

Registered number: 08267703

SEVAK EDUCATION TRUST LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

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SEVAK EDUCATION TRUST LIMITED

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

A S Basra, Trustee
B Claire, Trustee (appointed 1 September 2014)
T S Dhesi, Trustee
D Grewal, Trustee
J S Kalirai, Trustee (appointed 21 October 2014, resigned 24 July 2015)
H K Mann, Trustee (appointed 1 September 2014, resigned 20 July 2015)
V Marrs-Williams, Parent Governor (appointed 21 October 2014, resigned 24 July 2015)
M D Martin, Chair
M S Sahota, Finance Sub Committee Chair (appointed 1 September 2014)
T Singh, Trustee
J Bening, Trustee (resigned 1 September 2014)
P K Bharath, Trustee (resigned 1 September 2014)
S S Bitter, Trustee (resigned 1 September 2014)
S Kaur, Trustee (resigned 1 September 2014)
M S Mawaha, Trustee (resigned 1 September 2014)
A S Johal, Trustee (appointed 9 February 2016)
J Kaur, Trustee
D E Kershaw, Trustee (appointed 19 May 2015)
S Pooni, Trustee (appointed 9 February 2016)
J T Teogo, Trustee (appointed 19 May 2015)

Company registered number

08267703

Registered office

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

Principal operating office

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

Independent auditors

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

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 2015

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 2015. 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 provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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 GOVERNORS

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

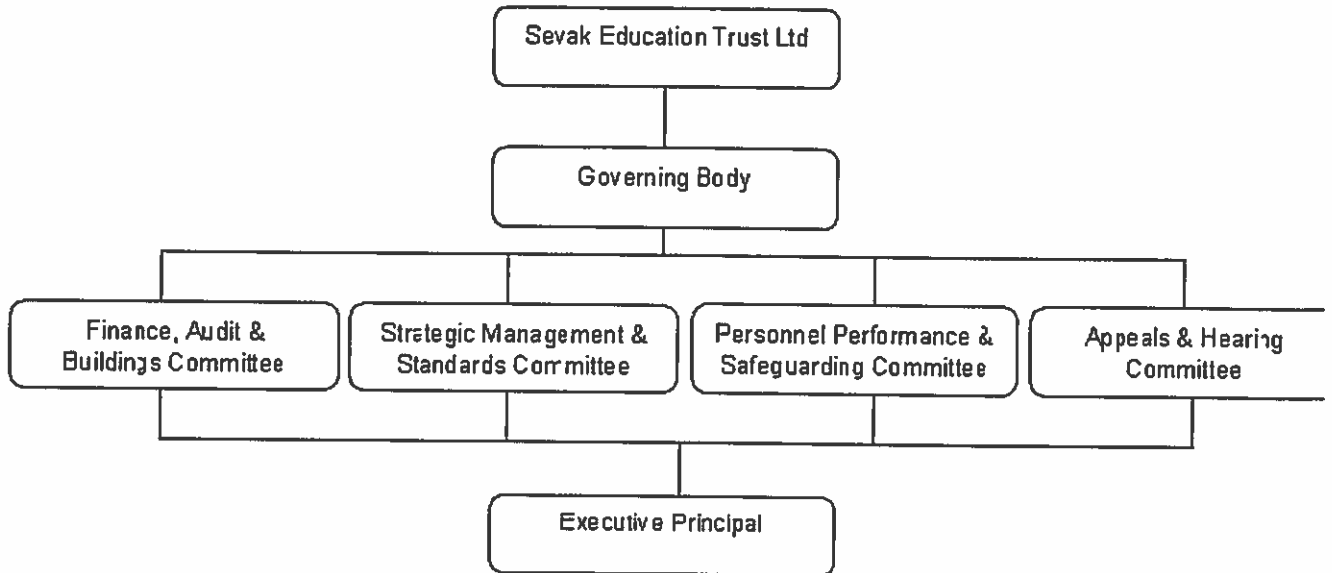
Any Governor elections will be held as soon as practicably possible after the occurrence of a vacancy. The objective will be always to ensure that the Governing Body's business is conducted with as many positions filled as possible to ensure each meeting is quorate and well attended.

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ORGANISATIONAL STRUCTURE

The Governance arrangements are based on a committee structure as shown below.



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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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 once the school has formally opened.

A risk register will be produced and passed to the Governors for their review. The Risk Register will assess the likelihood and impact of risks to the organisation and helps identify the major risks to which the organisation is exposed.

Strategic and Reputational Risks:

The major risk for the Governors 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

The major operational risk has been identified as the loss of key personnel. In order to mitigate the risk the Governors 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 Governors 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.

Compliance Risks

Data protection has been highlighted as a potential risk. In order to mitigate against the risk of data protection issues the ICT services are supported by an external contractor who is helping the school develop safe and secure systems

GOVERNORS' INDEMNITIES

Indemnity insurance for Governors has been provided by Hiscox since 1 September 2014 and provides indemnity for a number of provisions up to a maximum limit of £1,000,000.

Objectives and Activities

OBJECTS AND AIMS

Sevak Education Trust's ultimate aim is to educate children from ages 4-16 at an all through a 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.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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 anti-social behaviour
- Provide enhanced after-school, weekend and pre-school 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
- A longer school day that aims to give academic, moral, social and physical inspiration daily
- An extended day with pre-catch up sessions and two twilight sessions that offer Sikh Studies and extra-curricular activities.
- Personal study time to allow pupils to do homework in a stable school environment
- 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
- 'Math in Focus' used through all Key Stages
- Challenges are set that have to be completed 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
- Pre-classroom catch ups for those who are finding areas of the curriculum challenging
- Saturday enrichment and extra-curricular offerings for all pupils
- Extensive focus on the well-being of all children within the school

Strategic priorities for 2014/2015

- Achievement, securing outstanding outcomes
- Teaching and Learning – all teaching is good and outstanding
- Behaviour and Safety – Policy and practice is outstanding
- Leadership Management – Is judged as outstanding

Achievement and performance

The free school has been in operation since September 2014 at our temporary site in Tiverton Road, Wyken. 128 pupils were admitted out of a potential capacity of 175 in the 1st year of opening. During the academic year the school admitted another 30 pupils representing a school population increase of 24% increase in year. Robust transition arrangements ensured all transient pupils had a successful start to school.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Achievement and Outcomes 2014/2015

KS1 – Attainment 2015 (Actual)

- Average point score (Re,Wr,Ma) 17.5 points – significantly above the national average (16.1)
- Percentage level 2+ (Re,Wr,Ma) 97% - significantly above the national average (86%)

KS1 – Progress 2015 – Value Added

- Average point score (Re,Wr,Ma) +0.7 point - significantly above the national average (0)
- Percentage level 2+ (Re,Wr,Ma) +9% - significantly above the national average (0%)

The first year outcomes for all indicators are significantly above national standards. This is a remarkable achievement for new establishing school.

Prior attainment of pupils at KS2 (Prior KS2)

Our year 3 intake; prior attainment is above the national average point score at KS1. School average point score is 16.6 against a national of 16.

Attendance

Whole school attendance for compulsory age children is 96.5% - significantly above national average.

Behaviour

Behaviour is described as good and outstanding.
FTE for the year is 0

The school developed a calendar of events to celebrate international/national event days e.g Mother's day, Father's day, World Book day. They also celebrated faith festivals to include Vaisakhi, Easter, Christmas, Diwali, Bandi Chhor Divas and GURPURAB.

Phase two development

The school successfully moved and opened their new site in Eden Road, in September 2015. The high profile PR and Marketing strategy was successful as demonstrated by the September 2015 admission numbers. Secondary element of the school opened in September 2015, resourced and staffed following the English baccalaureate curriculum model. The school population in September 2015 was 278.

Pupil numbers in Year 7 are steadily rising. All primary year groups are full with significant waiting lists.

Phase two buildings at Eden Road provide excellent facilities to support T&L for primary and Secondary pupils, these include high quality specialist areas; Science, Catering, Art and DT . A central and important feature of our school is the prayer hall which is used extensively by our school and the community it serves.

A unique feature of our school is the ECO school travel plan. School has set and achieved its target of providing transport for up to 65% of the school population. The aim of our travel plan is to reduce congestion and pollution, improve safety for all, and improve relationships with the local community and to achieve outstanding pupil punctuality.

External Partnership

As a new school we have prioritised making long term robust partnerships with other schools and agencies to ensure our rapid expansion year on is supported by best practice. We are beginning to work closely with a number of Primary, Secondary Schools and the Local Authority to support us on a range of priorities includes T&L, H&S, HR and Recruitment. We have also commissioned the support of highly regarded external agencies to support financial accounting and HR/Recruitment.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

The school has planned for rapid expansion from September 2016 with a review of staffing and facilities completed to ensure a quality provision is secured for all.

The strategic and key priorities for the coming year and actions are documented in the SDP September 2015/2016.

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 programme 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 Prayer Hall to the community free of charge over the weekend

Seva School has worked in partnership with other local schools, i.e. Finham Park Primary and Whitley Academy, especially in its first year of operation to call upon the expertise of well-established local schools.

The School has in place a School Travel Plan with a pupil take-up of approximately 64%. The aim of the Travel plan is 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 to establish itself as an Eco friendly school

The pupils of Seva School have undertaken various fund-raising activities including collection of gifts for donations at local hospitals and to the Food Bank.

The School has partnered with local business for enrichment and sports activities, as well as Catering and Cleaning functions are provided by local suppliers.

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

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.

Achievements and performance

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.

REVIEW OF ACTIVITIES

The aim of the Trust was to ensure a functioning school was available to opening and it would be financially viable during operation.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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 review

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 a 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The major risk for the Governors 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 which means that school places are currently at a premium. A sensitivity analysis is also carried out to show the impact of lower than expected pupil numbers so expenditure plans can be adjusted accordingly.

RESERVES POLICY

The Governors' 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.

Plans for the future

FUTURE DEVELOPMENTS

The aim of the Trust is to focus on the permanent site of the all through Seva School and the secondary school phase opening.

It is hoped that the success of the school will enable it to become a positive example for free schools and would be used as a building block towards the possible setting up of other Sikh faith free schools by the Trust in other parts of the country.

FUNDS HELD AS CUSTODIAN

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

MEMBERS' LIABILITY

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

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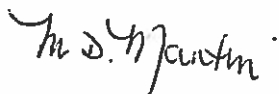
**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

PROVISION OF INFORMATION TO AUDITORS

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor 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 *21st March 2016* and signed on its behalf by:



**M D Martin, Trustee
Chair of Trustees**

SEVAK EDUCATION TRUST LIMITED

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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 Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Trustees' Responsibilities Statement. 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, Trustee	6	6
B Claire, Trustee	4	6
T S Dhesi, Trustee	5	5
D Grewal, Trustee	3	6
J S Kalirai, Trustee	1	6
H K Mann, Trustee	1	6
V Marrs-Williams, Parent Governor	5	6
M D Martin, Chair	6	6
M S Sahota, Finance Sub Committee Chair	4	6
T Singh, Trustee	6	6
J Bening, Trustee	0	0
P K Bharath, Trustee	0	0
S Bitter, Trustee	0	0
S Kaur, Trustee	0	0
M S Mawaha, Trustee	0	0
A S Johal, Trustee	0	0
J Kaur, Trustee	5	6
D E Kershaw, Trustee	2	2
S Pooni, Trustee	0	0
J T Teogo, Trustee	0	1

REVIEW OF VALUE FOR MONEY

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

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

- By working closely with our Trustees, Community and Volunteers, and maintaining close links with them, the School has received valuable support during the move from its temporary site. For example: the School moved to its new site in Sept 2015. However, planning, packing and removal were undertaken during the months of July and August 2014 by Staff, Trustees and Volunteers saving the school significant sums of money in removal expenditure.
- As part of a continued programme of internal checks and financial management, the School had pursued external consultants to oversee the works within this field. To facilitate this, the school had received

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GOVERNANCE STATEMENT (continued)

quotations from two external consultants after initial meetings with the two parties: Schools and Academies Finance (daily rate £600 net) & PS Financials (daily rate £875 net). Taking into consideration the savings in daily rate, and the expertise involved, Schools and Academies Finance (SAAF) were appointed as the School's external consultants. The School will continue to develop partnership with SAAF during the forthcoming years to ensure training of staff and internal audit checks are embedded as part of the school's financial management

- The School ensures value for money is achieved when procuring learning resources for its pupils. Staff are advised to source low-cost supplies of books and stationery where possible. The School purchases a significant proportion of its learning resources from suppliers within the ESPO frame work, where one or more suppliers have been evaluated against criteria such as financial stability, track record and experience.

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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the 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 2014 to 31 August 2015 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 and General Purposes 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 appointee'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:

On an annual basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

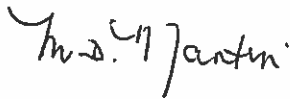
REVIEW OF EFFECTIVENESS

As accounting officer, the Principal 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 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 *21st March 2016* and signed on its behalf, by:



M D Martin
Chair of Trustees



P Hammond
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Sevak Education Trust Limited I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.



P Hammond
Accounting Officer

Date: 21.3.16

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TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Sevak Education Trust Limited and 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 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:

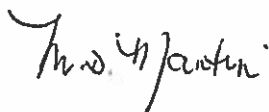
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/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 21/3/16 and signed on its behalf by:



M D Martin
Chair of Trustees

SEVAK EDUCATION TRUST LIMITED

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

We have audited the financial statements of Sevak Education Trust Limited for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

During the years ended 31 August 2014 and 31 August 2015 the Trust failed to maintain adequate accounting records and was not compliant with some of the requirements of the Academies Financial Handbook 2014 and 2015, as well as the Trust's funding agreement with the Secretary of State for Education dated May 2014.

As a result of the matters referred to above, the audit evidence available to us was limited because we were unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.

Specifically our scope was limited in respect of:

- (i) opening balances (see note 21); and
- (ii) the completeness of income regarding activities for generating funds.

Whilst we have been unable to obtain sufficient appropriate audit evidence on which to base our opinion, we conclude that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

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

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the matters referred to in the Basis for Qualified Opinion paragraph the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

Notwithstanding our basis for a qualified opinion on the financial statements, in our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In respect of the limitation of our work, as described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

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

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

Smith Cooper Limited

James Delve (Senior Statutory Auditor)
for and on behalf of
Smith Cooper Limited
Chartered Accountants and Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE
Date: 22 March 2016

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 6 May 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sevak Education Trust Limited and EFA, 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BASIS FOR MODIFIED CONCLUSION

As reported in our Independent Auditors' Report, during the year ending 31 August 2015 the Trust failed to maintain adequate accounting records in addition to having suitable internal controls in place. As such the audit evidence available to us was also limited in respect of our regularity work.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Limited

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

Date: 22 March 2016

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	38,273	1,406,845	1,445,118	8,934
Activities for generating funds	3	29,036	-	-	29,036	-
Investment income	4	722	1,000	-	1,722	222
Incoming resources from charitable activities	5	-	955,781	2,283,150	3,238,931	363,658
TOTAL INCOMING RESOURCES		29,758	995,054	3,689,995	4,714,807	372,814
RESOURCES EXPENDED						
Charitable activities		-	986,980	-	986,980	266,372
Governance costs	7	-	48,770	-	48,770	4,700
TOTAL RESOURCES EXPENDED	10	-	1,035,750	-	1,035,750	271,072
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		29,758	(40,696)	3,689,995	3,679,057	101,742
Actuarial gains and losses on defined benefit pension schemes		-	(3,000)	-	(3,000)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		29,758	(43,696)	3,689,995	3,676,057	101,742
Total funds at 1 September 2014		-	43,085	153,658	196,743	95,001
TOTAL FUNDS AT 31 AUGUST 2015		29,758	(611)	3,843,653	3,872,800	196,743

All activities relate to continuing operations.

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

The notes on pages 22 to 39 form part of these financial statements.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08267703

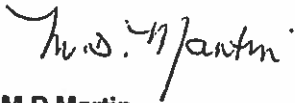
**BALANCE SHEET
AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	As restated 2014 £
FIXED ASSETS					
Tangible assets	17		3,871,381		328,125
CURRENT ASSETS					
Debtors	18	1,423,082		47,369	
Cash at bank		<u>228,589</u>		<u>196,834</u>	
		1,651,671		244,203	
CREDITORS: amounts falling due within one year	19	<u>(1,480,350)</u>		<u>(375,585)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>171,321</u>		<u>(131,382)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,042,702		196,743
PROVISIONS FOR LIABILITIES					
Other provisions	20		<u>(156,902)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			3,885,800		196,743
Defined benefit pension scheme liability	27		<u>(13,000)</u>		<u>-</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>3,872,800</u>		<u>196,743</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	22	12,389		43,085	
Restricted fixed asset funds	22	<u>3,843,653</u>		<u>153,658</u>	
Restricted funds excluding pension liability		3,856,042		196,743	
Pension reserve		<u>(13,000)</u>		<u>-</u>	
Total restricted funds			3,843,042		196,743
Unrestricted funds	22		<u>29,758</u>		<u>-</u>
TOTAL FUNDS			<u>3,872,800</u>		<u>196,743</u>

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08267703

The financial statements were approved by the Trustees, and authorised for issue, on *21st March 2016*
and are signed on their behalf, by:



M D Martin
Chair of Trustees

The notes on pages 22 to 39 form part of these financial statements.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	As restated 2014 £
Net cash flow from operating activities	24	3,658,626	429,957
Returns on investments and servicing of finance	25	1,722	-
Capital expenditure and financial investment	25	(3,628,593)	(328,125)
INCREASE IN CASH IN THE YEAR		<u>31,755</u>	<u>101,832</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	As restated 2014 £
Increase in cash in the year	<u>31,755</u>	<u>101,832</u>
MOVEMENT IN NET FUNDS IN THE YEAR	31,755	101,832
Net funds at 1 September 2014 (as restated)	<u>196,834</u>	<u>95,002</u>
NET FUNDS AT 31 AUGUST 2015	<u>228,589</u>	<u>196,834</u>

The notes on pages 22 to 39 form part of these financial statements.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

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 one year from the date of approval of the financial statements.

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

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

Other income, including the hire of facilities, 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

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 and include grants from Education Funding Agency.

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The policy with respect to impairment reviews of fixed assets 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 impairment losses within the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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

Long-term leasehold property	-	asset under construction therefore no depreciation has yet been provided
Motor vehicles	-	20% straight line
Fixtures and fittings	-	asset under construction therefore no depreciation has yet been provided
Computer equipment	-	asset under construction therefore no depreciation has yet been provided

Assets under the course of construction are included at cost and depreciation on these assets is not charged until they are brought into use. For the year-ended 31 August 2015, this included long-term leasehold property, fixtures and fittings, and computer equipment.

1.7 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.

1.8 Provisions

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

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Donations	-	38,273	38,273	8,934
Donated fixed assets by EFA	-	1,406,845	1,406,845	-
	<u>-</u>	<u>1,445,118</u>	<u>1,445,118</u>	<u>8,934</u>
Voluntary income	<u>-</u>	<u>1,445,118</u>	<u>1,445,118</u>	<u>8,934</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering income	2,233	-	2,233	-
Trip income	9,315	-	9,315	-
Bus income	9,236	-	9,236	-
Other income	8,252	-	8,252	-
	<u>29,036</u>	<u>-</u>	<u>29,036</u>	<u>-</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Bank interest received	722	-	722	222
Expected return on pension scheme assets	-	1,000	1,000	-
	<u>722</u>	<u>1,000</u>	<u>1,722</u>	<u>222</u>

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Funding for Academy's educational operations	-	3,238,931	3,238,931	363,658

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	684,858	684,858	-
Capital grants	-	1,081,100	1,081,100	153,658
Start-up grants	-	168,751	168,751	210,000
Accrued capital grant income	-	1,202,050	1,202,050	-
Other Dfe/EFA grants	-	102,172	102,172	-
	-	3,238,931	3,238,931	363,658

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Staff costs	-	571,530	571,530	35,649
Other costs	-	415,450	415,450	230,723
	-	986,980	986,980	266,372

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Auditors' remuneration	-	8,000	8,000	3,050
Auditors' non audit costs	-	3,000	3,000	1,650
Accountancy fees	-	36,000	36,000	-
Trustees' reimbursed expenses	-	1,770	1,770	-
	-	48,770	48,770	4,700

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. DIRECT COSTS

	Staff costs	Other costs	Total	As restated
	£	£	2015	Total
			£	2014
				£
Teaching and educational supplies	-	36,532	36,532	31,075
Staff development	-	23	23	-
Computer costs	-	2,067	2,067	-
Other costs	-	198	198	-
Recruitment costs	-	33,027	33,027	6,934
Wages and salaries	329,760	-	329,760	25,301
National insurance	17,927	-	17,927	2,556
Pension cost	24,305	-	24,305	3,131
	<u>371,992</u>	<u>71,847</u>	<u>443,839</u>	<u>68,997</u>

9. SUPPORT COSTS

	Staff costs	Other costs	Total	As restated
	£	£	2015	Total
			£	2014
				£
Educational supplies	-	5,521	5,521	-
Staff development	-	4,995	4,995	-
Repairs and premises maintenance	-	6,628	6,628	2,551
Cleaning	-	7,298	7,298	-
Rent and rates	-	57,909	57,909	7,523
Heat and Light	-	9,000	9,000	-
Catering	-	56,657	56,657	-
Legal and professional fees	-	72,713	72,713	146,075
Insurance	-	6,961	6,961	7,496
Transport	-	44,482	44,482	1,771
Bank interest and charges	-	193	193	-
Computer costs	-	49,114	49,114	3,828
Other support costs	-	9,705	9,705	5,315
Advertising and marketing	-	5,495	5,495	18,155
Wages and salaries	154,252	-	154,252	4,337
National insurance	6,145	-	6,145	324
Pension cost	39,141	-	39,141	-
Depreciation	-	6,932	6,932	-
	<u>199,538</u>	<u>343,603</u>	<u>543,141</u>	<u>197,375</u>

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. RESOURCES EXPENDED

	Staff costs	Other costs	Total	As restated Total
	2015 £	2015 £	2015 £	2014 £
Academy's educational operations - staff	371,992	-	371,992	30,988
Academy's educational operations - other	-	71,847	71,847	38,009
Support costs - staff	199,538	-	199,538	4,661
Other allocated support costs	-	343,603	343,603	192,714
Charitable activities	571,530	415,450	986,980	266,372
Governance	-	48,770	48,770	4,700
	571,530	464,220	1,035,750	271,072

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	As restated Total
	2015 £	2015 £	2015 £	2014 £
Staff costs	371,992	199,538	571,530	35,649
Other costs	71,847	343,603	415,450	230,723
Total	443,839	543,141	986,980	266,372

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £548 (2014: £nil).

13. TRUSTEES REMUNERATION AND EXPENSES

Trustees did not receive any payments, other than reimbursement of expenses, from the Trust in respect of their role as trustees.

During the year ended 31 August 2015 expenses totalling £1,770 (2014: £nil) were reimbursed to 3 trustees.

SEVAK EDUCATION TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

14. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	As restated 2014 £
Depreciation of tangible fixed assets: - owned by the charity	6,932	-
Auditors' remuneration	<u>8,000</u>	<u>3,050</u>

15. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	As restated 2014 £
Wages and salaries	484,012	26,507
Social security costs	24,073	2,880
Operating costs of defined benefit pension schemes (Note 27)	63,447	6,262
	<u>571,532</u>	<u>35,649</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	7	
Admin and support	7	
Management	1	1
	<u>15</u>	<u>1</u>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

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16. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	<u>1,000</u>	<u>-</u>

17. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014 (as previously stated)	251,720	34,660	-	-	286,380
Prior year adjustment	<u>30,370</u>	<u>-</u>	<u>11,375</u>	<u>-</u>	<u>41,745</u>
At 1 September 2014 (as restated)	282,090	34,660	11,375	-	328,125
Additions	<u>3,014,083</u>	<u>-</u>	<u>265,860</u>	<u>270,245</u>	<u>3,550,188</u>
At 31 August 2015	<u>3,296,173</u>	<u>34,660</u>	<u>277,235</u>	<u>270,245</u>	<u>3,878,313</u>
Depreciation					
Charge for the year	<u>-</u>	<u>6,932</u>	<u>-</u>	<u>-</u>	<u>6,932</u>
At 31 August 2015	<u>-</u>	<u>6,932</u>	<u>-</u>	<u>-</u>	<u>6,932</u>
Net book value					
At 31 August 2015	<u>3,296,173</u>	<u>27,728</u>	<u>277,235</u>	<u>270,245</u>	<u>3,871,381</u>
At 31 August 2014 (as restated)	<u>282,090</u>	<u>34,660</u>	<u>11,375</u>	<u>-</u>	<u>328,125</u>

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

The taking up of a leasehold on Link House, Walsgrave Business Park, Coventry, CV2 2TH, for a term of 129 years as granted by the Secretary of State.

No depreciation has been provided on long-term leasehold property, fixtures and fittings and computer equipment due to the assets not being available for use until subsequent to the year-end.

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18. DEBTORS

	2015 £	As restated 2014 £
Capital grant accrued income	1,311,930	-
Other debtors	94,966	38,967
Prepayments	16,186	8,402
	<u>1,423,082</u>	<u>47,369</u>

**19. CREDITORS:
Amounts falling due within one year**

	2015 £	As restated 2014 £
Trade creditors	212,576	319,593
Other taxation and social security	146,026	-
Other creditors	11,664	8,547
Accruals and deferred income	1,110,084	47,445
	<u>1,480,350</u>	<u>375,585</u>

20. PROVISIONS

	Clawback provision £
Additions	<u>156,902</u>
At 31 August 2015	<u>156,902</u>

Clawback provision

The clawback provision relates to an anticipated clawback of General Annual Grant (GAG) funding, by the EFA, as a result of a shortfall in pupil numbers upon which the original GAG funding was based.

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21. PRIOR YEAR ADJUSTMENT

Due to fundamental errors identified in the prior year financial statements, which included a qualified audit opinion, prior year adjustments have been made and are summarised as follows:

Incoming resources from charitable activities were originally stated as £498,546 and have been restated as £372,814 as a result of income being duplicated and additional capital grant income being identified during the year to 31 August 2014.

Fixed assets were originally stated as £286,380 and have been restated as £328,125 as a result of additional capital expenditure relating to year ended 31 August 2014 being identified.

Cash at bank was originally stated as £291,834 and has been restated as £196,834 as a result of income being duplicated relating to the year 31 August 2014.

Restricted funds were originally stated as £322,253 and have been restated as £196,743 as a result of the above adjustments.

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22. STATEMENT OF FUNDS

	Brought Forward As restated £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	-	29,758	-	-	-	29,758
Restricted funds						
Restricted funds	43,085	995,054	(1,035,750)	10,000	-	12,389
Pension reserve	-	-	-	(10,000)	(3,000)	(13,000)
	<u>43,085</u>	<u>995,054</u>	<u>(1,035,750)</u>	<u>-</u>	<u>(3,000)</u>	<u>(611)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	153,658	3,689,995	-	-	-	3,843,653
Total restricted funds	<u>196,743</u>	<u>4,685,049</u>	<u>(1,035,750)</u>	<u>-</u>	<u>(3,000)</u>	<u>3,843,042</u>
Total of funds	<u>196,743</u>	<u>4,714,807</u>	<u>(1,035,750)</u>	<u>-</u>	<u>(3,000)</u>	<u>3,872,800</u>

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

Unrestricted income funds represent those 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 Funding Agency (EFA), 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/EFA where the asset acquired or created is held for a specific purpose.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward As restated £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	29,758	-	-	-	29,758
Restricted funds	43,085	995,054	(1,035,750)	-	(3,000)	(611)
Restricted fixed asset funds	153,658	3,689,995	-	-	-	3,843,653
	<u>196,743</u>	<u>4,714,807</u>	<u>(1,035,750)</u>	<u>-</u>	<u>(3,000)</u>	<u>3,872,800</u>

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

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Tangible fixed assets	-	27,728	3,843,653	3,871,381	286,380
Current assets	29,758	1,621,913	-	1,651,671	369,935
Creditors due within one year	-	(1,480,349)	-	(1,480,349)	(333,840)
Provisions for liabilities and charges	-	(169,903)	-	(169,903)	-
	<u>29,758</u>	<u>(611)</u>	<u>3,843,653</u>	<u>3,872,800</u>	<u>196,743</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2015 Total £	As restated 2014 £
Net incoming resources before revaluations	3,679,057	-	3,679,057	101,742
Returns on investments and servicing of finance	(1,722)	-	(1,722)	-
Depreciation of tangible fixed assets	6,932	-	6,932	-
Increase in debtors	(1,281,626)	-	(1,281,626)	(47,369)
Increase in creditors	1,089,083	-	1,089,083	375,584
Increase in LGPS liability	13,000	-	13,000	-
Increase in provisions	156,902	-	156,902	-
Actuarial gains/(losses)	(3,000)	-	(3,000)	-
Net cash inflow from operations			<u>3,658,626</u>	<u>429,957</u>

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>1,722</u>	-
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(3,628,593)</u>	<u>(328,125)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

27. 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 December 2014 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);

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27. PENSION COMMITMENTS (continued)

- 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%

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

The pension costs paid to TPS in the period amounted to £24,305 (2014: £3,131).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2015 was £20,000, of which employer's contributions totalled £14,000 and employees' contributions totalled £6,000. The agreed contribution rates for future years are 13.6% for employers and 5.8% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2015	As restated 2014
	£	£
Present value of funded obligations	(34,000)	-
Fair value of scheme assets	21,000	-
Net liability	(13,000)	-

The amounts recognised in the Statement of Financial Activities are as follows:

	2015	As restated 2014
	£	£
Current service cost	(25,000)	-
Expected return on scheme assets	1,000	-
Total	(24,000)	-

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27. PENSION COMMITMENTS (continued)

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

	2015 £	As restated 2014 £
Current service cost	25,000	-
Contributions by scheme participants	6,000	-
Actuarial losses	3,000	-
	<u>34,000</u>	<u>-</u>
Closing defined benefit obligation	<u>34,000</u>	<u>-</u>

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

	2015 £	As restated 2014 £
Expected return on assets	1,000	-
Contributions by employer	14,000	-
Contributions by employees	6,000	-
	<u>21,000</u>	<u>-</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £-3,000 (2014 - £nil).

The academy expects to contribute £13,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	60.00%	- %
Government bonds	7.00%	- %
Other bonds	10.00%	- %
Property	9.00%	- %
Cash/liquidity	5.00%	- %
Other	9.00%	- %

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

	2015	2014
Discount rate for scheme liabilities	4.00%	- %
Rate of increase in salaries	4.15%	- %
Rate of increase for pensions in payment / inflation	2.40%	- %
Inflation assumption (CPI)	2.40%	- %

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27. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	23	
Females	25.2	
Retiring in 20 years		
Males	25.6	
Females	28	

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(34,000)	-	-	-	-
Scheme assets	21,000	-	-	-	-
Deficit	(13,000)	-	-	-	-
Experience adjustments on scheme liabilities	(3,000)	-	-	-	-

28. RELATED PARTY TRANSACTIONS

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

During the period the Trustees paid for expenses on behalf of the Trust totalling £nil (2014: £8,834). The Trustees have confirmed these will not be reimbursed and for this reason have been treated as donations.