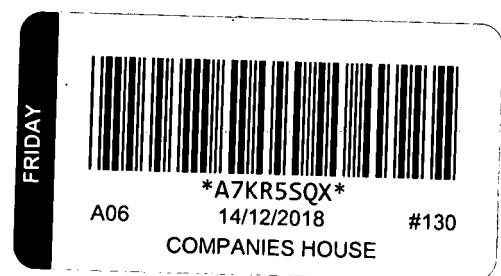


Registered number: 08267703

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

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SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

A S Basra
N Ball (resigned 4 February 2018)
A Dhariwal
D Grewal
H Bansal

Trustees

A S Basra, Chair of Trustees
M S Sahota, Trustee
N Ball, Chair (resigned 4 February 2018)
A S Johal, Trustee
A D'Onofrio, Trustee (resigned 1 July 2018)
M Dhasi, Trustee (resigned 1 September 2017)
S Heer, Finance Sub Committee Chair
H Marwaha, Trustee
A Sahota, Trustee (resigned 24 November 2017)
H Sandhu, Trustee (resigned 24 October 2018)
R Vig, Trustee

Company registered number

08267703

Company name

Sevak Education Trust Limited

Registered office

Seva School Eden Road
Coventry Walsgrave Triangle
Coventry
West Midlands
CV2 2TB

Principal operating office

Seva School Eden Road
Coventry Walsgrave Triangle
Coventry
West Midlands
CV2 2TB

Senior management team

N Chandla (Resigned 31 March 2018), Executive Principal
K Atkar (Resigned 31 March 2018), Deputy Secondary Head
J Griffiths (Appointed 01 April 2018), Executive Principal

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditors

Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE

Bankers

Lloyds Bank
Coventry
West Midlands
CV1 5RA

Solicitors

Michelmores LLP
48 Chancery Lane
London
WC2A 1JF

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on _____ and signed on its behalf by:

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Sevak Education Trust (the school) for the period ended 31 August 2018. The Governors confirm that the Annual report and financial statements of the school comply with the current statutory requirements, the requirements of the school's governing document and the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

CONSTITUTION

The trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the trust dated February 2013.

The governors act as the trustees for the charitable activities of Sevak Education Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Sevak Education Trust. The company is also known by the name of Seva School.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

In September 2014 Sevak Education Trust set up the primary education of the Free School, located within the temporary premises of Wyken in Coventry. It is named Seva School and is a Sikh faith school based on the teachings of Guru Nanak, the founder of the Sikh faith. The school is open to children of all faiths and none, developing in our children an understanding and respect for all.

The Trust proposes that governance of Seva school is made up of directors united in their aim to serve the Sikh and non Sikh communities in Coventry. Seva School will aim to build trust between the school, the children and the community.

MEMBERS' LIABILITY

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the school is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

Any Trustees elections will be held as soon as practicably possible after the occurrence of a vacancy. The objective will be always to ensure that the Governing Body's business is conducted with as many positions filled as possible to ensure each meeting is quorate and well attended.

SEVAK EDUCATION TRUST LIMITED
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POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

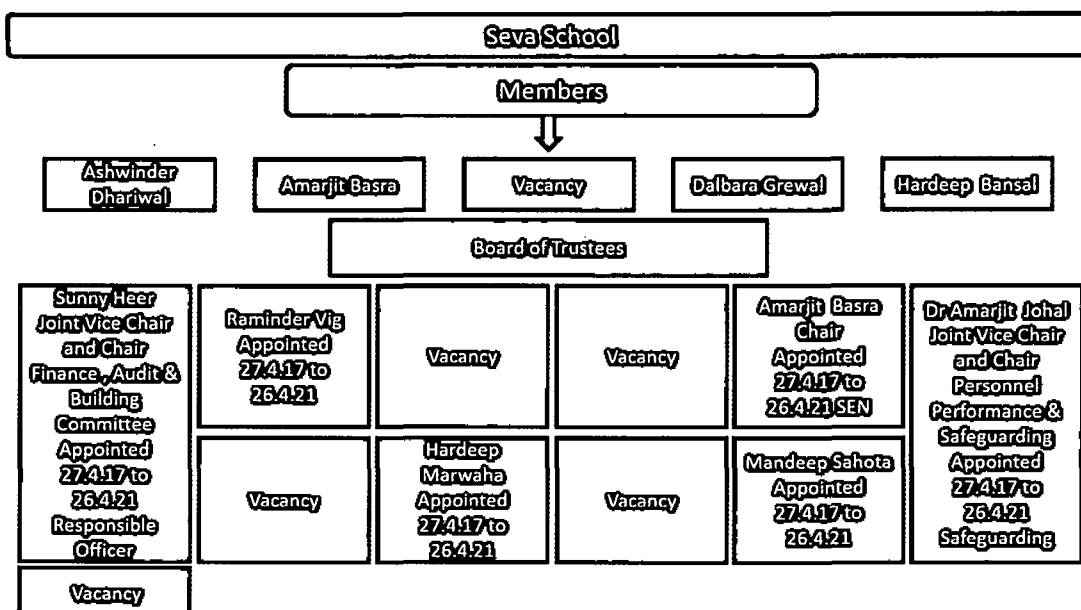
The clerk to trustees is responsible for new trustee induction. There is a trustee handbook in place for this purpose which is updated annually.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The trustees review pay scales at appointment and annually against Coventry schools and across the academy sector and more specifically for free schools. Senior appointments and pay is the remit of the Personnel, Performance and Safeguarding Committee. Seva schools pay policy is due for review in 2018.

ORGANISATIONAL STRUCTURE

The Governance arrangements are based on a committee structure (see below).



Schemes of financial delegation and a general scheme of delegation to committees and to individual senior managers setting out levels have been set up.

RISK MANAGEMENT

The Governors have assessed the major risks to which the school is exposed, in particular, those related to the operations and finances of the school, and seek to implement systems and procedures to mitigate our exposure to the major risks.

A Risk Register has been produced and approved by Trustees. The Risk Register exists to assess the likelihood and impact of risks to the organisation and helps identify the major risks to which the organisation is exposed. A new version of the risk register is currently being developed.

STRATEGIC & REPUTATIONAL RISKS

The major risk for the Trustees is that there may be insufficient demand for the school's services which leaves it in a financially unsustainable position. In order to mitigate the risks a marketing strategy has been established and the pupil numbers are managed as part of the Local Authority Admissions process. The Admissions process gives us an early indication of the demand for school places and helps us adjust our marketing strategy. Overall there is a shortfall of pupil places in the Coventry area.

OPERATIONAL RISKS

A major operational risk has been identified as the loss of key personnel. In order to mitigate the risk, the Trustees have introduced more robust recruitment and selection procedures and now include external HR support as part of all recruitment exercises. Succession planning for key staff is a vital element to help the Trustees deal with the risk.

A further operational risk is the reporting requirements for grants receivable. The majority of the income generated is through one source of funding, the Education Funding Agency (EFA). It is vital that the reporting mechanism deadlines are adhered to as this would at best delay the payments and at worse result in payments not being made. All reporting requirements are communicated in advance by the EFA so the Governors have advance notice and can check on progress. A bursar is to be appointed to set up school wide systems to support departmental and phase budgets and codes to ensure that

SEVAK EDUCATION TRUST LIMITED

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moneys are disaggregated and spent appropriately and leaders are held to account for the impact of spend; especially for pupil premium, sports' premium and SEND spending.

Another operational risk would be the school receiving an unfavourable Ofsted report. In September 2016 the school was placed in special measures following an Ofsted Inspection and during the course of the period to August 2018 five monitoring visits by HMI were completed. During this period parents were kept fully informed of the process and outcomes of monitoring and the relevant action taken by the school to meet HMI Recommendations. The school has taken every opportunity to seek external support and guidance during the period of special measures. However due to instability in senior leadership the school remains subject to special measures. A multi-academy trust will take over the running of the school from January 2019.

COMPLAINTS RISKS

We have a company called TORIX who works on GDPR and an ICT technician in-house. A further compliance risk would be regarding Safeguarding regulation non-compliance. An annual external safeguarding review together with an action plan based on outcomes and subsequent annual review as well as increased staff /governor training would represent the Trust's mitigation of these risks.

OBJECTS AND AIMS

Sevak Education Trust's ultimate aim is to educate children from ages 4 to 16 at an all through Sikh Faith Free School called Seva School. By drawing on the teachings of Guru Nanak, the founder of the Sikh faith, our school will not only provide academic education, it will encompass an underlying message of brotherhood, equality and respect. High morals, discipline, love, compassion and selfless service towards all regardless of faith, gender or colour will be encouraged. The school will embrace a universal, inclusive approach to spirituality, aimed at rekindling a personal, loving and spontaneous relationship with the Divine.

Seva school aims to nurture confidence, empathy, spiritual awareness and integrity in every individual. Students will be encouraged to explore the whole range of their capabilities. They will aspire to achieve success intellectually, physically, socially and emotionally.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The principal object and activity of the operational company is the operation of Seva School to provide free education and care for pupils of different abilities between the ages of 4 and 16.

School Vision Statement

Sevak Education Trust aim is to provide an outstanding educational experience for all learners. Learners will be provided with the opportunity to progress onto the next stage of their education with enthusiasm and confidence.

Seva School will look to:

- Provide the highest quality and unparalleled teaching to community children
- Provide the best teaching foundation to springboard into higher education
- Provide excellent moral and ethical teaching to become good citizens
- Teach respect and help reduce crime and antisocial behaviour
- Provide enhanced afterschool and extensive extracurricular activities
- Help students learning of relevant skills and provide flexibility to parents within the community
- Promote and actively be involved in community and work experiences.

Here are some of the unique features of Seva School that we would like to share with you

- A school based on the Sikh ethos and principles`
- An all-through school that is fully integrated at all stages
- Enrichment activities after school aim to give academic physical and aesthetic activities and inspiration daily appropriate for different age groups.
- Enrichment activities provide academic catch up sessions for those pupils who require it and Sikh studies including traditional music sessions.
- Opportunities are provided in the homework club for pupils to work and study quietly
- An excellent relationship between the school and home which aims to create a consistent behaviour across both environments
- Habits of minds are incorporated into programmes of study
- Competitions, prizes and research projects are encouraged in and out of school
- A school that will tackle social issues head on with preventative methods along with services and support aimed at reducing the problems facing children in Coventry
- Extensive focus on the wellbeing of all children within the school

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Strategic priorities for 2018/2019

Key Priorities for 2018-19	
1.	To ensure that assessment informs learning and teaching in all phases and subjects so all pupils, particularly SEND, PP and the more able, make at least expected or better progress
2.	To embed the behaviour policy to ensure behaviour for learning positively impacts on outcomes and is underpinned by our core universal values
3.	To improve attendance, particularly for SEND and PP students
4.	To further develop EYFS assessment and provision particularly in the outdoor learning environment
5.	To strengthen leadership and management at all levels to drive rapid improvement
6.	To work in partnership with all stakeholders particularly governors/trustees to raise aspirations

Achievement and performance

Towards the end of the accounting phase the school expanded its classroom capacity on the Eden Road site by the additional of 4 classrooms for years 5 & 6 as the Secondary department expands annually and internal space is at a premium.

Pupils on roll during the academic year ended August 2018 encompassed in the primary department pupils in Years R to Year 6 and the Secondary department pupils in Years 7 to 10. The total number of pupils on roll is below:

Children on Roll week beginning 12th November 2018

Year Group	Total Numbers	Capacity	Spaces Available
Reception	35	60	25
Year 1	48	60	12
Year 2	47	60	13
Year 3	51	60	9
Year 4	47	60	13
Year 5	48	60	12
Year 6	54	60	6
Year 7	58	120	62
Year 8	60	120	60
Year 9	66	120	54
Year 10	55	120	65
Total	569	900	331

During the accounting phase, administrative offices have been re-organised to provide improved working conditions for staff. There is a dedicated support room for specialist staff to work with small groups of pupils who require interventions.

The acquisition of 1 Eden Rd has resulted in most staff and all parents (except those with disabilities) parking at 1 Eden Rd. The car parking at Link House is diminished due to the portakabins.

Achievement and Outcomes 2017/2018 (Unvalidated)

EYFSP

- 61% are judged to be working at a level assessed as " good Level of Development" **
- This represents an 32% increase from the 2017/8 cohort.
- However the schools position is 11% behind Foundation Stage pupils nationally (working at 72% GLD) and 7% below the average for Coventry state schools (68%)

***Good Level of Development. A measure of attainment at the end of the EYFS (Early Years Foundation Stage). Children are deemed to have achieved GLD if they have achieved the ELG (Early Learning Goals) in the EYFS curriculum areas of Personal, Social and Emotional Development, Physical Development, Communication and Language Development, Literacy and Mathematics.*

SEVAK EDUCATION TRUST LIMITED
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Seva School EYFS 2018				
	Seva 2017	Seva 2018	National	LA
Good Level of Development	29%	61%	72%	68%

Phonics

- Year 1 82% attained the 32 (out of 40) mark pass which is 1% above the Coventry average and 1% below the national.
- It also represents a 4% increase since 2017, a faster rise than national.
- Year 2 (those who need to retake the test if failed in year 1) (22% of the Year 2 cohort – 11 children). All passed – 100%, which is 39% above that seen nationally (40% above that in Coventry)

Seva School KS1 Results 2018				
Phonics	Seva 2017	Seva 2018	National	LA
Year 1	78%	82%	83%	81%
Year 2	67%	100%	61%	60%

Key Stage 1 (KS1)

Attainment 2017/18 (unvalidated)

These results are accurate as they have been fully moderated – we have identified that the 2017 results were not moderated and probably inaccurate

Seva School KS1 Year 2 SATs Results 2018				
Combined (RWM)	Seva 2017	Seva 2018	National	LA
Expected Standard	69%	62%	65%	61%
Higher Level of Attainment	8%	2%	12%	6%
Reading	Seva 2017	Seva 2018	National	LA
Expected Standard	81%	80%	76%	72%
Higher Level of Attainment	33%	16%	26%	20%
Writing	Seva 2017	Seva 2018	National	LA
Expected Standard	79%	76%	70%	65%
Higher Level of Attainment	23%	4%	16%	8%
Maths	Seva 2017	Seva 2018	National	LA
Expected Standard	81%	78%	76%	73%
Higher Level of Attainment	25%	28%	22%	17%
Science	Seva 2017	Seva 2018	National	LA
Expected Standard	92%	90%	82%	80%

Combined

- 62% of Year 2 have been assessed as working at the Expected Standard. 1% above Coventry LA but 3% below National (65%). This is a 7% drop (2017 = 69%)
- Those judged as working at the higher level of assessment 2% this is 10% behind the NA of 12% and 4% behind the Coventry level of 6%

Reading

- 80% of pupils attained the expected level or above which is 4% above the National average, and 8% above Coventry average.
- 16% achieved the higher level (10% below National and 4% below Coventry).

Writing

- 76% of pupils attained the expected level or above which is 6% above the national average, and 11% above the local attainment rate.
- The relative performance compared to National and Coventry is reversed when looking at those working at the higher level of attainment. SEVA 4%, national 16% (a 12% deficit) and Coventry (8%) a 4% deficit.

Maths

- 78% of pupils attained the expected level or above which is 2% above national and 5% above Coventry.
- 28% of pupils are working at the higher level of attainment which is 6% above National and 11% above Coventry.

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Value added (progress) from EYFSP to KS1 to follow in December.

Key Stage 2 (KS2)

This is the first year that SEVA school has had KS2 results. At present these results are unvalidated. They are based on 38 pupils out of 40 in the cohort. We have asked for 2 to be disapplied according to DfE Performance table rules concerning length of residence in England. 36 out of the remaining 38 had prior attainment and are included in the progress calculations.

Of the 2 pupils we aim to disapply 1 scored 100+ in Reading, the other scored 'expected' in Writing, neither attained the national standard in Maths.

SEVA prior attainment for this cohort averaged at 16.3 points –between level 2B and level 2A. Nationally this figure is 16.0 and 15.8 in Coventry overall.

Seva School KS2 Year 6 SATs Results 2018			
Combined (RWM)	Seva 2018	National	LA
Expected Standard	63%	64%	62%
Higher Level of Attainment	5%	10%	5%
Reading	Seva 2018	National	LA
Expected Standard	79%	75%	72%
Higher Level of Attainment	26%	28%	25%
Average Scaled Score	103.5	105.0	104.2
Average Progress	-1.3	0	-0.2
Writing	Seva 2018	National	LA
Expected Standard	74%	78%	77%
Higher Level of Attainment	11%	19%	9%
Average Progress	-1.7	0	-0.8
Maths	Seva 2018	National	LA
Expected Standard	74%	76%	74%
Higher Level of Attainment	21%	24%	20%
Average Scaled Score	103.8	104.4	103.8
Average Progress	-0.4	0	-0.2
Grammar, Punctuation and Spelling	Seva 2018	National	LA
Expected Standard	84%	78%	79%
Higher Level of Attainment	34%	34%	36%
Average Scaled Score	106.2	106.2	106.4

Attainment

Combined (Reading and Maths)

- 63% of the cohort have achieved the Expected Standard. 1% below National, 1% above Coventry.
- When looking at those judged as working at the higher level of attainment, those scoring 110+ in both reading and Maths, SEVA, scores 5%, which is 5% below the NA and equal to the Coventry average.

Reading

- 79% of the cohort have achieved the Expected Standard. 4% above National, 7% above Coventry.
- When looking at those judged as working at the higher level of attainment, those scoring 110+ SEVA, scores 26%, which is 2% below the NA 1% above Coventry average
- Average Scale Score is 103.5 compared to 104.2 in Coventry and 105.1 nationally.

Writing - (Teacher Assessment – externally moderated).

- 74% of the cohort have achieved the Expected Standard. This is 4% below the national using the rounded results but 8% below when it comes to the higher attainment (SEVA 11%, national 19%). Also 3% below and 1% above the respective Coventry measures.
- (Please note that there has been a change in policy as regards moderation across Coventry LA one that has caused a downturn in working at and above judgements)

GPS

- 84% of the cohort have achieved the Expected Standard. 6% above National, 5% above Coventry.
- When looking at those judged as working at the higher level of attainment, those scoring 110+ SEVA, scores 34%, which is at the NA and 2% below the Coventry average.
- Average Scale Score is 106.2 compared to 106.4 in Coventry and 106.2 nationally.

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Maths

- 74% of the cohort have achieved the Expected Standard. 2% behind National, equal to Coventry.
- When looking at those judged as working at the higher level of attainment, those scoring 110+ SEVA, scores 21%, which is 3% below the national average and 1% above the Coventry average.
- Average Scale Score is 103.8 compared to 103.8 in Coventry and 104.4 nationally.

Progress (Value added) 94% of pupils included – those with a KS1 prior attainment. KS1 results for these pupils were attained at a variety of feeder infant schools.

Average Points score at KS1 in summer 2014 – SEVA 16.1, England 16.0, and Coventry 15.8 therefore Seva has a slightly higher ability range of pupils coming into the tests

Reading

- Progress Below average but **(-1.3)** of a scale point less progress per pupil on average).
- Overall 47% of those entered for the test made above expected progress. The results is 1.0pts per pupil below Coventry LA.

Writing

- Progress is overall below expected given historical patterns nationally over the past 3 years but not significantly below.
- On average each pupil progressed **-1.7** of a scale point less than expected – 39% of pupils progressed more than expected. Coventry fared 0.9 points better at -0.8 overall.

Maths


- 50% of entrants had above expected progress.
- Overall their score was **-0.4**. This is 0.2 pts below the local progress average for Maths.

Attendance

2017-18 Attendance	Seva School %	National Average %	Seva School Persistent Absence (less than 90% attendance) %	National Average Persistent Absence (less than 90% attendance) %
Primary	95.2	96.1	13.9	8.3
Primary (excl. Reception)	95.5	96.1	11.8	8.3
Secondary	95.4	94.8	12.1	12.8

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Below is a more detailed attendance table:

										
Primary	On roll statistics 09.11.18	Primary Attendance National Average 2018 96.1%				Primary Persistent Absence Less than 90% attendance National Average 2018 8.3%				
	Cohort Number of Pupils	2017 - 2018 04.09.17 - 30.07.18 Full Year %	04.09.17 to 10.11.17 last year %	Difference between this time last year & current YTD	03.09.18 to 09.11.18 (current YTD) %	2017 - 2018 04.09.17 - 30.07.18 Full Year %	04.09.17 to 10.11.17 last year %	Difference between this time last year & current YTD	03.09.18 to 09.11.18 (current YTD) %	
All Pupils	329	95.20	95.00	0.00	95.9	13.60	18.30	-6.75	↓	11.55
Boys	172	95.20	95.00	0.00	95.91	18.50	19.30	-6.25	↓	11.05
Girls	157	95.20	95.00	0.00	95.89	11.10	17.20	-5.11	↓	12.1
Disadvantaged (PP)	22	94.10	95.50	-2.13	93.37	17.90	18.50	-8.77	↑	27.27
SEN Support	21	93.60	93.30	-2.07	96.37	17.20	25.00	-10.71	↓	14.29
SEN Statement/EHCP	0	87.30	87.30	0	0	100.00	100.00	-100		0
Reception	34	93.60	95.20	-0.01	95.19	25.50	16.30	-1.59	↓	14.71
Year 1	48	95.10	93.50	-1.41	94.94	9.60	25.50	-1.13	↓	12.50
Year 2	47	95.20	93.80	-3.3	97.10	11.50	25.50	-16.99	↓	8.51
Year 3	50	98.00	96.20	-0.09	96.29	7.60	9.60	-1.8	↓	8.00
Year 4	47	95.00	94.30	-8.34	98.14	15.10	23.50	-14.98	↓	8.51
Year 5	49	95.40	96.20	-2.11	94.09	16.70	11.50	-8.91	↑	20.41
Year 6	54	96.30	95.90	-0.27	96.17	10.00	15.00	-5.74	↓	9.26
Secondary	On roll statistics 09.11.18	Secondary Attendance National Average 2018 94.8%				Secondary Persistent Absence Less than 90% attendance National Average 2018 12.8%				
	Cohort Number of Pupils	2017 - 2018 04.09.17 - 30.07.18 Full Year %	04.09.17 to 10.11.17 last year %	Difference between this time last year & current YTD	03.09.18 to 09.11.18 (current YTD) %	2017 - 2018 04.09.17 - 30.07.18 Full Year %	04.09.17 to 10.11.17 last year %	Difference between this time last year & current YTD	03.09.18 to 09.11.18 (current YTD) %	
All Pupils	240	95.40	95.50	-1.42	94.08	12.10	15.50	-6.33	↓	9.17
Boys	133	95.40	95.10	-1.94	93.16	14.20	20.60	-11.58	↓	9.02
Girls	107	95.40	95.90	-0.67	95.23	10.20	10.60	-1.25	↓	9.35
Disadvantaged (PP)	324	93.90	94.80	-1.71	96.51	14.30	25.00	-10.67	↓	8.33
SEN Support	27	92.50	93.80	-0.78	93.04	27.30	22.70	-14	↓	8.70
SEN Statement/EHCP	4	97.90	96.30	-9.08	87.24	25.00	25.00	25	↑	50.00
Year 7	57	95.50	95.60	-4.16	81.44	12.90	14.70	-1.09	↑	15.79
Year 8	61	95.00	95.30	-0.61	95.91	11.80	15.50	-7.8	↓	8.20
Year 9	66	95.80	95.70	-1.55	94.15	11.80	16.40	-10.34	↓	6.08
Year 10	56	N/A	N/A	N/A	94.93	N/A	N/A	0		7.14

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

BEHAVIOUR

Behaviour is described as good in and around the school and in classes where pupils are engaged in positive learning. Their conduct is generally good but behaviours for learning will improve as teaching becomes more challenging and engaging. Go4schools is used well in secondary to note positive and negative behaviour traits, this needs to be adapted to ensure that primary can also use it. Primary use class dojos to award good conduct.

The school uses a well-established calendar of events to celebrate national events e.g Mother's day, major festivals of other faiths including Christmas and Diwali and Sikh festivals including Vaisakhi, Diwali, Bandi Chhor Divas and Gurburab.

Eden Road premises provide accommodation for Years R to 10. The premises have high quality specialist areas; Science, Catering, Art and ICT. A central and important feature of our school is the prayer hall which is used extensively by our school and the community it serves.

EXTERNAL PARTNERSHIPS

We have also commissioned the support of highly regarded external agencies to support financial accounting and HR/Recruitment. The school gains additional benefits from a range of Service Level Agreements with Professional Agencies to meet a wide range of needs among our students.

We continue to review our staffing structure and facilities in the light of our school's growth to ensure a quality provision of secured for all.

The strategic and key priorities for the coming year and actions are documented in the SDP September 2017/2018.

PUBLIC BENEFIT

Seva School is an all through Sikh Faith Free School providing education for children from 4 to 16, and strives to promote and support the advancement of education in the Coventry area. The school provides an extensive program of educational and recreational activity all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sports.

The School has maintained links with the local community and where possible aims to contribute to the benefit of the wider public by making available its Diwan Hall to the community free of charge over the weekend.

Seva School has worked in collaboration with a number of local schools i.e. Finham Park Multi Academy Trust and Sacred Heart Catholic Primary. The local authority has identified 'cluster groups' of its schools in Coventry with whom Seva can liaise and collaborate with in areas such as moderation and training. Further afield Seva has collaborated with Khalsa Primary School in Slough and GNSA in Hayes.

The School has in place a Travel Plan with the aim to improve the journey to and from school for pupils, parents and school personnel by identifying safe, healthy and sustainable alternative ways of travelling, thereby minimising the number of trips made to and from school by car.

The School Travel Plan has helped the local council and community in

- o reducing congestion and pollution
- o Improving safety
- o Improving relationships with the local community
- o And establishing itself as an Eco friendly school

The pupils of Seva School have undertaken various fundraising activities including collection of funds for a variety of charities such as Cancer Research and Guide Dogs for the Blind. Pupils also support Khalsa Aid.

Seva School is a growing school, with new intake of pupils during September of each year. This has enabled the school to offer employment opportunities, both fulltime and part time for both Teaching and Non Teaching staff in and around the Coventry area.

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the School's aims, together with the activities outlined above, are demonstrably to the public benefit.

GOING CONCERN

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

It is anticipated that on 1st January 2019 the school will transfer into an existing multi-academy trust. Notwithstanding the fact that the Sevak Education Trust Limited will cease to operate as an independent legal trust, the financial statements have been prepared on a going concern basis as all assets and liabilities will be transferred at their value at that time. Therefore there is considered to be no difference between accounting for amounts on a going concern or break-up basis.

REVIEW OF ACTIVITIES

The aim of the Trust was to ensure a functioning school that is financially viable during operation. For the Financial Year ended 31 Aug 2018 Net Restricted reserves was £115,742 (excluding the LGPS deficit), Unrestricted funds were £25,820 and Restricted Fixed Asset Funds were £4,034,928. Day to day working capital remains positive as the cash position of the trust is similar to that reported in previous years.

TRADE UNION FACILITY TIME

The Trust has no employees that are union officials, therefore there was no time or cost spent on facility time.

INVESTMENT POLICY AND PERFORMANCE

All investments, whether short or long term, shall be with financial institutions approved by the Trustees and no investment, whether short or long term, may be of a speculative nature.

The Trust is currently developing a formal Investment Policy.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust has no exposure to trade debtors. The income for the Trust for this reporting period has predominantly been funded from grants provided by the Education Funding Agency (EFA) for the purposes of running and maintaining the school. The level of grant received will be dependent on pupil numbers and therefore the loss of pupil numbers is considered as a potentially serious risk in the Trust's risk register.

RESERVES POLICY

The Trustees policy is to review the reserve levels of the school annually. The policy of the school is to carry forward a prudent level of available funds to meet the long term cyclical needs of renewal and any other unforeseen contingencies, plus a contribution towards future capital projects, subject to the constraint that the level of reserves does not exceed the level permitted by the EFA. The deficit at the year end on restricted funds relates to the LGPS liability.

FUNDRAISING

During the year school has raised funds through various activities like Non-Uniform Day, Super Hero Day, Bake Sale, Xmas Jumper Day etc.

School raise funds within the school and does not approach general public to raise funds. Any money raised through fundraising activities get carefully counted and deposited in school funds.

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FUTURE DEVELOPMENTS

It has been confirmed by the department of Education that Seva School will be joining with a Multi Academy Trust. This is anticipated to happen by 1st January 2019.

FUNDS HELD AS CUSTODIAN

There are no funds being held on behalf of others by the Trust.

PROVISION OF INFORMATION TO AUDITORS

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

- so far as that Trustees is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the members of the governing body on 07/12/2018 and signed on its behalf by:



A S Basra, Trustee
Chair of Trustees

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A S Basra, Chair of Trustees	5	6
M S Sahota, Trustee	3	6
N Ball, Chair	2	2
A S Johal, Trustee	6	6
A D'Onofrio, Trustee	4	5
M Dhasi, Trustee	0	0
S Heer, Finance Sub Committee Chair	6	6
H Marwaha, Trustee	5	6
A Sahota, Trustee	0	1
H Sandhu, Trustee	6	6
R Vig, Trustee	5	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the nominated Trustee has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by:

Money spent during the year on the resources and support services has been carefully evaluated and wherever applicable appropriate quotations have been obtained from different vendors in order to get competitive rates without compromising quality of service.

Internal controls have been implemented during the year which result in effective control on purchase and usage of resources in order to avoid any misuse of taxpayer resources received.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sevak Education Trust Limited for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Haines Watts as internal auditor.

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

- Purchasing
- Bank
- Cash
- Asset procurement and asset registers
- Income
- Payroll
- VAT

On an annual basis, the auditor reports to the board of trustees through the finance audit and buildings committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of trustees on 07/12/2018 and signed on their behalf, by:



A S Basra, Trustee
Chair of Trustees



R Vig, Trustee
Accounting Officer

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sevak Education Trust Limited I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

I was not accounting officer for the whole period under review although I have received a formal handover from the previous accounting officer. As such this statement is made based purely on the information of which I am aware, which is clearly not the level of information I would have obtained had I been the accounting officer during the whole period.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

A handwritten signature in black ink, appearing to read 'R Vig', with a horizontal line drawn underneath the name.

R Vig
Accounting Officer

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' 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 Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 07/12/2018 and signed on its behalf by:



A S Basra, Trustee
Chair of Trustees

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SEVAK EDUCATION TRUST LIMITED

OPINION

We have audited the financial statements of Sevak Education Trust Limited (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 academy'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 Auditors' Report 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

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SEVAK EDUCATION TRUST LIMITED

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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. This description forms part of our Auditors' Report.

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SEVAK EDUCATION TRUST LIMITED

USE OF OUR REPORT

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

Smith Cooper Audit Limited

James Delve (Senior Statutory Auditor)
for and on behalf of
Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE
Date: 13 December 2018

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEVAK EDUCATION TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 Sept 2017 and further to the requirements of the Education & 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 Sevak Education Trust Limited during the year 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 Sevak Education Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sevak Education Trust Limited 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 Sevak Education Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SEVAK EDUCATION TRUST LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Sevak Education Trust Limited's funding agreement with the Secretary of State for Education dated May 2014, 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 year 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 academy's income and expenditure.

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEVAK
EDUCATION TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Audit Limited

Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE

Date: 13 December 2018

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	1,247	738	54,001	55,986	650,228
Charitable activities	3	-	2,766,217	-	2,766,217	2,353,712
Other trading activities	4	155,705	-	-	155,705	169,819
Investments	5	177	-	-	177	318
TOTAL INCOME		157,129	2,766,955	54,001	2,978,085	3,174,077
EXPENDITURE ON:						
Other charitable activities		183,404	2,812,847	219,253	3,215,504	2,591,394
TOTAL EXPENDITURE	6	183,404	2,812,847	219,253	3,215,504	2,591,394
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	(26,275)	(45,892)	(165,252)	(237,419)	582,683
		-	(18,374)	18,374	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(26,275)	(64,266)	(146,878)	(237,419)	582,683
Actuarial gains on defined benefit pension schemes	22	-	45,000	-	45,000	49,000
NET MOVEMENT IN FUNDS		(26,275)	(19,266)	(146,878)	(192,419)	631,683
RECONCILIATION OF FUNDS:						
Total funds brought forward		52,095	1,008	4,181,806	4,234,909	3,603,226
TOTAL FUNDS CARRIED FORWARD		25,820	(18,258)	4,034,928	4,042,490	4,234,909

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08267703

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	12		17,286		13,717
Tangible assets	13		4,017,642		4,168,089
			<u>4,034,928</u>		<u>4,181,806</u>
CURRENT ASSETS					
Stocks	14	1,605		1,238	
Debtors	15	119,797		182,256	
Cash at bank and in hand		236,396		240,959	
			<u>357,798</u>	<u>424,453</u>	
CREDITORS: amounts falling due within one year	16	(216,236)		(264,350)	
			<u>141,562</u>		<u>160,103</u>
NET CURRENT ASSETS					
			<u>4,176,490</u>		<u>4,341,909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	22	(134,000)		(107,000)	
			<u>4,042,490</u>		<u>4,234,909</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES					
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	115,742		108,008	
Restricted fixed asset funds	17	4,034,928		4,181,806	
			<u>4,150,670</u>	<u>4,289,814</u>	
Restricted income funds excluding pension liability					
Pension reserve		(134,000)		(107,000)	
			<u>4,016,670</u>	<u>4,182,814</u>	
Total restricted income funds					
Unrestricted income funds	17		25,820		52,095
			<u>4,042,490</u>		<u>4,234,909</u>
TOTAL FUNDS					

The financial statements on pages 24 to 46 were approved by the Trustees, and authorised for issue, on 07/12/2018 and are signed on their behalf, by:



A S Basra, Trustee
Chair of Trustees



R Vig, Trustee
Accounting Officer

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>67,634</u>	<u>304,652</u>
Cash flows from investing activities:			
Interest received		177	318
Purchase of tangible fixed assets		(63,182)	(676,349)
Purchase of intangible fixed assets		<u>(9,192)</u>	<u>-</u>
Net cash used in investing activities		<u>(72,197)</u>	<u>(676,031)</u>
Change in cash and cash equivalents in the year		(4,563)	(371,379)
Cash and cash equivalents brought forward		<u>240,959</u>	<u>612,338</u>
Cash and cash equivalents carried forward		<u><u>236,396</u></u>	<u><u>240,959</u></u>

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sevak Education Trust Limited constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

It is anticipated that on 1st January 2019 the school will transfer into an existing multi-academy trust. Notwithstanding the fact that the Sevak Education Trust Limited will cease to operate as an independent legal trust, the financial statements have been prepared on a going concern basis as all assets and liabilities will be transferred at their value at that time. Therefore there is considered to be no difference between accounting for amounts on a going concern or break-up basis.

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

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

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	20-33% straight Line
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1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line
Motor vehicles	-	20% straight line

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 Debtors

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

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

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

1.11 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Taxation

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

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and judgements:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,247	738	-	1,985	2,673
Capital grants	-	-	54,001	54,001	647,555
	<u>1,247</u>	<u>738</u>	<u>54,001</u>	<u>55,986</u>	<u>650,228</u>
Total 2017	<u>2,673</u>	<u>-</u>	<u>647,555</u>	<u>650,228</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	2,525,271	2,525,271	2,000,038
Start Up grants	127,000	127,000	154,000
Other DfE Group grants	100,719	100,719	128,264
	<u>2,752,990</u>	<u>2,752,990</u>	<u>2,282,302</u>
Other government grants			
Local authority grants	8,227	8,227	71,410
	<u>8,227</u>	<u>8,227</u>	<u>71,410</u>
Other income from the academy trust's educational operations	5,000	5,000	-
	<u>5,000</u>	<u>5,000</u>	<u>-</u>
	<u>2,766,217</u>	<u>2,766,217</u>	<u>2,353,712</u>
Total 2017	<u>2,353,712</u>	<u>2,353,712</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	56,053	56,053	43,518
Trip income	15,270	15,270	25,853
Bus income	74,646	74,646	93,281
Other income	9,736	9,736	7,167
	<u>155,705</u>	<u>155,705</u>	<u>169,819</u>
Total 2017	<u>169,819</u>	<u>169,819</u>	

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest received	177	177	318
	<u>177</u>	<u>177</u>	<u>318</u>
Total 2017	318	318	
	<u>318</u>	<u>318</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Staff costs:					
Direct costs	1,595,490	-	2,000	1,597,490	1,369,591
Support costs	546,413	-	-	546,413	295,502
Other costs:					
Direct costs	-	-	178,807	178,807	91,873
Support costs	-	201,674	691,120	892,794	834,428
	<u>2,141,903</u>	<u>201,674</u>	<u>871,927</u>	<u>3,215,504</u>	<u>2,591,394</u>
Total 2017	1,663,093	88,861	839,440	2,591,394	
	<u>1,663,093</u>	<u>88,861</u>	<u>839,440</u>	<u>2,591,394</u>	

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Staff costs	1,597,490	546,413	2,143,903	1,665,093
Other costs	178,807	892,794	1,071,601	926,301
	<u>1,776,297</u>	<u>1,439,207</u>	<u>3,215,504</u>	<u>2,591,394</u>
Total 2018	<u>1,776,297</u>	<u>1,439,207</u>	<u>3,215,504</u>	<u>2,591,394</u>
Total 2017	<u>1,461,464</u>	<u>1,129,930</u>	<u>2,591,394</u>	

Analysis of direct costs

	Staff costs £	Other costs £	Total 2018 £	Total 2017 £
Pension income	2,000	-	2,000	2,000
Teaching and educational supplies	-	172,619	172,619	86,009
Staff development	-	-	-	249
Computer costs	-	344	344	123
Recruitment costs	-	5,844	5,844	5,492
Wages and salaries	1,335,828	-	1,335,828	1,175,708
National insurance	100,993	-	100,993	77,999
Pension cost	158,669	-	158,669	113,884
	<u>1,597,490</u>	<u>178,807</u>	<u>1,776,297</u>	<u>1,461,464</u>
At 31 August 2017	<u>1,369,591</u>	<u>91,873</u>	<u>1,461,464</u>	

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Staff costs	Other costs	Total	Total
	£	£	2018	2017
			£	£
Staff costs	546,413	-	546,413	295,502
Depreciation	-	219,253	219,253	196,630
Educational supplies	-	41,724	41,724	41,610
Staff development	-	55,010	55,010	28,913
Repairs and premises maintenance	-	25,414	25,414	10,504
Cleaning	-	53,880	53,880	29,365
Rent and rates	-	16,172	16,172	8,068
Heat and Light	-	47,769	47,769	40,924
Catering	-	45,730	45,730	73,423
Legal and professional	-	87,955	87,955	129,895
Insurance	-	12,557	12,557	23,930
Transport	-	170,342	170,342	150,770
Bank interest and charges	-	421	421	780
Computer costs	-	35,026	35,026	13,973
Other support costs	-	80,702	80,702	81,767
Advertising and marketing	-	839	839	3,876
	546,413	892,794	1,439,207	1,129,930
At 31 August 2017	295,502	834,428	1,129,930	

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

At 31 August 2018 the trust has made a bad debt provision totalling £7,174 in relation to bus income and catering income.

Net income/(expenditure) for the period includes:

	2018	2017
	£	£
Amortisation of intangible assets	5,623	5,011
Depreciation on tangible fixed assets	213,629	196,630
Fees payable to auditor for;		
- audit	8,000	8,000
- other services	4,500	4,500

SEVAK EDUCATION TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,393,930	922,381
Social security costs	126,669	91,219
Operating costs of defined benefit pension schemes	273,309	185,702
	<u>1,793,908</u>	<u>1,199,302</u>
Agency staff costs	308,716	462,091
Staff restructuring costs	39,279	1,700
	<u>2,141,903</u>	<u>1,663,093</u>
Staff restructuring costs comprise:		
Severance payments	<u>39,279</u>	<u>1,700</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are two non-statutory/non-contractual severance payments totalling £39,729 (2017: £1,700).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	25	21
Admin and support	28	11
Management	4	4
	<u>57</u>	<u>36</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	0	1

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, pension contributions for these staff members amounted to £15,307 (2017: £24,157).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

e. 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 £153,392 (2017: £197,816).

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £1,272 (2017 - £1,496) were reimbursed to 1 Trustee (2017 - 1).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2017	23,715
Additions	9,192
	<hr/>
At 31 August 2018	32,907
Amortisation	
At 1 September 2017	9,998
Charge for the year	5,623
	<hr/>
At 31 August 2018	15,621
Carrying amount	
At 31 August 2018	17,286
	<hr/> <hr/>
At 31 August 2017	13,717
	<hr/> <hr/>

SEVAK EDUCATION TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer Equipment £	Total £
Cost					
At 1 September 2017	3,858,701	34,660	316,754	327,929	4,538,044
Additions	11,705	-	15,338	36,139	63,182
At 31 August 2018	3,870,406	34,660	332,092	364,068	4,601,226
Depreciation					
At 1 September 2017	128,227	20,796	111,730	109,202	369,955
Charge for the year	70,452	6,932	64,718	71,527	213,629
At 31 August 2018	198,679	27,728	176,448	180,729	583,584
Net book value					
At 31 August 2018	3,671,727	6,932	155,644	183,339	4,017,642
At 31 August 2017	3,730,474	13,864	205,024	218,727	4,168,089

Included in long-term leasehold property is freehold land at valuation £345,000 (2017: £345,000).

14. STOCKS

	2018 £	2017 £
School resources	1,605	1,238

15. DEBTORS

	2018 £	2017 £
Trade debtors	499	-
VAT recoverable	38,277	92,605
Other debtors	29,957	54,243
Prepayments	51,064	35,408
	119,797	182,256

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	85,612	155,326
Other taxation and social security	36,714	23,588
Other creditors	24,021	19,412
Accruals and deferred income	69,889	66,024
	<u>216,236</u>	<u>264,350</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	40,704	114,206
Resources deferred during the year	41,501	40,704
Amounts released from previous years	(40,704)	(114,206)
Deferred income at 31 August 2018	<u>41,501</u>	<u>40,704</u>

At the balance sheet date the trust was holding funds received in advance from the ESFA for the autumn term 2018.

SEVAK EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	52,095	157,129	(183,404)	-	-	25,820
Restricted funds						
Restricted Funds	108,008	2,766,955	(2,740,847)	(18,374)	-	115,742
Pension reserve	(107,000)	-	(72,000)	-	45,000	(134,000)
	1,008	2,766,955	(2,812,847)	(18,374)	45,000	(18,258)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	4,181,806	54,001	(219,253)	18,374	-	4,034,928
Total restricted funds	4,182,814	2,820,956	(3,032,100)	-	45,000	4,016,670
Total of funds	4,234,909	2,978,085	(3,215,504)	-	45,000	4,042,490

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

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objectives of the Academy at the discretion of the Trustees.

Restricted general funds comprise of grants received from the Department for Education (DfE)/Education Skills Funding Agency (ESFA), Local Authorities and other grant providers and will only be used for the purposes that the grants were intended.

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

SEVAK EDUCATION TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	47,212	172,810	(167,927)	-	-	52,095
Restricted funds						
Restricted Funds	(42,073)	2,353,712	(2,170,891)	(32,740)	-	108,008
Pension reserve	(104,000)	-	(52,000)	-	49,000	(107,000)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	3,702,087	647,555	(200,576)	32,740	-	4,181,806

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	17,286	17,286
Tangible fixed assets	-	-	4,017,642	4,017,642
Current assets	242,056	115,742	-	357,798
Creditors due within one year	(216,236)	-	-	(216,236)
Provisions for liabilities and charges	-	(134,000)	-	(134,000)
	25,820	(18,258)	4,034,928	4,042,490

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	13,717	13,717
Tangible fixed assets	-	-	4,168,089	4,168,089
Current assets	316,445	108,008	-	424,453
Creditors due within one year	(264,350)	-	-	(264,350)
Provisions for liabilities and charges	-	(107,000)	-	(107,000)
	52,095	1,008	4,181,806	4,234,909

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**NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(237,419)	582,683
Adjustment for:		
Depreciation charges	213,629	191,619
Amortisation charges	5,623	5,011
Dividends, interest and rents from investments	(177)	(318)
Decrease/(Increase) in stocks	(367)	172
(Increase)/Decrease in debtors	62,459	(21,587)
Decrease in creditors	(48,114)	(13,066)
Defined benefit pension scheme cost less contributions payable	70,000	50,000
Defined benefit pension scheme finance cost	2,000	2,000
Increase/(Decrease) in provisions	-	(491,862)
Net cash provided by operating activities	67,634	304,652

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	236,396	240,959
Total	236,396	240,959

21. MEMBERS' LIABILITY

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

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

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22. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, 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 £158,669 (2017 - £115,260).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £55,000 (2017 - £30,000), of which employer's contributions totalled £41,000 (2017 - £21,000) and employees' contributions totalled £14,000 (2017 - £9,000). The agreed contribution rates for future years are 16.4% for employers and 5.8% for employees.

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22. PENSION COMMITMENTS (continued)

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	262	200
Discount rate -0.1%	279	213
Mortality assumption - 1 year increase	279	213
Mortality assumption - 1 year decrease	262	200
CPI rate +0.1%	279	213
CPI rate -0.1%	261	199

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	86,000	63,000
Gilts	10,000	7,000
Other bonds	5,000	4,000
Property	11,000	7,000
Cash and other liquid assets	5,000	5,000
Other	19,000	13,000
Total market value of assets	136,000	99,000

The actual return on scheme assets was £0 (2017 - £13,000).

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22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(111,000)	(71,000)
Interest cost	(2,000)	(2,000)
Total	(113,000)	(73,000)

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

	2018 £	2017 £
Opening defined benefit obligation	206,000	169,000
Current service cost	111,000	71,000
Interest cost	5,000	4,000
Employee contributions	14,000	9,000
Actuarial gains	(48,000)	(44,000)
Benefits paid	(18,000)	(3,000)
Closing defined benefit obligation	270,000	206,000

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

	2018 £	2017 £
Opening fair value of scheme assets	99,000	65,000
Interest income	3,000	2,000
Actuarial gains/(losses)	(3,000)	5,000
Employer contributions	41,000	21,000
Employee contributions	14,000	9,000
Benefits paid	(18,000)	(3,000)
Closing fair value of scheme assets	136,000	99,000

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

During the year purchases totalling £9,500 were made from Khalsa Primary School, a school where a trustee is the principal. There were no amounts outstanding at the year end.