

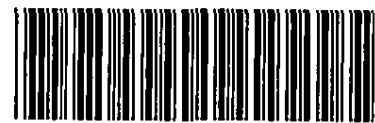


NISHKAM SCHOOL TRUST
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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Stanley Yule
Chartered Accountants

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

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NISHKAM SCHOOL TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Directors and Governors

Dr Brinder Singh Mahon, Chairman^{1,2}
Prof Upkar Singh Pardesi OBE, Vice Chairman^{1,2}
Dr Sarinder Singh Sahota OBE^{1,2}
Sir Robert Dowling (resigned 7 March 2013)¹
Dr Marius Felderhof (appointed 1 August 2013)^{1,2}
Shaminder Singh Rai¹
Hannah Webster (resigned 31 October 2012)¹
Sumita Bakshi (appointed 12 November 2012)¹
Bhopinder Singh Rahanu¹
Jasbinder Kaur (appointed 19 November 2012)¹
Kuldeep Kaur Barrah¹
Michelle Pearson (appointed 14 March 2013)¹
Louis Marciel (appointed 21 November 2013)¹
Harcharan Singh Hunjan (appointed 14 March 2013)¹
Vijay Desai (appointed 14 March 2013)¹
Aneel Singh Golhar (appointed 1 August 2013)¹
Davinder Singh Alhuwalia (appointed 1 August 2013)¹
Cathy Heels (appointed 1 August 2013)¹
Hershinder Kaur Mahli (appointed 1 August 2013)¹
Jas Kaur Uppal (appointed 14 March 2013)¹

¹ Governor

² Director

Members

Mohinder Singh Ahluwalia, Patron
Parminder Singh Jhutti
Jaswinderpal Singh Chandan

Company registered number

07522245

Principal and registered office

3 Soho Road
Handsworth
Birmingham
B21 9SN

NISHKAM SCHOOL TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Advisers (continued)

Accounting officer

Dr Brinder Singh Mahon

Senior management team

Terry Green, Executive Principal, Nishkam School Trust
Palbinder Brom, Acting Head Teacher, Nishkam Primary School
Herminder Channa, Associate Head Teacher, Nishkam High School
Kamaljit Kaur Gill, Deputy Head Teacher, Nishkam School West London
Jas Cheema, Deputy Head Teacher, Nishkam School West London

Independent auditors

Stanley Yule
Chartered Accountants
Waterside House
1649 Pershore Road
Birmingham
B30 3DR

Bankers

Barclays Bank PLC
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

NISHKAM SCHOOL TRUST
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PATRONS' MESSAGE
FOR THE YEAR ENDED 31 AUGUST 2013

As we enter the third year for Nishkam School Trust, it allows me to reflect on the tremendous effort that has gone into bringing the Nishkam Schools into fruition. From humble beginnings and considerable volunteering power, today, Nishkam Schools have put in strong foundations for not only providing an excellent infrastructure but more importantly, a faith and values based education that is critical for our present age.

At Nishkam High School, the new building is a harmonious architectural feat that has been accomplished retaining a heritage façade whilst providing state of the art facilities for our children. Most importantly, these facilities have a symbiotic relationship with places of faith in Birmingham. This ensures that the spiritual and secular elements are linked inextricably. The relationship is not merely symbolic, but is part of the very ethos that underpins the philosophy of our schools. 'Excellence and humility' is the twin motto that drives all our endeavours.

At the core of the infrastructure, the schools have a very strong element of volunteering as their foundation. The entire Guru Nanak Nishkam Sewak Jatha community has sponsored the creation of their remarkable infrastructure that has been built for the future of our children.

It is with great joy that I note the significant milestones that the Nishkam School Trust has attained over the past year in 2012/2013:

- September 2012 - Nishkam Primary School (4-11) opened for second cohort of children - 240 in total
- September 2012 - Nishkam High School (11-19) opened for first cohort of children - 135 in total
- July 2012 - Nishkam School West London (4-19) received approval in principle from Department of Education and temporary accommodation renovation began
- September 2013 - Nishkam School West London (4-19) opened for its first cohort of children - 93 in total

In particular, it is pleasing that we have expanded our network of schools to become comprehensive from Nursery through to Sixth Form as well as the establishment of our All through School in West London.

I offer my heartfelt appreciation to the entire Nishkam School Trust community, the staff, parents and pupils, who have worked hard to consolidate our schools. Thanks are also extended to the Department for Education. It is only through this collective endeavour that we can continue to support our children to ensure that we provide them with a faith and values based education that will make them model citizens who will transform our world, making it a better place where the core human values of love, compassion, sacrifice, forgiveness, service and truthfulness will be the foundations upon which our democracy will thrive.

I feel privileged and humbled to be part of this journey of the Nishkam Schools. I pray that 2013-2014 will build on the solid foundations, as we aspire to become outstanding schools. Please accept my prayers towards another successful year – I am confident that as the schools inculcate the principle of 'Nishkam', the entire Nishkam School Trust community will continue to prosper.

Bhai Sahib Mohinder Singh Ahluwalia
Patron

NISHKAM SCHOOL TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Directors present their annual report together with the audited financial statements of Nishkam School Trust (the academy trust) for the year ended 31 August 2013. The Directors confirm that the Annual report and financial statements of the academy trust comply with the current statutory requirements, the requirements of the academy trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Key priorities identified for the short and medium term

- To raise aspiration for all pupils
- To put in place strong systems to track Pupil Progress to allow early intervention where required, and monitor impact
- To capacity build staff towards consistently outstanding teaching and leadership
- To inspire pupils into their own faiths, whilst building a genuine respect of the other
- To engage parents in their child's education through workshops
- To complete infrastructure for all schools, to create safe, secure, and inspirational environments
- To build strong partnerships with other faith and educational institutions

STRUCTURE, GOVERNANCE AND MANAGEMENT

● **CONSTITUTION**

The academy trust is registered as a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Trust. The Directors govern the charitable activities of the Trust and are also Directors of the Charitable Company for the purposes of company law. From 23 May 2013 the exempt charity adopted the Multi Academy Trust model as recommended by the Department for Education.

The principal object of the academy trust is to provide, for the public benefit, education in the United Kingdom in particular, but without prejudice to the generality by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

● **MEMBERS' LIABILITY**

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

● **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS**

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 Directors and any person appointed unanimously by the existing members. The minimum number of members shall be not less than 3. The minimum number of directors shall be not less than 3. The members may appoint up to 10 Directors. Directors are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term.

In accordance with the Articles the directors may appoint separate Local Governing Bodies and determine their constitution, membership and proceedings.

NISHKAM SCHOOL TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

● **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS**

The Trust embarks on specifically tailored training for all directors and governors based on individual requirements as assessed by the Chair of Governors. External advice and support is commissioned where considered necessary. All new directors and governors are given an induction pack, a tour of the school site and the opportunity to meet staff. Induction packs include all necessary documents to fulfil the prescribed role. All new Governors are required to read and sign the Nishkam School Trust Governance Code of Conduct and Declaration of Business Interests forms as part of the Code of Conduct.

● **ORGANISATIONAL STRUCTURE**

The directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Free School by the use of budgets and making major decisions about the direction of the charitable company, capital expenditure and the senior staff appointments. During the period under review there were three governor meetings at each individual school level. A Finance and Audit Committee also exists which is responsible for monitoring and reporting on financial governance and the internal control environment. Meetings are held termly and the Committee report into the main governor meetings.

● **CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The charitable company is supported by its main sponsor Guru Nanak Nishkam Sewak Jatha (Birmingham) UK. Other related parties are Nishkam Civic Association, Guru Nanak Nishkam Education Trust, Nishkam Security Limited, Marg Sat Santokh Manufacturers Limited, Nishkam Healthcare Trust and Nishkam Pharmacy Limited.

The trust has an established partnership with King Edward VI High School for Girls (KEHS).

● **RISK MANAGEMENT**

The Directors have assessed the major risks to which the academy trust is exposed, in particular those related to educational performance, the operational areas of the site and facilities, and of the teaching and finances. The directors have implemented a system to assess the risks that the charitable company faces, especially in the operational areas which include teaching, health and safety and in relation to the control of finance. The directors have introduced systems, including the School Development Plan, Self Evaluation form, operational procedures and internal financial controls, in order to minimise risk. Where significant financial risk still remains they have ensured that adequate insurance cover is held.

● **PRINCIPAL ACTIVITY**

The principal activity of the trust is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools with a designated Sikh religious character offering broad and balanced curriculum conducted in accordance with the principles, practices and ethos of Sikhism, with a multi-faith approach.

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

OBJECTIVES AND ACTIVITIES

● **OBJECTS AND AIMS**

Nishkam School Trust is a charity which governs Sikh-ethos, multi-faith schools under the Government's Free School Programme. Nishkam Primary School (opened in 2011) was the first of such schools followed by Nishkam High School (opened in 2012) and Nishkam School West London (opening in 2013). Nishkam School Trust is committed to providing education that will raise the hopes, aspirations and attainment of young people. This will be realised through the implementation of the Nishkam Education Vision, which has emerged from over 30 years of education/voluntary work with children nationally and internationally.

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

The Nishkam School Ethos

Nishkam Schools have a multi-faith ethos where people of all faiths and no faith are respected and supported. We are committed to building inter-faith understanding and engagement between faith and secular world views.

More Than Academic Excellence

Nishkam Schools offer excellence in education and inspire in children a passion for lifelong learning. By recruiting outstanding teachers, we provide learning experiences which build character and responsibility. The National Curriculum is enhanced and enriched with a focus on high academic aspiration.

More Than a School

Nishkam Schools foster communities which actively support children throughout life, both within and beyond the school gates. We work imaginatively with parents, families and guiding institutions to help ensure children are surrounded by good role models and mentors. These partnerships will provide children with direct experience of civic organisations.

More Than 'Self'

Nishkam Schools are driven and sustained by the principle of being 'nishkam' - creating a mindset to serve others without expectation or recognition. Experience suggests that this selfless practice promotes humility and unlocks great potential to transform ourselves and the world around us.

Our aspirations resonate strongly with the sentiments expressed in a House of Lords debate on education:

'We are not engaged, surely, in producing just good performers in the market place or able technocrats. Our task is the training of good human beings, purposeful and wise, themselves with a vision of what it is to be human and the kind of society that makes that possible' - The Archbishop of Canterbury, George Carey, quoting Cardinal Basil Hume in a House of Lords debate, 5 July 1996.

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 personal faith of each and every pupil, as well as building interfaith understanding. Worshiping collectively and within specific faith groups will be a unique and innovative feature of our Schools. The Sikh dharam (faith or religion) 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 will reflect this by positively nurturing children of all faiths and none. The philosophy of faith will resonate throughout the school week and will not be reduced exclusively to religious education lessons.

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

● **ACHIEVEMENTS AND PERFORMANCE**

Nishkam Primary School

Nishkam Primary School is a DfE free school approved in the first year of free schools as one of the first 24 free schools out of approximately 500 applications to the Secretary of State. This Sikh ethos multi-faith school successfully opened on 7th September 2011 as a two form entry Free School for pupils aged 4-11 years. All places have been filled with the intake in 2012 of 240 children for Reception, Year 1, 2 and 3 classes being oversubscribed. 60 new reception children join each year and current plans are to develop the school to a full capacity of 420 children by 2015/16.

The development of the infrastructure for Nishkam Primary School at 3, 5-7 Soho Road (completed September 2011) and 9-11 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 sponsor), Nishkam School Trust, Harkirit Construction (private contractor) and over 100 sewadaars (volunteers), the project was delivered on time to a superior specification.

The restoration of the grade II listed buildings was described by Christopher Thomas (the heritage architect responsible for the project),

'I am pleased to express my complete satisfaction with the quality of the conservation and restoration works carried out. The property has been neglected for over 50 years until it was purchased by GNNSJ in 2003. It was in a derelict and dangerous state with few of its original features remaining. I can only commend the quality of the finished project and the approach used to undertake it. The project has been procured through partnering with commercial contractors and volunteers from the local and wider community. Through self-help and community participation this project has improved the gateway to Soho Road for the benefit of all.'

Key Stage 1

Nishkam Primary school pupils are making good progress at all levels. The overall judgement of the Ofsted inspection carried out in June 2013 of 'requires improvement' was not as we hoped. Subsequent to this, we have put in further support measures to make accelerated progress to achieve at least 'good' in 12-24 months from the previous inspection. Under the 'requires improvement' procedure the school will receive a further full inspection within 24 months of the July 2013 report. In 2012/13 Nishkam Primary School had 240 pupils of which 60 of these pupils had completed Key Stage 1.

In Key Stage 1 (Year 2) the proportion of Nishkam Primary School pupils achieving the government's expectation of Level 2+ in reading, writing and mathematics exceeds national attainment in every area. In particular, whilst the writing levels results were pleasing, we aim to be significantly higher in the years to come.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

End of Key Stage 1 data – 2012-2013 with a comparison to national average

Subject	July 2013 Results	National Average	Variance
Reading	93% @ L2+	89% @ L2+	+4%
	84% @ L2b+	79% @ L2b+	+5%
	56% @ L2a+	55% @ L2a+	+1%
	31% @ L3	29% @ L3	+2%
Writing	90% @ L2+	85% @ L2+	+5%
	80% @ L2b+	67% @ L2b+	+13%
	44% @ L2a+	37% @ L2a	+7%
	23% @ L3	15% @ L3	+8%
Mathematics	93% @ L2+	91% @ L2+	+2%
	80% @ L2b+	78% @ L2b+	+2%
	56% @ L2a+	51% @ L2a+	+5%
	30% @ L3	23% @ L3	+7%

Post Balance Sheet Event

Since the year end the Headteacher Narinder Brach is no longer employed by Nishkam School Trust This is shown as a post balance sheet event in note 27 of the notes to the accounts

Nishkam High School and Sixth Form

Nishkam School Trust board applied for permission from the DfE to further extend their education provision through to students from Year 7 to Year 13 in December 2011 Department for Education approval was obtained in June 2012 for a 700 pupil school with 4 form entry initially starting with year 7 and year 12 opening in Sept 2012 After 59 days of first access to the proposed school site - an industrial hall was converted into a bespoke, 10 classroom phase I temporary school building 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 Phase 1b, a further 10 classrooms were built as a first floor with further community hours, in time for the September 2013 academic year

Nishkam High School opened to staff on 3 September 2012 and to its first cohort of 125 students on 10 September 2012

The permanent school building is being constructed on the same site, funded largely by EFA, with one tenth community contribution through services and supply BAM Construction were elected as the construction partners Main construction works commenced in April 2013 with phase 2 completion by May 2014 and phase 2A by July 2014 The final school will have the following features and facilities,

- 3 storey building
- Large classrooms, 7 science labs, library, ICT and other facilities
- Large central shared sacred space defining the school ethos
- Landscaped exterior grounds with indoor and outdoor sports pitches

NISHKAM SCHOOL TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Year 7

Our first cohort of students have settled in well into their first year at Nishkam High School. Students have come from a wide catchment area and 44 feeder schools. This poses challenges on consistency of learning methods and baseline results.

Year 12 Sixth Form

Year 12 began with 35 students coming from 22 different secondary schools, with the challenges of consistency of learning. We are committed to continual improvement which is achieved in a number of ways including improvement planning, review meetings, continual professional development, lesson observations, appraisals, learning walks, self-evaluation, data analysis and action planning.

The governors have put in place a system to review progress against the school's strategic objectives. This will include a regular report from the Head Teacher to the Governing Body on a termly basis including data against the objectives set in the strategic plan, more detailed scrutiny by the respective committees of progress against the objectives and external review through such mechanisms as assistance from the school's partner school, King Edwards High School for Girls.

Nishkam West London in the London Borough of Hounslow

DofE initial approval was obtained in July 2012 for an All-Through School (4-19 yrs) based in West London. The provision will start with Reception classes for 50 student entry and Year 1 for 50 student entry from September 2013 from a temporary building location. A permanent site and location are currently being investigated in partnership with the local council. Marketing and recruitment processes were completed during the period and the temporary site in London Road, Hounslow was converted in 60 days in partnership with the EFA utilised contractor and community kar sewa partnerships. The school successfully opened to 94 students on 9 September 2013.

Sponsor contribution

The sponsor, Guru Nanak Nishkam Sewak Jatha (Birmingham) UK, has contributed towards the school build in terms of the acquisition of freehold properties amounting to £9.2m and refurbishment costs to date of a further £0.75 million. In addition to this development spend, the sponsor has many volunteers who have contributed their time towards the management and supervision of the project as well as bricklayers, carpenters, semi-skilled personnel and labourers.

A donation of £130k was received from the sponsor in the current financial period to support the on-going educational construction works for Nishkam High School's permanent site.

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.

NISHKAM SCHOOL TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

● **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 to students that

- is balanced and broadly based,
- promotes the spiritual, moral, cultural, mental and physical development,
- prepares students at the school for the opportunities, responsibilities and experiences of later life,
- promotes, sustains and increases their knowledge and understanding

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

● **GOING CONCERN**

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

● **FINANCIAL REVIEW**

The Free School's income during the year ended 31 August 2013 was almost entirely obtained from the Education Funding Agency, the Department for Education and its sponsor Guru Nanak Nishkam Sewak Jatha (Birmingham) UK 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. Net incoming resources were £4,001,082 (2012 £2,890,278)

● **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

NISHKAM SCHOOL TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

● **PRINCIPAL RISKS AND UNCERTAINTIES**

The principle risks and uncertainties that the directors will monitor in 2013/14 include,

- Government funding
- Budget
- Staffing
- Pupil applications
- The four Ofsted inspection criteria

● **RESERVES POLICY**

As at 31 August 2013 the trust held restricted funds of £6,894,184. This is made up of a fixed asset fund of £6,353,624 which is represented by fixed assets, and a general reserve of £540,560 which represents the General Annual Grant surplus which will be carried forward to next year.

Plans for the future

● **FUTURE DEVELOPMENTS**

The Trust is focussed on meeting the following key objectives in 2013/14 across all schools,

- Raise pupil attainment levels to well above national averages at all Key Stages
- Achieve successful follow up Ofsted inspection results
- To capacity build staff to consistently deliver at least 'good' lessons
- Pupils to have strong foundations of faith values
- Retain/recruit outstanding staff
- To continue to provide inspirational infrastructures for all schools through EFA and community partnerships

NISHKAM SCHOOL TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as the Directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

AUDITORS

The auditors, Stanley Yule, have indicated their willingness to continue in office. The Directors resolved to re-appoint the auditors at a meeting of the Directors.

This report was approved by order of the board of governors on 27 December 2013 and signed on its behalf by



Dr Brinder Singh Mahon
Chairman

NISHKAM SCHOOL TRUST
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GOVERNANCE STATEMENT

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 board of governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Nishkam School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The board of governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Dr Brinder Singh Mahon, Chairman	6	6
Prof Upkar Singh Pardesi OBE, Vice Chairman	6	6
Dr Sarinder Singh Sahota OBE	6	6
Sir Robert Dowling	0	1
Dr Marius Felderhof	0	0
Shaminder Singh Rai	5	6
Hannah Webster	0	0
Sumita Bakshi	2	2
Bhopinder Singh Rahanu	3	3
Jasbinder Kaur	2	2
Kuldeep Kaur Barra	0	3
Michelle Pearson	2	2
Louis Marciel	0	0
Harcharan Singh Hunjan	2	2
Vijay Desai	0	0
Aneel Singh Golhar	0	0
Davinder Singh Alhuwalia	0	0
Cathy Heels	0	0
Hershinder Kaur Mahli	0	0
Jas Kaur Uppal	1	2

The number of governors has increased substantially since 1 September 2012. This was due to the opening of Nishkam High School in September 2012 and Nishkam School West London in September 2013 which necessitated the appointment of teaching staff governors, non-teaching staff governors and parent governors at each of the new academies.

In addition to this the governor Sir Robert Dowling retired on 7 March 2013.

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GOVERNANCE STATEMENT (continued)

The Finance and Audit Committee is a sub-committee of the main board of governors. Its purpose is to have responsibility for monitoring and reporting on financial governance and the internal control environment. Meetings are held termly and the Committee report into the main governor meetings.

Attendance at meetings in the year was as follows:

Member	Meetings attended	Out of a possible
Dr Brinder Singh Mahon	3	3
Shaminder Singh Rai	3	3
Baljit Singh	3	3
Kamaljit Kaur Takhar	3	3

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nishkam School Trust for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of governors has considered the need for a specific internal audit function and has concluded that this function is covered by the Finance and Audit Committee. The Directors have appointed Shaminder Singh Rai, a Governor, as Responsible Officer (RO) and Kamaljit Kaur Takhar as Head of Business Services who brings an array of accounting and auditing skills from her Big 4 practice background. With appropriately qualified individuals at the helm, stewardship and governance will be further strengthened.

NISHKAM SCHOOL TRUST
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GOVERNANCE STATEMENT (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities. No material weaknesses have been noted during the year.

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 27 December 2013 and signed on their behalf, by



Dr Brinder Singh Mahon
Director



Shaminder Singh Rai
Responsible Officer

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Nishkam School Trust I have considered my responsibility to notify the academy trust board of governors 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 academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the academy trust board of governors are able to identify any material, irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook (2012)

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



Dr Brinder Singh Mahon
Accounting Officer

27 December 2013

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Directors (who act as governors of Nishkam School Trust and 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 Direction 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 Directors 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 of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- 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 board of governors and signed on its behalf by



Dr Brinder Singh Mahon
Chairman

27 December 2013

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NISHKAM SCHOOL TRUST

We have audited the financial statements of Nishkam School Trust for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

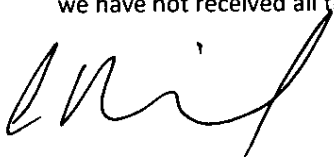
NISHKAM SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT 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 Directors' 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
1649 Pershore Road
Birmingham
B30 3DR

29 December 2013

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO NISHKAM SCHOOL TRUST AND THE
EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nishkam School Trust during the year 1 September 2012 to 31 August 2013 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 AUDITORS

The accounting officer is responsible, under the requirements of Nishkam School Trust's funding agreement with the Secretary of State for Education dated 13 August 2013, and the Academies Financial Handbook extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 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 2013 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 academy trust's income and expenditure.

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO NISHKAM SCHOOL TRUST AND THE
EDUCATION FUNDING AGENCY (continued)**

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 year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



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

29 December 2013

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	461	-	130,000	130,461	168,369
Activities for generating funds	3	-	190,553	-	190,553	71,098
Investment income	4	22	-	-	22	71
Incoming resources from charitable activities	5	-	2,876,909	3,579,185	6,456,094	3,813,031
TOTAL INCOMING RESOURCES		483	3,067,462	3,709,185	6,777,130	4,052,569
RESOURCES EXPENDED						
Charitable activities	8	-	2,508,884	242,240	2,751,124	1,143,117
Governance costs	7	-	24,924	-	24,924	19,174
TOTAL RESOURCES EXPENDED	9	-	2,533,808	242,240	2,776,048	1,162,291
NET INCOMING RESOURCES BEFORE TRANSFERS		483	533,654	3,466,945	4,001,082	2,890,278
Transfers between Funds	18	(483)	-	483	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		-	533,654	3,467,428	4,001,082	2,890,278
<i>Total funds at 1 September 2012</i>		<i>-</i>	<i>6,906</i>	<i>2,886,196</i>	<i>2,893,102</i>	<i>2,824</i>
TOTAL FUNDS AT 31 AUGUST 2013		-	540,560	6,353,624	6,894,184	2,893,102

All activities relate to continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 25 to 48 form part of these financial statements

NISHKAM SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07522245

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	15		6,793,714		3,000,590
CURRENT ASSETS					
Debtors	16	1,331,312		1,083,069	
Cash at bank and in hand		547,714		459,319	
		<u>1,879,026</u>		<u>1,542,388</u>	
CREDITORS: amounts falling due within one year	17	<u>(1,778,556)</u>		<u>(1,649,876)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>100,470</u>		<u>(107,488)</u>
NET ASSETS			<u><u>6,894,184</u></u>		<u><u>2,893,102</u></u>
FUNDS OF THE ACADEMY					
Restricted funds					
Restricted funds	18	540,560		6,906	
Restricted fixed asset funds	18	<u>6,353,624</u>		<u>2,886,196</u>	
Total restricted funds			<u>6,894,184</u>		<u>2,893,102</u>
TOTAL FUNDS			<u><u>6,894,184</u></u>		<u><u>2,893,102</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 27 December 2013 and are signed on their behalf, by:



Dr Brinder Singh Mahon
Chairman

The notes on pages 25 to 48 form part of these financial statements

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	20	4,123,737	2,746,358
Returns on investments and servicing of finance	21	22	71
Capital expenditure and financial investment	21	(4,035,364)	(2,316,319)
INCREASE IN CASH IN THE YEAR		88,395	430,110

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
Increase in cash in the year	88,395	430,110
MOVEMENT IN NET FUNDS IN THE YEAR	88,395	430,110
Net funds at 1 September 2012	459,319	29,209
NET FUNDS AT 31 AUGUST 2013	547,714	459,319

The notes on pages 25 to 48 form part of these financial statements

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy trust is a company limited by guarantee. The subscribers of the company are named on page 1. In the event of the academy trust being wound up, the liability in respect of the guarantee is limited to £10 per subscriber of the academy trust.

1.3 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 Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education and the sponsor Guru Nanak Nishkam Sewak Jatha (Birmingham) UK where the asset acquired or created is held for a specific purpose.

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

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

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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 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 is certainty of receipt and it is measurable.

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

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants received during the year relating to projects still in development are deferred and will be recognised at the same time as the related expenditure.

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

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy trust's educational operations.

Governance costs include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	Straight line over the life of the lease
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

Assets in the course of construction are included at cost. Depreciation on assets is not charged until they are brought into use. Nishkam Primary School opened in September 2011. Nishkam High School opened in September 2012. As Nishkam School West London did not open until September 2013, none of its assets were depreciated during this year.

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	461	130,000	130,461	168,369

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Parental contributions	-	190,553	190,553	71,098

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Deposit account interest	22	-	22	71

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,692,637	2,692,637	1,160,880
DfE lead in cost grant	-	184,272	184,272	102,215
DfE capital grant	-	3,579,185	3,579,185	2,549,936
	-	6,456,094	6,456,094	3,813,031

6 EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Academy's educational operations	-	2,751,124	2,751,124	1,143,117

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Academy's educational operations	1,629,114	242,240	879,770	2,751,124	1,143,117

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Accountancy	-	14,674	14,674	7,200
Auditors' remuneration	-	10,250	10,250	4,250
Legal and professional fees	-	-	-	7,724
	-	24,924	24,924	19,174

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DIRECT COSTS				
Wages and salaries	-	1,026,947	1,026,947	409,060
National insurance	-	70,902	70,902	28,576
Pension cost	-	110,743	110,743	41,596
Educational supplies	-	89,413	89,413	55,505
Food and milk	-	114,802	114,802	22,214
Uniforms	-	4,283	4,283	6,729
Educational consultancy	-	20,644	20,644	6,200
Staff development	-	17,802	17,802	15,802
Examination fees	-	5,042	5,042	-
Summer School for students	-	18,500	18,500	-
Trips and events	-	23,875	23,875	-
Educational consumables	-	102,298	102,298	12,639
	-	1,605,251	1,605,251	598,321

NISHKAM SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS (continued)

SUPPORT COSTS

Wages and salaries	-	361,950	361,950	160,116
National insurance	-	19,258	19,258	9,222
Pension cost	-	18,135	18,135	-
Depreciation	-	242,240	242,240	130,874
Hire of plant and machinery	-	3,095	3,095	130
Rent, rates and service charges	-	180,728	180,728	120,986
Light and heat	-	35,553	35,553	19,708
Stationery and printing	-	73,540	73,540	24,089
Sundry expenses	-	27,882	27,882	9,749
Entertaining	-	1,065	1,065	1,291
Advertising and marketing	-	59,655	59,655	13,724
Insurance	-	20,599	20,599	5,507
Information and publications	-	-	-	4,650
Repairs and maintenance	-	4,257	4,257	4,948
Recruitment costs	-	21,179	21,179	10,968
Computer running costs	-	15,519	15,519	6,694
Subscriptions	-	12,392	12,392	6,506
Telephone and internet	-	15,862	15,862	2,262
Travel and subsistence	-	3,333	3,333	6,152
Bank charges	-	1,783	1,783	848
Security	-	11,514	11,514	5,124
Cleaning	-	12,656	12,656	1,248
Motor expenses	-	3,678	3,678	-
	-	<u>1,145,873</u>	<u>1,145,873</u>	<u>544,796</u>
	-	<u>2,751,124</u>	<u>2,751,124</u>	<u>1,143,117</u>

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Academy's Educational Operations	1,208,592	-	396,659	1,605,251	585,682
Support costs - Academy's educational operations	399,343	242,240	504,290	1,145,873	557,435
Charitable activities	<u>1,607,935</u>	<u>242,240</u>	<u>900,949</u>	<u>2,751,124</u>	<u>1,143,117</u>
Governance	-	-	24,924	24,924	19,174
	<u>1,607,935</u>	<u>242,240</u>	<u>925,873</u>	<u>2,776,048</u>	<u>1,162,291</u>

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FOR THE YEAR ENDED 31 AUGUST 2013**

10 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Academy's educational operations	1,605,251	1,145,873	2,751,124	1,143,117

11 NET INCOMING RESOURCES

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the charity	242,240	130,874
Auditors' remuneration	10,250	4,250
Accountancy	14,674	7,200

During the year no Governors received any remuneration in respect of their position as Governors. During the year no Governors received any benefits in kind.
During the year no Governors received any reimbursement of expenses.

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12. STAFF COSTS

Staff costs were as follows

	2013	2012
	£	£
Wages and salaries	1,286,326	542,876
Social security costs	90,160	37,798
Other pension costs	128,877	41,596
Compensation	10,850	-
	<u>1,516,213</u>	<u>622,270</u>
Subcontractors	62,557	20,259
Supply teacher costs	18,313	6,041
Other costs	32,030	-
	<u>1,629,113</u>	<u>648,570</u>

The average number of persons (including the senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows

	2013	2012
	No.	No
Teachers	24	10
Educational support staff	14	8
Non-teaching staff	21	11
	<u>59</u>	<u>29</u>

No employee emoluments exceeded £60,000

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13. GOVERNORS' REMUNERATION AND EXPENSES

The Head Teacher and other staff Governors 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 Governors. The value of staff Governors' remuneration during the year, including pension contributions, from the start of the financial year (or the date of appointment if later) to the date of resignation (or the end of the financial year if earlier) fell within the following bands

	2013	2012
	£	£
Hannah Webster	0-5,000	<i>10,000-15,000</i>
Jas Kaur Uppal	5,000-10,000	
Kuldeep Kaur Barrah	15,000-20,000	<i>0-5,000</i>
Sumita Bakshi	20,000-25,000	
Michelle Pearson	20,000-25,000	
Terry Green	50,000-55,000	<i>15,000-20,000</i>

During the year none of the Directors received any remuneration (2012 - £Nil)

During the year none of the Directors received any benefits in kind (2012 - £Nil)

During the year none of the Directors received any reimbursement of expenses (2012 - £Nil)

14 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1m on any one claim and the cost for the year ended 31 August 2013 was £18,906 (2012 - £5,297)

The cost of this insurance is included in the total insurance cost

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

15. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 September 2012	2,849,461	45,087	236,916	3,131,464
Additions	3,771,640	-	263,724	4,035,364
At 31 August 2013	6,621,101	45,087	500,640	7,166,828
Depreciation				
At 1 September 2012	99,436	940	30,498	130,874
Charge for the year	120,175	11,037	111,028	242,240
At 31 August 2013	219,611	11,977	141,526	373,114
Net book value				
At 31 August 2013	6,401,490	33,110	359,114	6,793,714
At 31 August 2012	2,750,025	44,147	206,418	3,000,590

16 DEBTORS

	2013 £	2012 £
Trade debtors	4,594	11,463
Other debtors	1,268,563	1,047,328
Prepayments and accrued income	58,155	24,278
	<u>1,331,312</u>	<u>1,083,069</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS

Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	1,083,823	1,113,277
Other taxation and social security	58,660	12,725
Other creditors	471,038	421,134
Accruals and deferred income	165,035	102,740
	1,778,556	1,649,876

Deferred income

Deferred income at 1 September 2012	90,000
Resources deferred during the year	152,473
Amounts released from previous years	(90,000)
Deferred income at 31 August 2013	152,473

Deferred income relates to a project development grant in respect of Nishkam School West London which opened in September 2013

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Unrestricted funds					
General Funds - all funds	-	483	-	(483)	-
Restricted funds					
Restricted Funds - all funds	6,906	3,067,462	(2,533,808)	-	540,560
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	2,886,196	3,709,185	(242,240)	483	6,353,624
Total restricted funds	2,893,102	6,776,647	(2,776,048)	483	6,894,184
Total of funds	2,893,102	6,777,130	(2,776,048)	-	6,894,184

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

Restricted general funds

These funds include a grant received for the establishment of the Free Schools, and a grant and parental contributions for the school's operating activities and development. The grants are subject to restrictions under the school's funding agreement with the Department for Education.

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.

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 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

18 STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2013 were allocated as follows

	Total £
Nishkam Primary School	265,128
Nishkam High School	271,781
Nishkam School West London	3,651
	<hr/>
Total before fixed asset fund and pension reserve	540,560
Restricted fixed asset fund	6,353,624
Total	<hr/> <hr/> 6,894,184

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	649,281	210,184	69,219	297,706	1,226,390
Nishkam High School	571,063	124,487	134,032	333,961	1,163,543
Nishkam School West London	6,383	67,716	5,166	64,611	143,876
	<hr/> 1,226,727	<hr/> 402,387	<hr/> 208,417	<hr/> 696,278	<hr/> 2,533,809

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds	-	483	-	(483)	-
Restricted funds	6,906	3,067,462	(2,533,808)	-	540,560
Restricted fixed asset funds	2,886,196	3,709,185	(242,240)	483	6,353,624
	<hr/> 2,893,102	<hr/> 6,777,130	<hr/> (2,776,048)	<hr/> -	<hr/> 6,894,184

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**NOTES TO THE FINANCIAL STATEMENTS
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19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	440,091	6,353,624	6,793,715	3,000,589
Current assets	-	964,992	914,034	1,879,026	1,529,445
Creditors due within one year	-	(864,523)	(914,034)	(1,778,557)	(1,649,876)
	-	540,560	6,353,624	6,894,184	2,893,102

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2013 Total £	2012 £
Net incoming resources before revaluations	4,001,082	-	4,001,082	2,890,278
Returns on investments and servicing of finance	(22)	-	(22)	(71)
Depreciation of tangible fixed assets	242,240	-	242,240	130,874
Decrease in stocks	-	-	-	1,915
Increase in debtors	(248,243)	-	(248,243)	(1,039,721)
Increase in creditors	128,680	-	128,680	763,083
Net cash inflow from operations			4,123,737	2,746,358

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	22	71
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,035,364)	(2,316,319)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	459,319	88,395	-	547,714
Net funds	459,319	88,395	-	547,714

23. CAPITAL COMMITMENTS

A contractual obligation was entered into during the year with BAM Construction Limited amounting to £8.4m for the construction of the High School building. At 31 August 2013 the outstanding commitment was approximately £5.3m. Grant claims will be received in respect of this from the Education Funding Agency.

24. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the

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24. PENSION COMMITMENTS (continued)

being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the 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 2013 was £23,055, of which employer's contributions totalled £16,029 and employees' contributions totalled £7,026. There are no planned changes to the current contribution rates.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	7.00	10,625
Government bonds	3.40	2,105
Property	5.70	2,180
Other bonds	4.40	2,807
Cash/liquidity	0.50	1,027
Other	7.00	6,315
Total market value of assets		25,059
Present value of scheme liabilities		(27,670)
(Deficit)/surplus in the scheme		(2,611)

The amounts recognised in the Balance sheet are as follows

	2013 £	2012 £
Present value of funded obligations	27,670	-
Fair value of scheme assets	(25,059)	-
Deficit	2,611	-
Deficit not recognised	(2,611)	-
Net asset	-	-

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

	2013 £	2012 £
Current service cost	18,786	-
Interest on obligation	929	-
Expected return on scheme assets	(929)	-
Total	18,786	-
Actual return on scheme assets	2,004	-

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows

	2013 £	2012 £
Contributions by scheme participants	(7,026)	-
Current service cost	(18,786)	-
Interest cost	(929)	-
Actuarial losses	(929)	-
	<u>(27,670)</u>	<u>-</u>
Closing defined benefit obligation	<u>(27,670)</u>	<u>-</u>

Movements in the fair value of the academy trust's share of scheme assets

	2013 £	2012 £
Contributions by employees	(7,026)	-
Contributions by employer	(16,029)	-
Expected return on assets	(1,002)	-
Actuarial gain	(1,002)	-
	<u>(25,059)</u>	<u>-</u>

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

	2013
Discount rate for scheme liabilities	4.80 %
Expected return on scheme assets at 31 August	5.89 %
Rate of increase in salaries	4.25 %
Rate of increase for pensions in payment / inflation	2.50 %
Inflation assumption (CPI)	2.50 %
Commutation of pensions to lump sums	50.00 %

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

	2013	2012
Retiring today		
Males	22 1	
Females	24 8	
Retiring in 20 years		
Males	23.9	
Females	26 7	

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**NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	27,670
Scheme assets	(25,059)
Deficit	<u>2,611</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date				
Within 1 year	4,200	-	-	-
Between 2 and 5 years	211,068	-	-	-
After more than 5 years	214,900	175,525	-	-
	<u>219,168</u>	<u>175,525</u>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

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 involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

	2013	2012
	£	£
Donation received from Guru Nanak Nishkam Sewak Jatha (Birmingham) UK	130,000	165,000
Rent and service charges paid to Guru Nanak Nishkam Sewak Jatha (Birmingham) UK	127,337	54,000
Amount due to Guru Nanak Nishkam Sewak Jatha (Birmingham) UK at the year end	-	-
Rent and nursery fees paid to Guru Nanak Nishkam Education Trust	36,900	37,691
Goods and services sold to Guru Nanak Nishkam Education Trust	5,244	13,700
Amount due to Guru Nanak Nishkam Education Trust at the year end	5,244	12,944
Room hire, staff training and refreshments purchased from Nishkam Civic Association	13,276	34,773
Amount due to Nishkam Civic Association at the year end	91	13,978
Security charges paid to Nishkam Security Limited	11,514	5,124
Amount due to Nishkam Security Limited at the year end	-	1,239
Goods purchased from Marg Sat Santokh Manufacturers Limited	6,394	6,433
Amount due to Marg Sat Santokh Manufacturers Limited at the year end	-	-

Guru Nanak Nishkam Sewak Jatha (Birmingham) UK was 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 holds the freehold. A leasehold interest was held by Guru Nanak Education Trust.

Guru Nanak Education Trust was a charity in which the Patron Mohinder Singh Ahluwalia was a Trustee.

Nishkam Civic Association was a charity in which the Director Professor Upkar Singh Pardesi and the patron Mohinder Singh Ahluwalia were Trustees.

Nishkam Security Limited was a company in which the Patron Mohinder Singh Ahluwalia was a Director.

Marg Sat Santokh Manufacturers Limited was a company in which the Patron Mohinder Singh Ahluwalia was a Director.

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27 POST BALANCE SHEET EVENTS

Narinder Brach is no longer the Headteacher of the Nishkam Primary School or a member of the Senior Leadership Team. The Board would like to thank Mrs Brach for her considerable contribution to the set up phase of the school and are now working towards the future with a new Senior Leadership Team.