company in which the Patron Mohinder Singh Ahluwalia was a director.

##### **Marg Sat Santokh Manufacturers Limited**

A company in which the Patron Mohinder Singh Ahluwalia was a Director.

##### **Nishkam Pharmacy Ltd**

A 100% owned subsidiary of Nishkam Healthcare Trust in which trustee Mohinder Singh Ahluwalia has significant influence.

##### **Improving your Business Consultancy Ltd**

A Consultancy firm in which the Chief Operating Officer is materially interested as shareholder. There is a 50% reduction in the fee to reflect the Nishkam ethos (Promoting selflessness).

	2016	2015
	£	£
<b>Guru Nanak Nishkam Sewak Jatha (Birmingham) UK</b>		
Donation received from GNNSJ		81,653
Rent and service charges paid to GNNSJ	232,668	209,572
<b>Guru Nanak Nishkam Education Trust</b>		
Rent and nursery fees paid to GNNET	35,900	35,900
Rent fees received from GNNET	6,000	
Goods and services sold to GNNET	5,462	11,553
Amount due from GNNET at the year end	13,100	11,553
<b>Nishkam Civic Association</b>		
Room hire, staff training and refreshments purchased from NCA	2,835	6,354
<b>Nishkam Security Limited</b>		
Security charges paid to NSL	13,404	10,956
Amount due to NSL at the year end		884

**NISHKAM SCHOOL TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2016**

**22. RELATED PARTY DISCLOSURES  
- continued**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Marg Sat Santokh Manufactures Limited</b>		
Goods purchased from MSS	<b>2,034</b>	10,997
Amount due to MSS at the year end	-	507
<b>Nishkam Pharmacy Limited</b>		
Goods purchased from NPL	<b>320</b>	200
<b>Improving your Business Consultancy Ltd</b>		
Goods purchased	<b>29,880</b>	86,760
Amount due at the year end	-	36,540

**23. FIRST YEAR ADOPTION**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102 a restatement of comparatives items was needed and confirm that no restatement was required.

