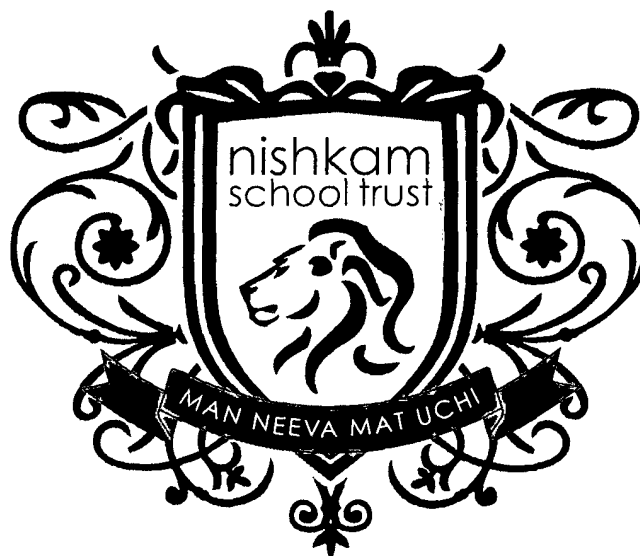


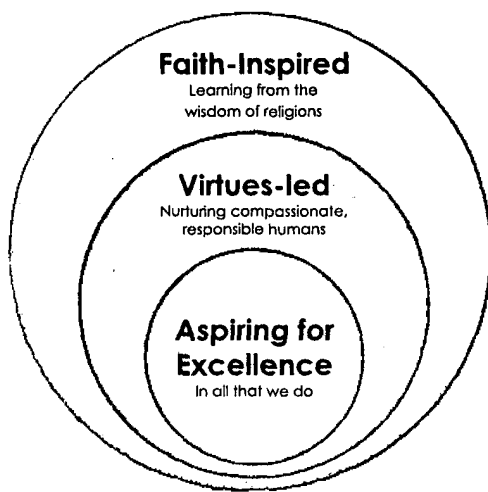
# Nishkam School Trust

## Annual Report and Financial Statements

Year Ended 31 August 2018



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



At Nishkam Schools, our pupils explore the divine context of humanity and wonder of all creation. They not only learn about, but also learn from, the wisdom of religions and in so doing explore the infinite human potential to do good unconditionally. We support pupils to develop aspects of their own religious, spiritual or human identities. They learn about serenity through prayer and humility in service and in so doing, they deepen their own respective faith, and respect the common purpose of all religious traditions, as well as respecting the beliefs of those with no faith tradition. They explore the unique divinity of the individual, and our common humanity.

At Nishkam Schools, we believe that the fostering of human virtues forms the foundation of all goodness. Our curricula are carefully enriched to allow experiences where our pupils, teachers and parents alike learn to grow through a conscious focus on virtues. Our virtues-led education approach helps to provide guidance to enable pupils to understand their choices in order to help lead better lives. Our pupils become self-reflective and flourish; they are able to build strong, meaningful relationships and understand their responsibilities to the global family and all creation, founded in faith.

At Nishkam Schools, our pupils and staff alike aim to become the best human beings they can possibly be, in all aspects of spiritual, social and academic life. We foster a school culture which inspires optimism and hope, as well as determination and confidence, for all to achieve their best possible. This is accomplished through a rich and challenging curriculum, along with excellent teaching to nurture awe and wonder. Pupils gain a breadth and depth of knowledge and a love of learning to achieve their full potential.

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## Reference and Administrative Details

### Nishkam School Trust; Governance and MAT Structure



**Faith body and Sponsor: GNNSJ**  
Members Vision

Bhai Sahib (Mohinder Singh Ahluwalia) OBE, (Patron of NST); P S Jhutti, J S Chandan

#### Board of Trustees

Accountable for: Delivering Strategy & Vision, Aspiration, School Performance, Finance, LGB Performance

Sarah Evans OBE (Chair of Trustees), S S Sahota OBE (Vice Chair), Dr M Felderhoff, R K Bahra (Chair NPSB), B S Minhas (Chair NPSW), A S Bhabra MBE (Chair NHSB), B S Panesar (Chair NSWL); S S Rai BEM, Dr. B S Mahon OBE; Advisors: E McSorley, R S Dhandha BEM, I K Mahon

#### Executive Officers

Chief Executive Officer – Dr Brinder Singh Mahon OBE

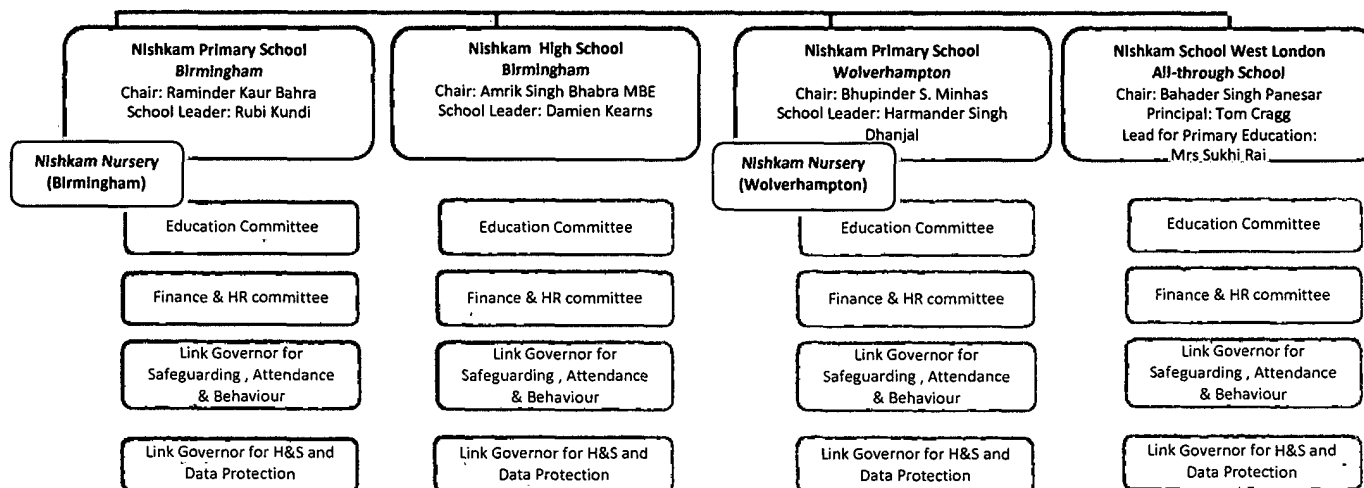
Chief Operating Officer – Shaminder Singh Rai BEM

#### Local Governing Boards

(Chair of LGB are members of the Directors Board)

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

**Central Trust Team:** Trust Director for Learning & Teaching – E McSorley; Lead for Nurseries - P Singh, Lead for Faith Inclusion – R S Dhandha BEM; Governance: R Patel;  
**Central Services Team:** Finance, Procurement, HR services, Governance Support, Training, Marketing & Admissions, ICT services.





Lord Theodore Agnew - Parliamentary Under Secretary of State at the Department for Education, visits Nishkam High School Birmingham , UK, 18 September 2018

## Members

Bhai Sahib Mohinder Singh Ahluwalia Ji (Patron of NST)  
 Parminder Singh Jhutti  
 Jaswinder Pal Singh Chandan

## Senior Leadership Team

Late Terry Green - Chair of Directors (Deceased 13 September 2017)  
 Sarah Evans - New Chair of Directors  
 Dr Brinder Singh Mahon - Chief Executive Officer  
 Shaminder Singh Rai - Chief Operating Officer  
 Ela McSorley - Trust Director for Learning and Teaching  
 Rubi Kundi - Headteacher, NPSB  
 Damien Kearns - Principal, NHSB  
 Funmi Alder - Headteacher, NSWL - (Left 31 August 2018)  
 Tom Cragg - Principal, NSWL  
 Sukhjeet Rai - Head of Primary Education, NSWL  
 Harmander Singh Dhanjal - Headteacher, NPSW

## Registered Office Address

Nishkam High School, Great King Street, Birmingham

## Independent Auditor

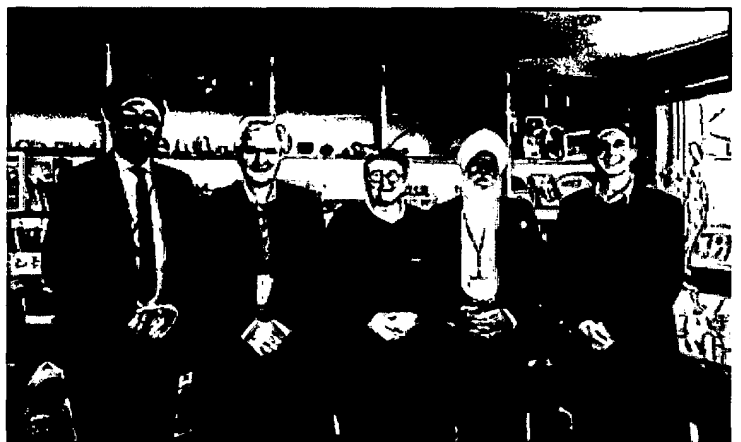
Stanley Yule Chartered Accountants

## Bank

Barclays Bank plc  
 1 Snowhill Queensway, Birmingham, B4 6GH



Jonathan Slater - Permanent Secretary of the Department for Education, visits Nishkam Primary School Birmingham , UK, 17 November 2017



Bhai Sahib Bhai Dr Mohinder Singh Ji - Patron of NST visiting Winchester University , UK, 27 December 2017



Andrew Haldane – Chief Economist of the Bank of England after his visit to Nishkam High School Birmingham welcomed by Bhai Sahib Bhai Dr Mohinder Singh Ji - Patron of NST, 27 November 2017

Wisdom Accountability Awe Cleanliness Commitment Compassion Confidence Contemplation Contentment Courage Courtesy Creativity Detachment Determination Devotion Discernment Diligence Enthusiasm Excellence Faith Forgiveness Gratitude Helpfulness Honesty Justice Kindness Humility Love Leadership Moderation Modesty Obedience Optimism Patience Peacefulness Prayerfulness Purposefulness Reliability Respect Reverence Righteousness Sacrifice Self-discipline Selflessness Simplicity Tact Tolerance Trust Truth

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## Patrons' Message

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 virtues 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 the entire Nishkam Team (in Birmingham, London and Wolverhampton). 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. Nishkam School Trust is 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 the responsibility to provide good quality virtues-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 2018

## 1.1 Objects and Aims

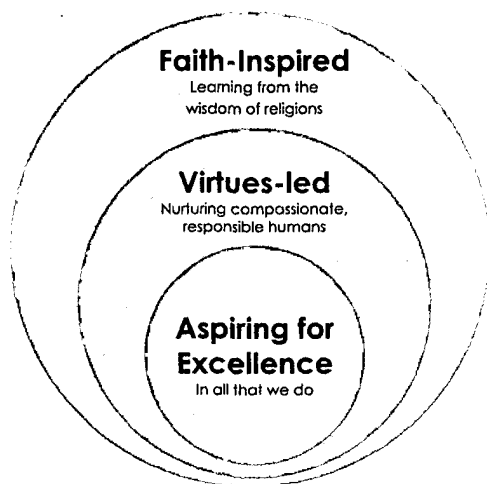
Nishkam School Trust (NST) is a charity which governs the Sikh ethos multi-faith schools established under the Governments' Free School Programme. NST is committed to providing quality education that will raise hopes, aspirations and attainment of young people. This will be realised through the implementation of the Nishkam Education Vision, which has emerged from over 40 years of voluntary education work with children locally (Birmingham), nationally (London and Leeds) and internationally (Kenya and India). NST has established four schools since 2011. 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 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 Nishkam School Vision

"To empower children with virtues, to enable them to excel academically and spiritually, enabling them to serve humanity selflessly, with an abundance of love, compassion, and forgiveness".

## 1.3 Mission



At Nishkam Schools, our pupils explore the divine context of humanity and wonder of all creation. They not only learn about, but also learn from, the wisdom of religions and in so doing explore the infinite human potential to do good unconditionally. We support pupils to develop aspects of their own religious, spiritual or human identities. They learn about serenity through prayer and humility in service and in so doing, they deepen their own respective faith, and respect the common purpose of all religious traditions, as well as respecting the beliefs of those with no faith tradition. They explore the unique divinity of the individual, and our common humanity.

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## 1.4 Our priorities

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



### **1.5 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 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.

### **1.6 Public Benefit**

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

The Trust provides education that:

- is balanced and broadly based on a foundation of virtues
- 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 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 West London, and to support a fledgling school in Wolverhampton. Currently the schools provide full time education to a total of 1580 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 and Skills 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. £24m for building the all-through school in West London. The EFSA 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 rate the three schools NSWL, NHSB, NPSB 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.' NPSW is rated as Requires improvement at the last inspection, and has made reasonable steps to becoming at least Good at the next inspection.

- The independent Statutory Inspection of Faith Education in Nishkam Schools also found the three 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'. One further school is awaiting inspection.
- 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 increase the validity of pupil outcomes, by initiating common assessments, common pupil data tracking methods, school to school review, a 'Language of Virtues' and that has been central to Trust CPD days during the 2018-19 academic 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 virtues that underpin our approach to faith development and shape the ethos of the schools within the Trust.

In addition, the Trust Director for Learning and Teaching, Ela McSorley, is leading on an 'excellence' curriculum and assessment model following the removal of National Curriculum Levels. Subject hubs across the primary have further developed English and Maths this year, as well as common assessments.

New secondary staff at NSWL will begin working together with NHSB staff to develop subject excellence further.

- Nishkam Primary School Birmingham (since 2011) - continues to improve its KS2 scores
- Nishkam High School (since 2012) - is in the top 3% of 6450 schools for progress 8, and in the top 10% for attainment 8.
- Nishkam School West London; all-through School moved into the permeant building in August 2018 - 5 years after the school opened, due to a considerable and stringent planning process.
- Nishkam Primary School Wolverhampton (joined NST in Sept 2014); makes strong progress, continues to grow in size and awaits its Ofsted inspection in the following academic year.
- Jonathan Slater Permanent secretary for the DfE visits the NST.
- All schools are oversubscribed.

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

- 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 virtues education.

Below national, at national, above national

Internal Data								External Data				
Cohort (No. of pupils)	EYFS (Reception) Reaching a Good Level of Development (GLD) %	Phonics (%)	Key Stage 1 (Year2) expected standard % (achieving 'greater depth') %					Key Stage 2 (Year 6) expected standard % (achieving 'higher standard') %				
			Combined	R (reading)	W (writing)	M (maths)	Science	Combined Score	R PP	GPS (Spelling, Punctuation, and Grammar)	W	M
<b>National*</b> (650,000)	<b>71.4*</b>	<b>82.7*</b>	<b>65.4*</b>	<b>75.5*</b>	<b>70*</b>	<b>76.1*</b>		<b>64*</b>	<b>75*</b>	<b>78*</b>	<b>78*</b>	<b>76*</b>
NPSB (60 KS1) (60 KS2)	73 67* 75**	78 98* 93**	72 63* 47**	90 (25) 82 (33)*	83 (18) 78 (28)*	91 (23) 82 (30)*	92 93*	72 63 (7)* 49 (7)**	73 (30) 73 (25)* 53**	88 (62)	85 (28) 73* 63**	85 (34) 85* 65**
								Progress KS1-KS2	-1.3 (average) (-2.3 - -0.3) -0.9* -0.9**		-0.06 (average) (-1.4 - 1.4) -0.4* -0.1**	1.2 (average) (-0.7 - 2.6) -0.5* -0.8**
NPSW (58 KS1)	60 64*	72 83*		75 (28) 78 (34)*	72 (24) 72 (19)*	79 (24) 81 (25)*	84	N/A				
NSWL (60 KS1)	90 90*	100 98*	94 (44)	98 (62) 96 (50)*	98 (50) 94 (54)*	96 (54) 94 (54)*	98 90*	N/A				

Notes: \*2017 \*\*2016

### 3 Nishkam Primary School (Current Ofsted Rating - Outstanding)



Nishkam Primary School opened in September 2011. It was approved in wave 1 of the Free Schools initiative, as one of the first of only 24 free schools and started with Reception, Years 1 and 2. In each of the subsequent years, 60 new pupils have been admitted to Reception 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 (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.

#### 3.1 Overall School performance headlines

- Pupil achievement at Nishkam Primary School continues to move upwards. KS1-KS2 Progress overall has improved, however is average; particular focus on Reading will need to occur.
- In Year One 78% of pupils passed the Phonics test in comparison to the national average of 82%.
- KS1 and KS2 attainment was above the national expected levels in reading, writing and maths.
- The majority of children in all year groups have made at least good progress.



### 3.2 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 school's focus on faith education helps pupils develop a set of virtues 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 virtues driven. Virtues such as love, compassion, humility and forgiveness are given a very high standing. Virtues 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.



### 3.3 Key Improvement Areas for 2018-2019

1. Continue to raise whole school attainment in all areas especially KS1 and KS2 outcomes, in particular with focus on phonics
2. Whilst on a good upward trend, to further raise KS2 outcomes to significantly above national average with particular focus on reading
3. Increase the number of good and outstanding teachers
4. Continue to focus on excellence in the curriculum at every level

#### 4 Nishkam School West London (Current Ofsted Rating - Outstanding)



The DfE approved 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 new home for NSWL brings 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 7th 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. The new building commenced in earnest and was delivered to NST in August 2018.

In September 2017, the sixth cohort of 50 children were admitted into the Reception Year, (Total on roll 287). In January 2018, Mr Tom Cragg was appointed as the Principal of the all-through school in preparation for the first cohort of 100 pupils entering year 7 in September 2018. Mrs Sukhjeet Rai, was

appointed the Head of Primary Education in June 2018, in place of Funmi Alder who left the School.

A full Ofsted inspection in the second week of September 2016 rated the school Outstanding in all areas.

The following summary provides an overview of pupil progress.

##### 4.1 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.

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

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

The strong vision and virtues 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 virtues driven. Virtues such as love, compassion, humility and forgiveness are given a very high standing. Virtues 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 outstanding.

#### 4.3 Key Priority Areas for 2018-2019

- To achieve a smooth transition from the temporary site to the new site
- Provision in 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.



## **5 Nishkam Primary School, Wolverhampton (Current Ofsted Rating - Requires Improvement)**

The School was originally approved by the DfE as a Two-Form entry primary school in April 2013 and opened in September 2014 as the Anand Primary School. The 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. 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 2018 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 2018 the school consisted of Reception, Years 1, 2, 3 and 4 pupils with 220 children on roll.

The school has a diverse intake with at least 6 different religions and 14 nationalities; the school is representative of the local area in modern Britain.

### **5.1 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 60% of pupils in the Reception class achieved a 'Good Level of Development' and whilst this is below the national standard, baseline assessments suggest good progress is being made.
- 72% of pupils passed the Year 1 Phonics test in comparison to the national average of 83%.
- 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.





## 5.2 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 virtues and whole school ethos. The school has adopted the Birmingham SACRE 24 dispositions, developed with the full involvement of NST, and 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 virtues 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.

## 5.3 Key Improvement Areas for 2018-2019

Ensure School judged at least Ofsted Good at next inspection.

- 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 throughout 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%



## **6 Nishkam High School including Sixth Form (Current Ofsted Rating - Outstanding)**

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 (£9m) 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.

### **6.1 Overall School performance headlines**

The pioneering work to develop a unique approach to the delivery of the new National Curriculum and Assessment will continue to place the school at the cutting edge of curriculum innovation amongst secondary schools.



At KS4

### Progress 8: 0.77

- Top 3% nationally;
- Gap between PP and non PP closed considerably:

### Attainment 8 Score: 54.3

- Top 10% in the UK

Measure	Disadvantaged	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Total Attainment 8	All	55.14	54.36	46.3	8.06
	Not Disadvantaged	56.88	56.18	49.67	6.51
	Disadvantaged	50.83	50.71	38.34	12.37
Measure	Disadvantaged	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Total Progress 8	All	0.975	0.747	0	0.747
	Not Disadvantaged	0.983	0.847	0.141	0.706
	Disadvantaged	0.959	0.541	-0.379	0.92
Measure	Disadvantaged	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Points Score Per EBacc Slot for COHORT	All	4.61	5.13	3.99	1.14
	Not Disadvantaged	4.83	5.29	4.33	0.96
	Disadvantaged	4.07	4.82	3.18	1.64
Measure	Gender	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Total Attainment 8	All	55.14	54.36	46.3	8.06
	Female	55.01	52.71	48.84	3.87
	Male	55.22	56.33	43.75	12.58
	GAP	-0.21	-3.62	5.09	-8.71
Measure	Gender	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Total Progress 8	All	0.975	0.747	0	0.747
	Female	1.083	0.736	0.231	0.505
	Male	0.911	0.761	-0.238	0.999
	GAP	0.172	-0.025	0.469	-0.494
Measure	Gender	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Points Score Per EBacc Slot for COHORT ?	All	4.61	5.13	3.99	1.14
	Female	4.56	4.94	4.21	0.73
	Male	4.65	5.36	3.76	1.6
	GAP	-0.09	-0.42	0.45	-0.87
Measure	KS2 Banding	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Total Attainment 8	All	55.14	54.36	46.3	8.06
	N/A	49.56	53		
	Lower	36.67	31.56		
	Middle	53.83	48.22		
	Upper/High	63.9	64.62		
Measure	KS2 Banding	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Total Progress 8	All	0.975	0.747	0	0.747
	N/A	-	-	-	-
	Lower	1.018	0.546	-	-
	Middle	1.147	0.827	-	-
	Upper/High	0.708	0.705	-	-
Measure	KS2 Banding	Total 2017	Total 2018	Collaboration Data 2018	Examsvs. Data Collab. (Diff) 2018
Average Points Score Per EBacc Slot for COHORT ?	All	4.61	5.13	3.99	1.14
	N/A	4.22	5.21	-	-
	Lower	2.81	3	-	-
	Middle	4.39	4.46	-	-
	Upper/High	5.58	6.18	-	-

## 6 Nishkam High School including Sixth Form (Ofsted outstanding)

### AT KS5

KS5 pupil numbers are small as the first set of year 7 cohort from 2012 opening will not come through until the following year. Current pupils entering the school have entered mostly at year 12, some at 13. A-level entry remains 5 GCSE grade B's on average.

Progress was -0.08 for pupils that sat A level exams in 2018; including all other counting results, that figure is likely to fall further to an approximate figure of -0.16 with the grades included of students no longer at the school. With the higher confidence interval being above zero, it will rate as an average. Small cohort size renders statistics as volatile and any conclusions about the data would be 'statistically insignificant'.

	NHSB 2015	NHSB 2016	NHSB 2017	NHSB 2018		National 2015	National 2016	National 2017	National 2018	
% A*	0.0%	0.0%	0.0%	0%		8.30%	8.10%	8.30%	8.00%	
% A* - A	5.9%	10.0%	0.0%	8.0%		25.90%	25.80%	26.30%	26.40%	
% A* - B	29.8%	13.3%	16.0%	31.3%		52.70%	52.80%	53.10%	53.00%	
% A* - C	58.2%	70.0%	67.1%	63.9%		77.20%	77.50%	77.40%	77.00%	
% A* - E	98.5%	100.0%	100.0%	97.9%		98.10%	98.10%	97.90%	97.60%	
% No Passes	1.5%	0.0%	0.0%	2.1%		1.90%	1.90%	2.10%	2.40%	



Lord Theodore Agnew - Parliamentary Under Secretary of State at the Department for Education, speaking to pupils during his visit to Nishkam High School Birmingham, UK, 18 September 2018

## 6.2 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 virtues 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.

## 6.3 Key Development Areas for 2018-2019

KS4:

Attainment and progress in MFL, PE, the arts (Music, Drama and Art)

Gender gap: boys' attainment and progress needs to match girls

Actions taken

KS5

A\*/A/B grades across all subjects

Improve average grade to at least a C+

Recruit more students into the sixth form

Actions taken:

A Level moderation with UoB school, also

examining exemplar responses at A\*/A grade

More students in Y12 (from internal Y11 students)

All teachers are attending at least one subject specific course



Jonathan Slater - Permanent Secretary of the Department for Education, speaking to pupils during his visit to Nishkam High School Birmingham, UK, 17 November 2017





## 7 GNNSJ (Proposer) contribution

NST are indebted to our proposer, and designated 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 virtues and virtues education

GNNSJ, is also involved in the following projects which complement the Nishkam Schools and promote virtues 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 and virtues 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

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

PROJECT	FUNDING
<b>Lectureship in Sikh Studies,</b>	
Dr Jhutti-Johal,	
(Jan 02 - Mar 11)	£380,453.00
<b>Religions, Civil Society &amp; The UN</b>	
Dr Martin Stringer, Dr Josef Boehle,	
(Oct 11 Dec 14)	£147,500.00
<b>Religion and Peacebuilding &amp; A Charter for Forgiveness</b>	
Dr Josef Boehle,	
(Oct 2011-Dec 2014)	£76,000.00
<b>Total GNNSJ Funding</b>	<b>£603,953.00</b>



#### 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).

**April 2014** - Hofstra University's 2014 Guru Nanak Interfaith Prize awarded to Bhai Sahib Bhai Dr Mohinder Singh

**October 2015** - Council For the Parliament of Worlds Religions Conference at Utah City, The Parliament galvanized followers of over 50 global faiths into action—action bolstered by healing and transformative experiences, and informed by inclusivity and mutual respect.

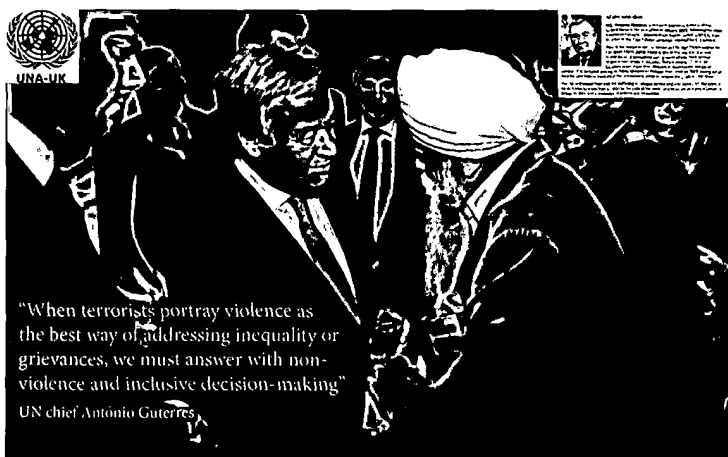
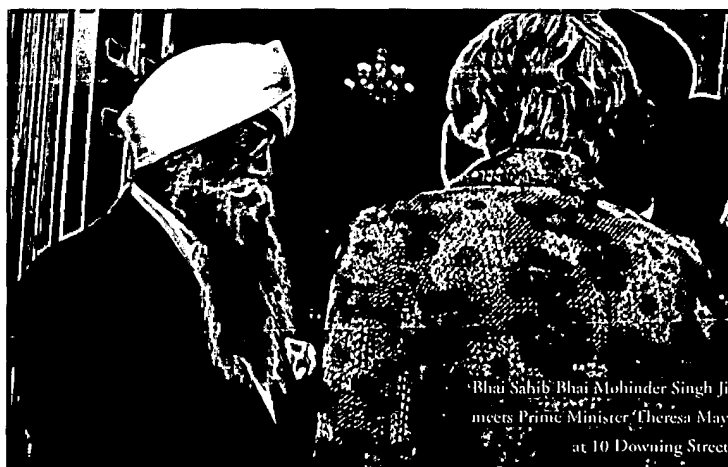
**February 2016** UN World Interfaith Harmony Conference: "Peace at Home Builds Peace in the World," 3 February 2016, Dubai, U.A.E.

**November 2018** SOAS hosts key address by UN Chief Secretary General Antonio Guterres in London

**February 2018** Interreligious Dialogue for Peace: Promoting peaceful coexistence and common citizenship - International Dialogue Centre (KAICIID) Vienna.

**April 2018** Vaisakhi Day Reception at 10 Downing Street. Prime Minister Theresa May greets the Sikh Community.

**May 2018** His Holiness the Pope blesses the Charter for Forgiveness presented by Bhai Sahib Bhai Mohinder Singh at the Vatican, Rome.



## 8 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.

### Constitution

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

### 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 exceed £10, for the debts and liabilities contracted before they ceased to be a member.

### Trustees' Indemnities

Trustees benefit from indemnity cover arranged at the Trust's expense, through the Risk Protection Arrangement, to cover liability of Trustees by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty in relation to the Trust.

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

The Trustees of the charitable company shall comprise:

- Up to 10 persons appointed by the Members
- Staff Directors may also be appointed by the Members (not exceeding one third of the total number of Trustees)
- The CEO, if appointed as such by the

charitable company members; and

- A minimum of two parent Trustees unless there are Local Governing Bodies

The Trust may appoint co-opted Trustees provided Member appointed Trustees remain a majority on the Board Trustees shall cease to hold office if removed by the person or persons who appointed them, or otherwise by an ordinary resolution of members in accordance with the Companies act 2006.

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

All Trustees are required to undertake an induction which includes a governance information pack, copies of policies, procedures, minutes, financial accounts, budget plans and other documents that they will need to undertake their roles as Trustees.

Nishkam School Trust has a comprehensive Training programme, which includes the following:

- Clear identified responsibilities in a JD form are provided
- Managing and Interpreting data
- The role of the Director/Trustees and the governor
- Safeguarding
- Financial Management
- Statutory Update
- Education Training

Governors in the individual academies may also attend training provide local, e.g. by the relevant local authority, which is tailored to the needs of their particular academy.

### **Arrangements for setting pay and remuneration of key management personnel**

The key management personnel of the Trust comprise of the Directors and the senior management team as depicted within page 4. The CEO together with the Chair of Governors (also a Director/Trustee) have delegated responsibility by the Board of Directors for the remuneration of other Principal/Head teacher and Senior Leaders within each academy is aligned to the guidance received from the Department of Education and in accordance with the Trusts performance process and approved pay and appraisal policies.

### **Trade union facility time**

There are currently no active relevant union officials employed nor any usage of facility time for Trade Union activities.

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

Guru Nanak Nishkam Sewak Jatha GNNSJ (Birmingham) UK, is the proposer and designated religious body of the Trust.

### **Plans for Future Periods**

There is a clear trust priority plan to maintain and continue to improve overall outcomes in the Trust vision.

### Faith and Virtues

Outstanding multi-faith and virtues development permeates all aspects of the school. Schemes of work for RE and Faith enable children to excel in their:

- own faith.
- have a deep respect and understanding of those of other faiths.
- Live life through virtues.

Pupils access virtues and success criteria as set out in the Nishkam Passport and make progress in their understanding. Pupils reflect in their Virtues Passport weekly to ensure reflection and recognition of where pupils may need to have further focus. All staff (both teaching and non-teaching) role model the language of virtues (and the associated staff document) both within and outside of lessons, throughout school life to ensure that the pupils receive a consistent approach. Daily collective worship / assemblies

inspire the faith of pupils to engage pupils fully with faith practice. Enrichment activity and organised events aim to enhance either faith virtues or academic excellence to further the school vision. Parents increase their knowledge of understanding virtues for the home environment.

### Learning and Teaching

To ensure all teaching is at least good across our schools through: precise and tailored CPD, which is responsive to issues revealed through monitoring and evaluation, and focused on six areas of great teaching; consistency and accuracy of evaluation of L&T; Trust support plans, with clear deadlines and targets, offered to staff identified as 'Requires Improvement'; training for SLT and middle leaders to support good or better teaching

To ensure all lessons are planned to allow for challenge and opportunities for learners to achieve Excellence through: ensuring a consistent approach to planning high achievement for all; reviewing practice of setting challenge 1, 2 and 3 which has been viewed by numerous observers including external consultants as limiting potential and instead utilising 'all children can and will achieve model' and scaffolding to get there, where appropriate; regular review of planning and highlighting best practice

To use and model Nishkam language of virtues across the curriculum and throughout the Trust through: regular and explicit use of the language of virtues within lessons; language of virtues to be a planned component of any unit/scheme of learning

To ensure subject knowledge is secure in all teachers through: regular review of teachers' subject knowledge; appropriate training within the Trust where need is identified

To develop the Good to Outstanding programme across the Trust: sharing good practice through technology and the Teaching Fellows; developing a film library of outstanding lessons; developing our coaching programme; focusing on the six areas of Great Teaching

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

There are no funds held as custodian trustees on behalf of others.

## **Review of Value for Money**

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

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

- financial oversight and governance continue to be strengthened by introducing link governor roles with clear template information collation of schools to increase consistency and validity of data
- delivering economies of scale
- educational outcomes have been improved with the relative same resources and are overall above national on average. Average staff costs across the trust are just under 80%
- the NST offering for pupils is such that there is significant continued increase in pupils applying to academy schools. On average there are continued rise in both those pupils for applying for faith and non-faith places in all 4 schools.
- there is a continued decrease percentage in teaching staff leaving the trust and a relative increase in the retention of teaching staff with excellent stability overall
- areas of future focus will include continued strengthening of quality of curriculum and quality of teaching professional development

the auditor is aware of that information.

## 9 Financial Review

The MAT's income during the year ended 31 August 2018 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. Net incoming resources were £10,272,032 (2017 £12,685,266).

The auditors, Stanley Yule Chartered Accountants, are 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:

## 10 Principal Risks and Uncertainties

The principle risks and uncertainties that the directors will monitor in 2018/19 include;

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

Dr Brinder Singh Mahon  
Chief Executive Officer



Date: 18/12/18

## 11 Reserves Policy

As at 31 August 2018 the trust held restricted funds of £38,199,537. This is made up of a fixed asset fund of £37,270,334 which is represented by fixed assets, and a general reserve of £929,203 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

## **14 Governance Statement for the Year Ended 31 August 2018**

### **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 2018-18**

<b>DIRECTORS - Nishkam School Trust</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Terry Green (Chair) - appointed Oct 2015 (deceased 13 <sup>th</sup> Sep)	-	-
Brinder Singh Mahon OBE - appointed Jan 2011	3	3
Dr Sarinder Singh Sahota OBE - appointed Jan 2011	3	3
Sarah Evans OBE (Chair) - appointed Dec 2013	2	3
Dr Marius Felderhof - appointed Aug 2013	2	3
Shaminder Singh Rai MEB- appointed Feb 2016	2	3
Raminder Kaur Bahra - appointed Nov 2015	1	3
Bhupinder Singh Minhas - appointed July 2015	3	3
Amrik Singh Bhabra MBE- appointed Sep 2016	3	3
Bahader Singh Panesar – appointed 03 Feb 17	1	3
<b>GOVERNORS - Nishkam Primary School Birmingham</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Raminder Kaur Bahra - appointed 9 <sup>th</sup> July 2014 (on maternity leave)	-	-
Dr Sarinder Singh Sahota OBE - appointed Jan 2011	2	3
Bhupinder Singh Minhas - appointed Mar 2015	2	3
Balwinder Kaur Sembi - appointed 9 <sup>th</sup> July 2014	3	3
Gurpreet Kaur - appointed 9 <sup>th</sup> July 2014	2	3
Amrik Singh Bhabra MBE – (Acting Chair) appointed Sep 2016	3	3
Mandeep Kaur – appointed Dec 2016	2	3
Lakhdeep Kaur – appointed Jan 2018	2	2
<b>GOVERNORS - Nishkam High School Birmingham</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Terry Green (Chair) - appointed Nov 2015 (deceased 13 <sup>th</sup> Sep)	-	-
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 31st August 2013	3	3
Harcharan Singh Hunjan - appointed 14 March 2013	2	3
Vijay Desai - appointed 14th March 2013	3	3
Avtar Sheergill - appointed 1 Sep 2014	1	3
Amrik Singh Bhabra MBE – (Chair) appointed Sep 2016	3	3
Emma Hawkey – appointed Nov 2016	3	3
Emily Lloyd – appointed Mar 2018	2	3
Jatinder Singh – appointed Mar 2018	2	3
<b>GOVERNORS - Nishkam School West London</b>	<b>Meetings Attended</b>	<b>Out of Possible</b>
Davinder Ahluwalia - appointed 1 <sup>st</sup> August 2013	2	3
Aneel Singh Golhar - appointed 1 <sup>st</sup> August 2013	3	3
Harshinder Kaur Mahli - appointed 1 <sup>st</sup> August 2013	3	3
Mantej Singh Notay - appointed 10 <sup>th</sup> January 2014	3	3
Manjit Basra appointed 1 <sup>st</sup> December 2015	3	3
Bahader Singh Panesar (Chair) - appointed 15 July 2015	3	3
Ishwinder Kaur Mahon – appointed Sep 17	2	3
Jasmine Kaur Assi – appointed 31 Oct 2016	1	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 1st Sep 2014	3	3
Gurpal Singh – appointed 1st Sep 2014	2	3
Tarun Patel– appointed 10 Nov 2014	0	1
Charan Kaur Chinger – appointed 10 Nov 2014	1	2
Manreshpal Singh Rai – appointed 2 <sup>nd</sup> Mar 2016	1	3
Justin Gomersall – appointed 29 <sup>th</sup> Jan 2018	2	2
Shimshad Latif – appointed 29 <sup>th</sup> Jan 2018	1	2
Jatinder Kaur Padam – appointed 23 May 2018	1	1
*Sukhvinder Singh Rana – appointed 14 May 18	1	1
Manpreet Singh Sandhu – appointed 11 Jun 18	1	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: 13/12/13

Shaminder Singh Rai  
**Accounting officer**



Date: 13/12/13



**15 Statement on Regularity, Propriety  
and Compliance For The Year Ended  
31 August 2018**

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:

 18/12/18

## 16 Statement of Directors' Responsibilities for the Year Ended 31 August 2018

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: 18 / 12 / 18

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

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**Opinion**

We have audited the financial statements of Nishkam School Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

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 2018 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 2017 to 2018.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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

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

- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Our responsibilities for the audit of the financial statements**

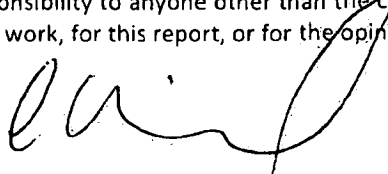
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is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

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

**Use of our report**

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.

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: 18.12.2018

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

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In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nishkam School Trust and the ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

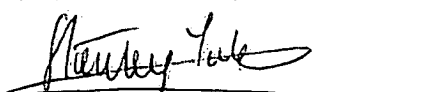
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2017 to 31 August 2018 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: 18.12.2018

Nishkam School Trust

Statement of Financial Activities  
for the year ended 31 August 2018

				2018	2017
		Unrestricted fund	Restricted funds	Restricted Fixed Asset Funds	Total funds
	Notes	£	£	£	Total funds
					£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and capital grants	2	898	-	10,969,667	10,970,565
<b>Charitable activities</b>					
Funding for the academy's educational operations	3	482,532	8,612,793	-	9,095,325
Other trading activities	4	72,471	-	-	72,471
Investment income	5	16,922	-	-	16,922
<b>Total</b>		<b>572,823</b>	<b>8,612,793</b>	<b>10,969,667</b>	<b>20,155,283</b>
<b>EXPENDITURE ON Charitable activities</b>					
Academy's educational operations		572,823	8,430,103	880,325	9,883,251
<b>NET INCOME</b>		<b>-</b>	<b>182,690</b>	<b>10,089,342</b>	<b>10,272,032</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/losses on defined benefit schemes		-	458,730	-	458,730
<b>Net movement in funds</b>		<b>-</b>	<b>641,420</b>	<b>10,089,342</b>	<b>10,730,762</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		-	287,783	27,180,992	27,468,775
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>929,203</b>	<b>37,270,334</b>	<b>38,199,537</b>

The notes form part of these financial statements

Nishkam School Trust

Statement of Financial Position  
At 31 August 2018

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Intangible assets	14	29,325	42,513
Tangible assets	15	<u>38,169,573</u>	<u>27,842,865</u>
		<b>38,198,898</b>	<b>27,885,378</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	16	2,178,812	2,810,324
Cash at bank		<u>2,263,635</u>	<u>2,212,453</u>
		<b>4,442,447</b>	<b>5,022,777</b>
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(3,075,808)</u>	<u>(3,964,380)</u>
<b>NET CURRENT ASSETS</b>		<u><b>1,366,639</b></u>	<u><b>1,058,397</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>39,565,537</b>	<b>28,943,775</b>
<b>PENSION LIABILITY</b>	21	<u>(1,366,000)</u>	<u>(1,475,000)</u>
<b>NET ASSETS</b>		<u><b>38,199,537</b></u>	<u><b>27,468,775</b></u>
<b>FUNDS</b>	20		
Unrestricted funds:			
Restricted funds:			
Restricted General Funds		2,295,203	1,762,783
Restricted Fixed Asset Funds		37,270,334	27,180,992
Pension Reserve		<u>(1,366,000)</u>	<u>(1,475,000)</u>
		<u><b>38,199,537</b></u>	<u><b>27,468,775</b></u>
<b>TOTAL FUNDS</b>		<u><b>38,199,537</b></u>	<u><b>27,468,775</b></u>

The notes form part of these financial statements

continued...

Nishkam School Trust

Statement of Financial Position - continued  
At 31 August 2018

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The financial statements were approved by the Board of Trustees on 18/12/18 and were signed on its behalf by:



Trustee

The notes form part of these financial statements



Nishkam School Trust

Statement of Cash Flows  
for the year ended 31 August 2018

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>257,230</u>	<u>1,438,986</u>
<b>Net cash provided by (used in) operating activities</b>		<u>257,230</u>	<u>1,438,986</u>
<b>Cash flows from investing activities:</b>			
Purchase of intangible fixed assets		-	(39,299)
Purchase of tangible fixed assets		(11,193,847)	(13,521,515)
Capital grants from DfE/ESFA		10,737,421	13,330,214
Capital funding received from sponsors		232,246	102,000
Interest received		1,210	1,044
Rental income		<u>16,922</u>	<u>35,310</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(206,048)</u>	<u>(92,246)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>51,182</u>	<u>1,346,740</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>2,212,453</u>	<u>865,713</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>2,263,635</u>	<u>2,212,453</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows  
for the year ended 31 August 2018

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

	2018 £	2017 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>10,272,032</b>	<b>12,685,266</b>
<b>Adjustments for:</b>		
Depreciation	808,309	849,134
Capital grants from DfE/ESFA	(10,737,421)	(13,330,213)
Loss on disposal of fixed assets	72,018	-
Interest received	(1,210)	(1,044)
Rental income	(16,922)	(35,310)
Capital funding received from sponsors	(232,246)	(102,000)
Defined benefit scheme finance costs	35,000	9,000
Decrease/(increase) in debtors	631,512	(2,397,456)
(Decrease)/increase in creditors	(888,572)	3,373,609
Difference between pension charge and cash contributions	<u>314,730</u>	<u>388,000</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>257,230</u></b>	<b><u>1,438,986</u></b>

**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 2016 to 2017 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.

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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**1. ACCOUNTING POLICIES – continued**

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

**Assets under construction**

The trust has benefitted from the ESFA's Free School Building Programme for the construction of Nishkam West London School. The expenditure was capitalised under asset under construction, but has been transferred to long leasehold as the project is now complete.

**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.

**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.

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

## 1. ACCOUNTING POLICIES – continued

### 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.

### Tangible fixed assets

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

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

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.

Notes to the Financial Statements -continued  
for the year ended 31 August 2018

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**1. ACCOUNTING POLICIES – continued**

**Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurements basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instrument .

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

Financial liabilities - trade creditors, accruals and other creditors are financial instrument, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement as already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**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.

**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.

Under the academy's funding agreement there is no limit on the amount of GAG to carry forward. from one year to the net.

**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.

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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**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..

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. The TPS is a multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**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.

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

**1. ACCOUNTING POLICIES – continued****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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018.. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. DONATIONS AND CAPITAL GRANTS**

	2018 £	2017 £
Donations	233,144	106,703
Dfe/ESFA Capital Grants	<u>10,737,421</u>	<u>13,330,214</u>
	<u>10,970,565</u>	<u>13,436,917</u>

Grants received, included in the above, are as follows:

	2018 £	2017 £
Other grants	<u>10,737,421</u>	<u>13,330,214</u>

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

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
General Annual Grant	-	8,591,792	8,591,792	7,765,755
Parental contribution	482,532	-	482,532	432,986
Local authority funding	<u>-</u>	<u>21,001</u>	<u>21,001</u>	<u>-</u>
	<u>482,532</u>	<u>8,612,793</u>	<u>9,095,325</u>	<u>8,198,741</u>



Nishkam School Trust

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

**4. OTHER TRADING ACTIVITIES**

	2018 £	2017 £
Fundraising events	3,557	-
Catering income	4,903	-
Activities for generating funds	<u>64,011</u>	<u>-</u>
	<u><u>72,471</u></u>	<u><u>-</u></u>

**5. INVESTMENT INCOME**

	2018 £	2017 £
Rents received	15,712	35,310
Deposit account interest	<u>1,210</u>	<u>1,044</u>
	<u><u>16,922</u></u>	<u><u>36,354</u></u>

Rent income relates to the following:

	2018 £	2017 £
Nishkam High School - Room Rental	3,712	23,310
Nishkam School Wolverhampton - Nursery Room Rental	<u>12,000</u>	<u>12,000</u>
	<u><u>16,922</u></u>	<u><u>35,310</u></u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018**6. EXPENDITURE**

				2018	2017
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises £	Other costs £	£	£
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	5,078,306	-	936,888	6,015,194	5,298,734
Allocated support costs	<u>1,123,088</u>	<u>849,566</u>	<u>1,895,403</u>	<u>3,868,057</u>	<u>3,688,012</u>
	<u>6,201,394</u>	<u>849,566</u>	<u>2,832,291</u>	<u>9,883,251</u>	<u>8,986,746</u>

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

	2018	2017
	£	£
Auditors' remuneration	15,030	15,030
Accountancy charges	43,860	41,610
Depreciation - owned assets	795,120	835,947
Solicitor's fee	-	2,299
Hire of plant and machinery	31,368	23,991
Deficit on disposal of fixed asset	72,018	-
Computer software amortisation	<u>13,187</u>	<u>13,187</u>

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

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Direct costs	338,132	5,577,062	6,015,194	4,575,813
Support costs	<u>234,691</u>	<u>3,633,366</u>	<u>3,868,057</u>	<u>3,236,466</u>
	<u>572,823</u>	<u>9,210,428</u>	<u>9,883,251</u>	<u>7,812,259</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

**8. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs (See note 9)	Totals
	£	£	£
Staff costs	5,078,306	1,123,088	6,201,394
Support costs	501,917	1,864,644	2,366,561
Catering costs	340,858	-	340,858
Examination fees	56,132	-	56,132
Staff development	37,981	-	37,981
Depreciation of tangible fixed assets	-	795,120	795,120
Depreciation of intangible fixed assets	-	13,187	13,187
Profit/Loss on sale of fixed assets	-	72,018	72,018
	<u>6,015,194</u>	<u>3,868,057</u>	<u>9,883,251</u>

**9. SUPPORT COSTS**

	Management	Information technology	Human resources	Premises Costs
	£	£	£	£
Depreciation of tangible fixed assets	795,120	-	-	-
Staff costs	1,123,088	-	-	-
Support costs	626,935	252,831	41,354	849,556
Depreciation of intangible fixed assets	13,187	-	-	-
Profit/Loss on sale of fixed assets	72,018	-	-	-
	<u>2,630,348</u>	<u>252,831</u>	<u>41,354</u>	<u>849,556</u>

	Finance costs	Pension costs	Governance costs	Totals
	£	£	£	£
Depreciation of tangible fixed assets	-	-	-	795,120
Staff costs	-	-	-	1,123,088
Support costs	78	35,000	58,890	1,864,644
Depreciation of intangible fixed assets	-	-	-	13,187
Profit/Loss on sale of fixed assets	-	-	-	72,018
	<u>78</u>	<u>35,000</u>	<u>58,890</u>	<u>3,868,057</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 August 2018 nor for the year ended 31 August 2017.

**Trustees' expenses**

During the year ended 31 August 2018 no expenses or reimbursement of expenses were paid directly to trustees.

**11. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	4,408,135	4,042,006
Social security costs	419,480	381,371
Operating costs of defined benefit pension schemes	<u>986,715</u>	<u>957,406</u>
	5,814,330	5,380,783
Supply teacher costs	287,645	282,537
Sub-Contractor	99,419	76,943
Severance pay	<u>-</u>	<u>37,000</u>
	<u><u>6,201,394</u></u>	<u><u>5,777,263</u></u>

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

	2018	2017
Teachers	83	66
Educational support staff	33	29
Non-teaching staff	<u>48</u>	<u>35</u>
	<u><u>164</u></u>	<u><u>130</u></u>

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

	2018	2017
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u><u>4</u></u>	<u><u>3</u></u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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**11. STAFF COSTS- continued**

**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 £583,722 (2017: £345,885).

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 Governor.

Trustees did not receive any remuneration.

**12. 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.

Notes to the Financial Statements - continued  
for the year ended 31 August 2018**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	4,704		13,432,213	13,436,917
<b>Charitable activities</b>				
Funding for the academy's educational operations	432,986	7,765,755	-	8,198,741
Investment income	36,354	-	-	36,354
<b>Total</b>	<b>474,044</b>	<b>7,765,756</b>	<b>13,432,213</b>	<b>21,672,012</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	474,044	7,663,568	849,134	8,986,746
<b>Total</b>	<b>474,044</b>	<b>7,663,569</b>	<b>849,134</b>	<b>8,986,747</b>
<b>NET INCOME</b>	-	102,187	12,583,079	12,685,266
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	(575,000)	-	(575,000)
<b>Net movement in funds</b>	-	(472,813)	12,583,079	12,110,266
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	-	760,596	14,597,913	15,358,509
<b>TOTAL FUNDS CARRIED FORWARD</b>	-	<b>287,783</b>	<b>27,180,992</b>	<b>27,468,775</b>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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**14. INTANGIBLE FIXED ASSETS**

	<b>Computer software £</b>
<b>COST</b>	
At 1 September 2017	<u>65,936</u>
<b>AMORTISATION</b>	
At 1 September 2017	<u>23,423</u>
Charge for year	<u>13,188</u>
At 31 August 2018	<u>36,611</u>
<b>NET BOOK VALUE</b>	
At 31 August 2018	<u>29,325</u>
At 31 August 2017	<u>42,513</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018**15. TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Improvement s to property £
<b>COST</b>			
At 1 September 2017	14,319,100	1,954,012	13,357,539
Additions	10,519,391	-	-
Disposals	-	-	(647,248)
Reclassification	(24,838,491)	24,838,491	-
At 31 August 2018	-	26,792,503	12,710,291
<b>DEPRECIATION</b>			
At 1 September 2017	-	116,386	2,016,511
Charge for year	-	39,080	515,642
Eliminated on disposal	-	-	(575,230)
At 31 August 2018	-	155,466	1,956,923
<b>NET BOOK VALUE</b>			
At 31 August 2018	-	26,637,037	10,753,368
At 31 August 2017	14,319,100	1,837,626	11,341,028

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2017	1,628,218	66,493	35,454	31,360,816
Additions	656,248	-	18,208	11,193,847
Disposals	(600,803)	-	-	(1,248,051)
Reclassification	-	-	-	-
At 31 August 2018	1,683,663	66,493	53,662	41,306,612
<b>DEPRECIATION</b>				
At 1 September 2017	1,317,496	66,493	1,065	3,517,951
Charge for year	229,867	-	10,532	795,121
Eliminated on disposal	(600,803)	-	-	(1,176,033)
At 31 August 2018	946,560	66,493	11,597	3,137,039
<b>NET BOOK VALUE</b>				
At 31 August 2018	737,103	-	42,065	38,169,573
At 31 August 2017	310,722	-	34,389	27,842,865



Notes to the Financial Statements - continued  
for the year ended 31 August 2018**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade debtors	5,692	8,980
Other debtors	1,297,074	1,699,132
VAT	674,902	950,617
Prepayments	201,144	151,595
	<u>2,178,812</u>	<u>2,810,324</u>

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

	2018	2017
	£	£
Trade creditors	1,450,238	147,740
Social security and other taxes	188,478	166,074
Other creditors	857,680	1,731,867
Accruals and deferred income	354,902	376,681
Accrued expenses	224,510	1,542,018
	<u>3,075,808</u>	<u>3,964,380</u>

**Deferred Income**

	2018	2017
	£	£
Deferred income brought forward less spend	-	120,211
Resources deferred during the year	354,902	256,470
	<u>354,902</u>	<u>376,681</u>

**18. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

**Land & Buildings**

	2018	2017
	£	£
Amounts due within one year	217,101	395,077
Amounts due between one and five years	868,404	736,036
Amounts due after five years	3,055,163	2,742,792
	<u>4,410,668</u>	<u>3,873,905</u>

**Operating leases**

	2018	2017
	£	£
Amounts due within one year	14,601	14,601
Amounts due between one and five years	30,161	30,161
Amounts due after five years	-	-
	<u>44,762</u>	<u>44,762</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

				2018
	Unrestricted fund	Restricted funds	Restricted Fixed Asset Funds	Total funds
	£	£	£	£
Fixed assets	-	-	38,198,898	38,198,898
Current assets	-	4,442,447	-	4,442,447
Current liabilities	-	(3,075,808)	-	(3,075,808)
Pension liability	-	(1,366,000)	-	(1,366,000)
	<u>-</u>	<u>639</u>	<u>38,198,898</u>	<u>38,199,537</u>

Comparative information in respect of the proceeding period is as follows:

				2017
	Unrestricted fund	Restricted funds	Restricted Fixed Asset Funds	Total funds
	£	£	£	£
Fixed assets	-	-	27,885,378	27,885,378
Current assets	-	5,022,777	-	5,022,777
Current liabilities	-	(3,964,380)	-	(3,964,380)
Pension liability	-	(1,475,000)	-	(1,475,000)
	<u>-</u>	<u>(416,603)</u>	<u>27,885,378</u>	<u>27,468,775</u>

**20. MOVEMENT IN FUNDS**

	At 1.9.17	Net movement in funds	At 31.8.18
	£	£	£
<b>Restricted funds</b>			
Restricted General Funds	1,762,783	532,420	2,295,203
Restricted Fixed Asset Funds	27,180,992	10,089,342	37,270,334
Pension Reserve	(1,475,000)	109,000	(1,366,000)
	<u>27,468,775</u>	<u>10,730,762</u>	<u>38,199,537</u>
<b>TOTAL FUNDS</b>	<u>27,468,775</u>	<u>10,730,762</u>	<u>38,199,537</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

**20. MOVEMENT IN FUNDS – continued**

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>				
Unrestricted General Funds	572,823	(572,823)	-	-
<b>Restricted funds</b>				
Restricted General Funds	8,612,793	(8,080,373)	-	532,420
Restricted Fixed Asset Funds	10,969,667	(880,325)	-	10,089,342
Pension Reserve	-	(349,730)	458,730	109,000
	19,582,460	(9,310,428)	458,730	10,730,762
<b>TOTAL FUNDS</b>	<b>20,155,283</b>	<b>(9,883,251)</b>	<b>458,730</b>	<b>10,730,762</b>

**Comparatives for movement in funds**

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
<b>Restricted Funds</b>			
Restricted General Funds	1,263,596	499,187	1,762,783
Restricted Fixed Asset Funds	14,597,913	12,583,079	27,180,992
Pension Reserve	(503,000)	(972,000)	(1,475,000)
	15,358,509	12,110,266	27,468,775
<b>TOTAL FUNDS</b>	<b>15,358,509</b>	<b>12,110,266</b>	<b>27,468,775</b>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

**20. MOVEMENT IN FUNDS – continued**

Comparative 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>				
Unrestricted General Funds	474,044	(474,044)	-	-
<b>Restricted funds</b>				
Restricted General Funds	7,765,756	(7,266,569)	-	499,187
Restricted Fixed Asset Funds	13,432,213	(849,134)	-	12,583,079
Pension Reserve	-	(397,000)	(575,000)	(972,000)
	21,197,969	(8,512,703)	(575,000)	12,110,266
<b>TOTAL FUNDS</b>	<u>21,672,013</u>	<u>(8,986,747)</u>	<u>(575,000)</u>	<u>12,110,266</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £	Net movement in funds £	At 31.8.18 £
<b>Restricted funds</b>			
Restricted General Funds	1,263,596	1,031,607	2,295,203
Restricted Fixed Asset Funds	14,597,913	22,672,421	37,270,334
Pension Reserve	(503,000)	(863,000)	(1,366,000)
	15,358,509	22,841,028	38,199,537
<b>TOTAL FUNDS</b>	<u>15,358,509</u>	<u>22,841,028</u>	<u>38,199,537</u>

A current year 12 months and prior year 12 months combined 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>				
Unrestricted General Funds	1,046,867	(1,046,867)	-	-
<b>Restricted funds</b>				
Restricted General Funds	16,378,549	(15,346,942)	-	1,031,607
Restricted Fixed Asset Funds	24,401,880	(1,729,459)	-	22,672,421
Pension Reserve	-	(746,730)	(116,270)	(863,000)
	40,780,429	(17,823,131)	(116,270)	22,841,028
<b>TOTAL FUNDS</b>	<u>41,827,296</u>	<u>(18,869,998)</u>	<u>(116,270)</u>	<u>22,841,028</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

**20. 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 ESFA, 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 2018.

**Analysis of Academies by Fund Balance**

	2018	2017
	£	£
Nishkam Primary School	1,021,259	881,484
Nishkam High School	862,578	667,154
Nishkam School West London	284,423	182,564
Nishkam School Wolverhampton	<u>126,943</u>	<u>31,581</u>
Total before fixed asset fund and pension reserve	2,295,203	1,762,783
Restricted fixed asset	37,270,334	27,180,992
Actuarial Loss	<u>(1,366,000)</u>	<u>(1,475,000)</u>
Total	<u><u>38,199,537</u></u>	<u><u>27,468,775</u></u>

Nishkam School Trust

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

20. 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	1,254,947	262,392	169,812	370,743	2,057,894
Nishkam High School	1,973,178	345,741	286,379	661,415	3,266,713
Nishkam School West London	1,067,550	233,408	200,942	450,695	1,952,595
Nishkam School Wolverhampton	613,054	114,346	155,431	108,039	990,870
Central Costs	169,577	167,201	124,324	238,752	699,854
	<u>5,078,306</u>	<u>1,123,088</u>	<u>936,888</u>	<u>1,829,644</u>	<u>8,967,926</u>

Central Service

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

	2018 £	2017 £
Consultancy Charges	103,905	89,170
Other Costs	16,913	23,349
Human Resources	37,913	28,139
Technology Costs	193,016	210,969
Educational Supplies	11,329	8,829
Staff Cost	<u>336,778</u>	<u>169,269</u>
	<u>699,854</u>	<u>529,725</u>

The Trust charges for these costs services as follows:

	2018 £	2017 £
Nishkam Primary School	202,933	165,740
Nishkam High School	250,398	200,653
Nishkam West London	140,455	96,314
Nishkam School Wolverhampton	<u>106,068</u>	<u>67,018</u>
	<u>699,854</u>	<u>529,725</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.

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

## 21. 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 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*

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)
- 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%

The TPS valuations for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £473,172 (2017 - £422,429)

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.

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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

**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 2018 was £236,920 (2017: £207,163), of which employer contributions totalled £173,265 (2017: £147,156) and employees' contribution totalled £63,655 (2017: £60,007). The agreed contributions rates for future years are 14.7% percent for employers and 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 Trust has entered into an agreement with the local government to make additional pension contributions to reduce the deficit over the next 24 months.

The amounts recognised in the balance sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	<b>(2,402,000)</b>	<b>(2,250,000)</b>
Fair value of plan assets	<b><u>1,036,000</u></b>	<b><u>775,000</u></b>
	<b><u>(1,366,000)</u></b>	<b><u>(1,475,000)</u></b>
Deficit	<b><u>(1,366,000)</u></b>	<b><u>(1,475,000)</u></b>
Liability	<b><u>(1,366,000)</u></b>	<b><u>(1,475,000)</u></b>

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

	<b>Defined benefit pension plans</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>489,000</b>	<b>388,000</b>
Net interest from net defined benefit asset/liability	<b><u>35,000</u></b>	<b><u>9,000</u></b>
	<b><u>524,000</u></b>	<b><u>397,000</u></b>
Actual return on plan assets	<b><u>-</u></b>	<b><u>55,000</u></b>



Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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

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

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	2,250,000	939,000
Current service cost	489,000	388,000
Contributions by scheme participants	69,000	67,000
Interest cost	59,000	21,000
Actuarial losses/(gains)	-	727,000
Benefits paid	(2,000)	(6,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	(1,000)
Actuarial (gains)/losses from changes in financial assumptions	(463,000)	115,000
	<u>2,402,000</u>	<u>2,250,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	775,000	436,000
Contributions by employer	178,000	140,000
Contributions by scheme participants	69,000	67,000
Actuarial gains/(losses)	-	55,000
Benefits paid	(2,000)	(6,000)
Assets return less interest	(8,000)	71,000
Assets interest costs	24,000	12,000
	<u>1,036,000</u>	<u>775,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	1,000
Actuarial (gains)/losses from changes in financial assumptions	463,000	(115,000)
	<u>463,000</u>	<u>(114,000)</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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

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

**West Midlands Pension Fund**

	2018	2017
Equities	470,000	350,000
Gilts	53,000	41,000
Other Bonds	28,000	21,000
Property	60,000	41,000
Other	104,000	74,000
Cash	28,000	28,000
	<u>743,000</u>	<u>555,000</u>

**London Borough of Hounslow Pension Fund**

	2018	2017
Equities	180,000	143,000
Gilts	14,000	7,000
Other Bonds	23,000	24,000
Property	15,000	11,000
Absolute return portfolio	54,000	32,000
Cash	7,000	3,000
	<u>293,000</u>	<u>220,000</u>

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

**West Midlands Pension Fund**

	2018 %	2017 %
Equities	63	64
Government Bonds	7	7
Other Bonds	4	4
Property	8	7
Cash/Liquidity	4	5
Other	14	13
	<u>100</u>	<u>100</u>

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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

**London Borough of Hounslow Pension Fund**

	<b>2018</b>	<b>2017</b>
	%	%
Equities	<b>62</b>	65
Gilts	<b>5</b>	3
Other Bonds	<b>8</b>	11
Property	<b>5</b>	5
Absolute return portfolio	<b>18</b>	15
Cash	<b>2</b>	1
	<b>100</b>	100

**Sensitivity analysis**

**West Midlands Pension Fund**

	<b>2018</b>	<b>2017</b>
Discount Rate	<b>2.7%</b>	2.6%
Future salary increases	<b>3.8%</b>	4.2%
Future pension increases	<b>2.3%</b>	2.7%
Inflation assumption (CPI)0	<b>1.0%</b>	0.9%

**London Borough of Hounslow Fund**

	<b>2018</b>	<b>2017</b>
Discount Rate	<b>2.7%</b>	2.6%
Future salary increases	<b>3.8%</b>	4.2%
Future pension increases	<b>2.3%</b>	2.7%
Inflation assumption (CPI)0	<b>1.0%</b>	0.9%

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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

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>2018</b>	2017
Retiring today		
Males	<b>21.9</b>	21.8
Females	<b>24.4</b>	24.3

Retiring in 20 years

Male	<b>24.1</b>	24.0
Females	<b>26.7</b>	26.6

**London Borough of Hounslow Pension Fund**

	<b>2018</b>	2017
Retiring today		
Males	<b>21.5</b>	21.4
Females	<b>25.2</b>	25.1

Retiring in 20 years

Males	<b>23.7</b>	23.6
Females	<b>27.5</b>	27.4

# Nishkam School Trust

## Notes to the Financial Statements - continued for the year ended 31 August 2018

### 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.

	2018 £	2017 £
<b>Guru Nanak Nishkam Sewak Jatha (Birmingham) UK</b>		
Donation received from GNNSJ		
Rent and service charges paid to GNNSJ	249,200	239,844
Donation paid by GNNSJ	232,245	101,500
Amount due from GNNSJ	63,233	
<b>Guru Nanak Nishkam Education Trust</b>		
Rent and nursery fees paid to GNNET	49,081	35,900
Rent fees received from GNNET	12,000	12,000
Goods and services recharged by GNNET	4,902	8,500
Amount due from GNNET at the year end	406	18,000
<b>Nishkam Civic Association</b>		
Room hire, staff training and refreshments purchased from NCA	1,140	670
Amount due to NCA	70	-
<b>Nishkam Security Limited</b>		
Security charges paid to NSL	12,601	13,550
<b>Marg Sat Santokh Manufactures Limited</b>		
Goods purchased from MSS	3,378	138
Amount due to MSS at the year end	-	20
		69

Nishkam School Trust

Notes to the Financial Statements - continued  
for the year ended 31 August 2018

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**22. RELATED PARTY DISCLOSURES**  
**- continued**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Nishkam Pharmacy Limited</b>		
Goods purchased from NPL	<b>192</b>	<b>292</b>



nishkamnurserybirmngham  
nishkamprimarieschoolbirmingham  
nishkamhighschoolbirmingham  
nishkamnurserywolverhampton  
nishkamprimarieschoolwolverhampton  
nishkamschoolwestlondon