

REGISTERED COMPANY NUMBER: 08267703 (England and Wales)

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR
SEVAK EDUCATION TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**



AKS Advisers Limited, Statutory Auditor
Fourth & Fifth Floors
14-15 Lower Grosvenor Place
London
SW1W 0EX

SEVAK EDUCATION TRUST LTD

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FOR THE YEAR ENDED 31 AUGUST 2021**

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SEVAK EDUCATION TRUST LTD

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

MEMBERS:	A S Basra HBansal D Grewal A Dhariwal
TRUSTEES	A S Basra , Chair of Trustees S Heer , Finance Sub Committee Chair Dr A S Johal , Trustee Ms H Marwaha , Trustee N C J Melvin , Co-Opted Trustee M S Sahota , Trustee Y Singh , Trustee S Sangha , Trustee P V S Sumal , Trustee (appointed 5.7.21)
REGISTERED OFFICE	Seva School Eden Road Coventry Walsgrave Triangle Coventry England CV2 2TB
REGISTERED COMPANY NUMBER	08267703 (England and Wales)
AUDITORS	AKS Advisers Limited, Statutory Auditor Fourth & Fifth Floors 14-15 Lower Grosvenor Place London SW1W 0EX
BANKERS	Lloyds Bank Coventry West Midlands CV1 5RA
SOLICITORS	Fenners Chambers 3 Maddingley Road Cambridge CB3 0EE
SENIOR MANAGEMENT TEAM	J Donnellan(Headteacher & Accounting Officer) (Appointed 21.09.2020) S Sanghera, Assistant Principal H Bisla,CFO (Resigned on 03.12.2021) R Saggu,Consultant(Headteacher & Accounting Officer) (Resigned on 30.09.2020)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

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 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 education of the all through Free School in Coventry. It is named Seva School and is a Sikh faith school based on the teachings of Guru Nanak Dev Ji, 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 trustee 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.

Policies adopted for the induction and training of trustees

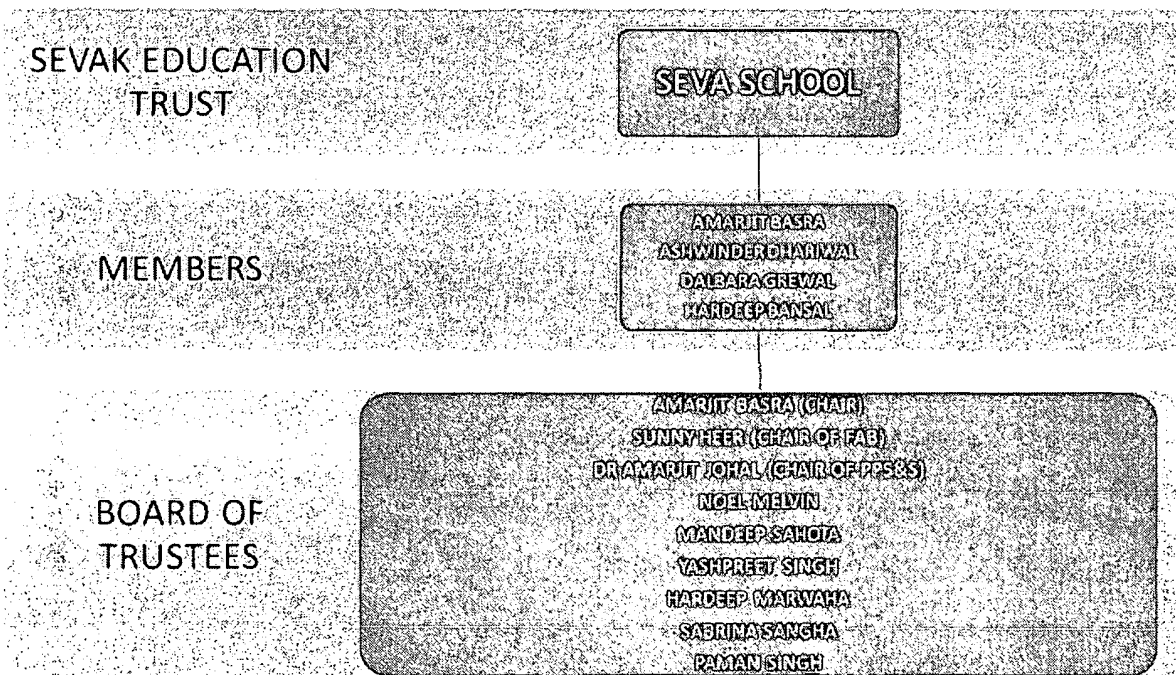
The clerk to trustees is responsible for new trustee induction. There is a trustee handbook in place for this purpose which is updated annually.

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, Safeguarding and Standards Committee. Seva schools pay policy is reviewed annually.

Organisational structure

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



NOTES
FAB is Finance, Audit & Buildings Committee
PPS is Personal, Performance, Safeguarding & Standards Committee

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

As per last financial year, the primary risk for the Trustees faced this year and one that continues is the

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Covid-19 global pandemic. This had a devastating impact on Seva both directly and indirectly. The good news is that vaccine rollout has supported school life getting back to some type of normal reality. Covid has provided many financial challenges that include increased cleaning expenditure, agency supply costs due to staff shortages from self-isolating and sickness, loss of income on catering due to reduced menu and increased costs on travel provision. The key priority which will have a financial impact is to ensure the school can provide the key educational interventions and resources to bridge the gap in knowledge for pupils, as a result of national lockdowns and self-isolation.

Another 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.

Operational risks

The biggest current risk is the impact of Covid19. For Seva, this was most problematic in late autumn term 2020, when the number of staff isolating created extreme difficulties in keeping the school open. Although some staff could teach remotely from home, the school had to provide an adult to sit with the class. We managed this period well, not closing the school once, although it was very difficult.

This also meant, of course, that our second set of year 11 KS4 results were Centre Assessed Grades. This is a great pity as the results achieved will not be published in national league tables and we believe they would have been a powerful marketing tool within the local area.

Covid also delayed the start of the planned building works, which again has impacted on the school's ability to increase numbers on roll significantly. Parents have been promised the proposed extension and refurbishment projects would start imminently (for a number of years now) and many have lost faith that it will happen at all and have enrolled their children into other schools, where sports and arts facilities are plentiful. We have a number of year groups that are not full to capacity and this brings significant expense (example: we have just 40 pupils in year 7; this is too many for one class and results in 2 very small (expensive) classes. This is good as small numbers are facilitating the rapid closing of attainment gaps due to Covid lockdowns and isolations, but is financially inefficient.

Due to the delayed works, the school continues to spend a significant amount of money on quality PE provision (having to hire local venues and pay for coach hire (and additional staff) to facilitate adequate learning in this area.

The lack of capacity within the leadership team has been a cause for concern. One new Assistant Headteacher will start in September 2021, but another is needed. This appointment will be a priority in the next academic year. The recruitment of high quality committed staff is an ongoing challenge; we feel the school's current Ofsted grading of "Requires Improvement" could be a barrier and in the past, less than ideal candidates have been employed in permanent positions. The school has revised its recruitment strategy and are hopeful this will bring about more stability in the future.

A further operational risk is the fact that the school receives lagged funding. This is far from ideal as a growing school; we will be funded on 512 students in 2021/2022 but are likely to have 580 pupils on roll. This means the school will have to apply to the ESFA for additional funding; as this is not a "given", the school cannot risk appointing permanent teachers for the additional classes and will be reliant on supply staff.

Another operational risk would be the school receiving an unfavourable Ofsted report, which was the case in September 2016 when the school was placed in special measures. Following an Ofsted inspection in

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January 2019, Seva School has been judged as a strong requires improvements with elements of good. Early Years provisions and behaviour of pupils was judged as good. This has been followed by a monitoring inspection in January 2020, which assessed the school to be taking effective action to tackle the areas requiring improvement for the school to be judged good.

Compliance risks

We have a company called Azteq along with our in-house ICT technician that ensure GDPR compliance. 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.

Trustees indemnities

Indemnity insurance for Trustees is provided by RPA and provides professional unlimited indemnity for a number of provisions up to £10 million any one loss in any one membership year.

Fundraising

The pupils of Seva School have undertaken various fundraising activities including collection of funds for a variety of charities such as Children In Need, Macmillan Support, British Legion, SHARE Charity and Midland Langar. 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.

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.

Objectives 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 Dev Ji, 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.

Trade union facility time

There were no trade union officials hired by Academy during the year to 31.08.2021.

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

Achievement and performance

Pupils on roll during the academic year ending August 2021 encompassed reception class and years 1-6 (the primary phase) and years 7 to 11 (the secondary phase). The total number of pupils on roll now is as below:

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Children on Roll week beginning 19th July 2021

Year Group	Total Numbers	Capacity	Spaces Available
Reception	21	60	39
Year 1	27	60	33
Year 2	34	60	26
Year 3	45	60	15
Year 4	45	60	15
Year 5	49	60	11
Year 6	47	60	13
Year 7	40	120	80
Year 8	55	120	65
Year 9	53	120	67
Year 10	55	120	65
Year 11	55	120	65
Total	526	1020	494

Achievement and Outcomes

EYFS: Good Level Development (GLD)

Reception class	2018	2019	2020	2021
Seva School	61%	77%	79%	70%
Coventry	67.8%	69%	n/a	n/a
National	71.5%	71.8%	n/a	n/a

Phonics outcomes

Year 1	2018	2019	2020	2021
Seva School	82%	85%	Covid	79%
Coventry	81.3%	80.4%	n/a	n/a
National	82.5%	81.9%	n/a	n/a

Year 2	2018	2019	2020	2021
Seva School	100%	96%	90%	67%*
Coventry	60%	89%	n/a	n/a
National	92%	91%	n/a	n/a

*2 out of 3 pupils passed in 2021

Summary: Outcomes dropped in 2021 – this is to be expected given the disruption that the Pandemic created. The school will implement a recovery plan 2021/2022.

KS1

Reading	Expected standard +			
	2018	2019	2020	2021
Seva School	80%	79%	89%	77%
Coventry	72%	72%	n/a	n/a
National	75%	75%	n/a	n/a

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Reading	Greater Depth			
	2018	2019	2020	2021
Seva School	16%	26%	25%	24%
Coventry	20%	21%	n/a	n/a
National	26%	25%	n/a	n/a

Maths	Expected standard +			
	2018	2019	2020	2021
Seva School	78%	81%	89%	76%
Coventry	73%	73%	n/a	n/a
National	76%	76%	n/a	n/a

Maths	Greater Depth			
	2018	2019	2020	2021
Seva School	28%	26%	25%	27%
Coventry	17%	19%	n/a	n/a
National	22%	22%	n/a	n/a

Writing	Expected standard +			
	2018	2019	2020	2021
Seva School	76%	70%	82%	77%
Coventry	65%	65%	n/a	n/a
National	70%	69%	n/a	n/a

Writing	Greater Depth			
	2018	2019	2020	2021
Seva School	4%	12%	18%	21%
Coventry	8%	10%	n/a	n/a
National	16%	15%	n/a	n/a

RWM Combined	Expected standard +			
	2018	2019	2020	2021
Seva School	62%	67%	82%	79%
Coventry	61%	61%	n/a	n/a
National	65%	65%	n/a	n/a

RWM Combined	Greater Depth			
	2018	2019	2020	2021
Seva School	2%	12%	11%	21%
Coventry	6%	7%	n/a	n/a
National	12%	11%	n/a	n/a

Summary 2021:

- No PP pupils in the cohort
- 4 SEN attaining 0% (EXP and EXP+)
- Expected standard down compared to SEVA 2019 and 2018 in Reading and Maths (only equivalent of 1 pupil)
- Writing and RWM combined both above SEVA 2018 and 2019 figures, the latter by 9.5% (roughly 3 pupils)
- All 4 subject measures showing an Expected % decrease compared to 2020 (impact of COVID)
- Writing is at a 4 year high with an increase year on year

KS2

Reading	Expected standard +			
	2018	2019	2020	2021
Seva School	79%	88%	90%	85%
Coventry	72%	69%	n/a	n/a
National	75%	73%	n/a	n/a

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Reading	Greater Depth			
	2018	2019	2020	2021
Seva School	26%	37%	31%	28%
Coventry	25%	24%	n/a	n/a
National	28%	27%	n/a	n/a

Maths	Expected standard +				Greater Depth			
	2018	2019	2020	2021	2018	2019	2020	2021
Seva School	74%	90%	90%	87%	21%	45%	23%	28%
Coventry	73%	77%	n/a	n/a	20%	25%	n/a	n/a
National	75%	79%	n/a	n/a	24%	27%	n/a	n/a

Writing	Expected standard +				Greater Depth			
	2018	2019	2020	2021	2018	2019	2020	2021
Seva School	74%	84%	85%	83%	11%	20%	15%	17%
Coventry	77%	78%	n/a	n/a	9%	13%	n/a	n/a
National	78%	78%	n/a	n/a	20%	20%	n/a	n/a

RWM Combined	Expected standard +				Greater Depth			
	2018	2019	2020	2021	2018	2019	2020	2021
Seva School	63%	80%	82%	83%	5%	14%	10%	17%
Coventry	62%	62%	n/a	n/a	5%	7%	n/a	n/a
National	64%	65%	n/a	n/a	10%	10%	n/a	n/a

Subjects 2021	Expected standard +			
	Boys (24)	Girls (23)	Pupil Premium (6)	SEND (5)
Reading	75	96	83	20
Writing	71	96	83	20
Maths	79	96	83	20
RWM combined	71	96	83	20
SPaG	79	100	83	40

Subjects 2021	Greater Depth			
	Boys	Girls	Pupil Premium	SEND
Reading	17	39	0	0
Writing	13	22	0	0
Maths	25	30	0	0
RWM combined	13	22	0	0
SPaG	17	39	0	0

Summary 2021:

- 6 pupil premium students (of 47 in cohort); 2 higher prior attainment, 2 middle and 2 lower (1 SEND) – above expected attainment achieved as such
- 5 pupils SEND support (none with an EHCP) – 2 middle PA and 3 lower (40% should have reached Exp+)
- RWM combined strong despite lockdowns (quality online learning extremely high)
- 8 females have high PA (and 1 male); 5 males had low PA (and 1 female) – explains female higher attainment

KS4

Measure	Seva 2021 (All)	Seva 2021 (Boys)	Seva 2021 (Girls)	Seva 2021 (Pupil Premium)	Seva 2021 (SEND)	National 2019
Progress 8	+1.6	+1.7	+1.5	+1.7	+1.5	-0.03
Attainment 8	5.9	5.7	6.0	5.2	4.8	5.1
% En & Ma (Grade 4+)	85.5%	81.5%	89.3%	71.4%	60%	64.8%
% En & Ma (Grade 5+)	83.6%	81.5%	85.7%	71.4%	60%	43%
Ebacc entry	90.9%	96.3%	85.7%	85.7%	60%	40%

Summary:

- 2021 marked our second set of year 11 results as a school (55 students)
- Strong progress 8 scores across all groups – disadvantaged pupils achieve higher than “all”
- Attainment in English and maths significantly higher than national and local figures (both genders)
- High number of students entering Ebacc compared to national
- Progress of SEND students pleasing given their barriers to learning (significant for 1 student)
- All 2021 student work was externally moderated by colleagues from a teaching school / examiner

Attendance

Covid continued to impact attendance heavily in 2020/2021; year group / class isolations were necessary at various times and individual isolations.

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 Remembrance Day, major festivals of other faiths including Christmas and Diwali and Sikh festivals including Vaisakhi, Diwali, Bandi Chhor Divas and Gurpurabs.

Eden Road premises provide accommodation for Years R to 11. 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.

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 and Warwickshire 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.

**TRUSTEES' REPORT
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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.

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:

- reducing congestion and pollution
- Improve safety
- Improve relationships with the local community
- And to establish itself as an Eco friendly school

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

The aim of the Trust is to ensure a functioning school that is financially viable during operation. Overall the trust has made a net surplus of £1,381, before deductions of depreciation of £170,136 and pension fund actuarial loss of £143,000 respectively, which resulted in a total deficit of £311,755. Day to day working capital remains positive as the cash position of the Trust is similar to that reported in previous years.

Seva School has faced significant challenges since it opened its doors in September 2014. In our opinion, it is fair to say majority of schools would not have faced the challenges that have stood in front of Seva. These challenges have arisen during a very condensed time period, considering the school is still in its infancy at just 7 years of age. Due to the strong governance and leadership, the committed pupils, dedication and robust calibre of staff, loyal parents and supportive community, Seva remains steadfast on the current trajectory of becoming one of the best schools locally. The delivery of the capital works is key in this objective being realised.

Even though, we are on a trajectory of increasing numbers, our numbers remain low due to a number of extraneous factors that have placed significant financial pressures on the school. These as a result have affected the recruitment and retention of pupils and include the following:

- legal case (July 2019) – this had an adverse impact on pupil numbers due to the negative publicity surrounding the whole court case;
- lack of site progression since the beginning of academic year 2018/19 particularly in regard to PE facilities and temporary classrooms – has had an adverse impact on pupil numbers;
- pupils leaving at Year 9 due to lack of vocational curriculum options such as BTEC, PE;
- parental concerns that pupils are being taught in temporary accommodation;
- parental concerns with pupils being constrained on site and with a lack of open space;
- off-site provision for PE, facilities hire cost and transport in excess of £200k since opening;
- Imposed Travel Plan, which the school continues to subsidise;

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- loss of opportunity for self-generated income streams through community hire of MUGA, Sports hall, Divan Hall
- low intake into Early Years due to Coventry's falling birth rate.

The Trust continues to work collaboratively with ESFA and has submitted financial recovery plans that take into account the historic factors raised above and varying scenarios moving forward taking into account the capital programme delays. The ESFA acknowledges the extraordinary financial challenges faced by the Trust and are considering what avenues of support are possible, along with considering the appropriate payment plan for last year's pupil number adjustment repayment.

The extraordinary costs absorbed by the Trust is supported by the findings of the independent school resource management adviser (SRMA), who was deployed in summer 2020. A SRMA is an independent practitioner, who provides peer-to-peer, tailored advice to trusts and schools on effective resource management. The SRMA report concluded due to the school's stage in its development that the trust is running as efficiently as possible under the constraints. It was concluded that at this point in time no further specific costs savings could be made. The key to financial stability and for the school to operate as a going concern is now to grow pupil numbers, which in turn is dependent on getting the facilities promised to parents and pupils that will allow the full curriculum planned to be delivered.

An added complexity to the financial challenge is the impact of Covid-19, which continues to unravel leading to growing implications for the school. There are both direct and indirect financial impacts of covid-19 and to name a few these range from increased expenditure, health and mental wellbeing of staff resulting in staff absences, impact on capital expansion programme and vitally, continuing to provide key educational resources to bridge the gap in learning.

However, during this challenging year the Trust has remained committed and diligent in strategically supporting the SLT. The Trust and staff have maintained where possible a business as usual approach in continuing to strive and provide a fantastic learning opportunity for all children.

The results of this are evident with Seva School yet again achieving outstanding second cohort of GCSE's results that place Seva School within the highest performing of Coventry Schools. This is further supported with our 4th year of strong SATs results in Year 6 (Key Stage 2), which demonstrate year and year improvement and embedding us as a strong performing school. This is a fantastic achievement considering that we are one of the newest schools in Coventry.

Reconciliation of School Revenue Deficit with Extraordinary Expenses is as follows:

DETAILS		AMOUNT
Net Operational Profit Before adjustments		1,381
Non-Cash Outflows		
- Depreciation	(170,139)	
- Pension Fund Actuarial Loss	(143,000)	(313,136)
Total Deficit for the year ended 31st August 2021		(311,755)

Next steps

Seva School has remained in temporary accommodation since its inception in 2014. The pupils have endured several years in temporary accommodation, inadequate educational facilities, limited site capacity and insufficient outdoor space. Completion of the capital works remain the missing jigsaw piece. The rapid and maintained success achieved by Seva School in the past three years would be supported by the delivery of the outstanding works.

This continues to be an exciting time for the school since the appointment of Bowmer & Kirkland (B&K) as the successful contractor by the Department for Education (DfE) to deliver the capital works. Although there have been delays to the programme, there has been significant work behind the scenes around feasibility, site surveys, detailed design, procurement and planning. All key stakeholders continue to work tirelessly to ensure an imminent start date on site. This will initially involve prioritising the delivery of the much needed sports pitch and MUGA.

The Trust is now building in alternative income streams into the medium-term financial strategy as the plan will be to hire out the sports facilities and diwan hall for community use after school hours and weekends. This will ensure the underlying financial position returns to a surplus promptly. Importantly this will allow Seva to provide social benefits to all communities, not just within the local Walsgrave area, but wider to the Coventry & Warwickshire region. This is vital especially in response to addressing the wellbeing concerns of society from the result of the COVID pandemic.

Our medium-term financial strategy plan clearly shows a viable school, with the ability to develop strong income streams that will be re-invested to strengthen the curriculum offer. The year on year financial surplus would support nursery and 6th form applications moving forward, whilst Seva drives forward to realise its vision and true potential of becoming an outstanding school.

Alongside delivering the capital works the trust will be diligently managing the impact of Covid-19 and ensuring that high educational standards that have been achieved are maintained and built upon.

Investment policy

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 and Skills Funding Agency (ESFA) 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 ESFA. The deficit at the year end on restricted funds relates to the LGPS liability and the GAG clawback provision.

SEVAK EDUCATION TRUST LTD

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

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 continuing to expand.

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.

AUDITORS

The auditors, AKS Advisers Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 30th December 2021 and signed on its behalf by:

AS Basra

.....
A S Basra - Trustee

SEVAK EDUCATION TRUST LTD

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

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 accounting officer and chief financial 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. The board of trustees has formally met 6 times during the year.

Trustee	Meetings attended	Out of a possible
A S Basra	6	6
S Heer	5	6
Dr A S Johal	5	6
M S Sahota	4	6
Y Singh	5	6
N C J Melvin	6	6
Ms H Marwaha	2	6
S Sangha	4	6
P V S Sumal	1	2

Review of Value for Money

The accounting officer has responsibility for ensuring that the company 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 company'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 company has delivered improved value for money during the year.

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 on-going process designed to identify and priorities the risks to the achievement of company 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the company 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 company's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 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 company'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 board of trustees has considered the need for a specific internal audit function and has decided to appoint Lighthouse Education Consultancy Limited as internal auditor.

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

- Payroll
- Purchasing
- Website Compliance
- Whistleblowing Policy

On an annual basis, the internal 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 trustees' financial responsibilities.

SEVAK EDUCATION TRUST LTD

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Review of Effectiveness

The accounting officer and chief financial officer have 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 company 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on *30th December 2021* and signed on its behalf by:



.....
A S Basra - Trustee



.....
J Donnellan - Accounting Officer

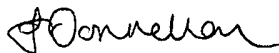
SEVAK EDUCATION TRUST LTD

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021**

As accounting officer of Sevak Education Trust Ltd I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2020.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2020.

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.



.....
J Donnellan - Accounting Officer

Date: 30th December 2021

SEVAK EDUCATION TRUST LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who act as governors of Sevak Education Trust Ltd 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 Academies Accounts Direction issued by the Education and 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and 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 to 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 30th December 2021 and signed on its behalf by:



.....
A S Basra - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEVAK EDUCATION TRUST LTD

Opinion

We have audited the financial statements of Sevak Education Trust Ltd (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEVAK EDUCATION TRUST LTD

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the trustees' Report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the academy trust'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 trust or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEVAK EDUCATION TRUST LTD

We gained an understanding of the legal and regulatory framework applicable to the academy and the sector in which it operates, drawing on our broad sector experience, and considered the risk of acts by the academy that were contrary to these laws and regulations, including fraud.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the trustees meetings.

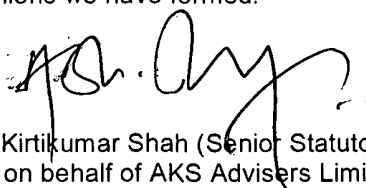
We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Report of the Independent Auditors.

Use of our report

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



Ashish Kirtikumar Shah (Senior Statutory Auditor)
for and on behalf of AKS Advisers Limited, Statutory Auditor
Fourth & Fifth Floors
14-15 Lower Grosvenor Place
London
SW1W 0EX

Date: 31ST DECEMBER 2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SEVAK EDUCATION TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sevak Education Trust Ltd during the period 1 September 2020 to 31 August 2021 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 Ltd 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 Ltd 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 Ltd and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sevak Education Trust Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sevak Education Trust Ltd's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 2020 to 2021 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.

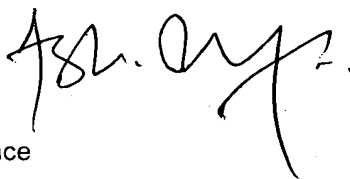
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

AKS Advisers
Reporting Accountant
Fourth & Fifth Floors
14-15 Lower Grosvenor Place
London. SW1W 0EX



Date: 31st DECEMBER 2021

SEVAK EDUCATION TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Income fund £	Restricted Income Funds £	Fixed Asset fund £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	3	4,233	3	42,576
Charitable activities				
Funding for the academy's educational operations	4	-	2,887,030	-
Other trading activities	5	76,226	-	-
Investment income	6	20	-	-
Total		80,479	2,887,033	42,576
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	7	68,518	2,810,189	170,136
Total	8	68,518	2,810,189	170,136
Net gains on investments		-	-	-
NET INCOME/(EXPENDITURE)		11,961	76,844	(127,560)
Transfers between funds	19	-	(6,738)	6,738
Net movement in funds		11,961	70,106	(120,822)
RECONCILIATION OF FUNDS				
Total funds brought forward		(88,747)	(442,542)	3,815,269
TOTAL FUNDS CARRIED FORWARD		(76,786)	(372,436)	3,694,447

The notes form part of these financial statements

SEVAK EDUCATION TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Pension £	31.8.21 Total funds £	31.8.20 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	3	-	46,812	95,275
Charitable activities				
Funding for the academy's educational operations	4	-	2,887,030	2,871,423
Other trading activities	5	-	76,226	56,556
Investment income	6	-	20	104
Total		-	3,010,088	3,023,358
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	7	130,000	3,178,843	3,602,723
Total	8	130,000	3,178,843	3,602,723
Net gains/(losses) on investments		(143,000)	(143,000)	(156,000)
NET INCOME/(EXPENDITURE)		(273,000)	(311,755)	(735,365)
Transfers between funds	19	-	-	-
Net movement in funds		(273,000)	(311,755)	(735,365)
RECONCILIATION OF FUNDS				
Total funds brought forward		(531,000)	2,752,980	3,488,345
TOTAL FUNDS CARRIED FORWARD		(804,000)	2,441,225	2,752,980

The notes form part of these financial statements

SEVAK EDUCATION TRUST LTD

BALANCE SHEET
31 AUGUST 2021

	Notes	Unrestricted Income fund £	Restricted Income Funds £	Fixed Asset fund £
FIXED ASSETS				
Intangible assets	13	-	-	15,570
Tangible assets	14	-	-	<u>3,678,877</u>
		-	-	3,694,447
CURRENT ASSETS				
Stocks	15	6,232	-	-
Debtors	16	23,211	114,324	-
Cash at bank and in hand		<u>123,023</u>	-	-
		152,466	114,324	-
CREDITORS				
Amounts falling due within one year	17	(229,252)	(486,760)	-
NET CURRENT ASSETS/(LIABILITIES)				
		<u>(76,786)</u>	<u>(372,436)</u>	-
TOTAL ASSETS LESS CURRENT LIABILITIES				
		(76,786)	(372,436)	3,694,447
PENSION ASSET				
	20	-	-	-
NET ASSETS				
		<u>(76,786)</u>	<u>(372,436)</u>	<u>3,694,447</u>

The notes form part of these financial statements

SEVAK EDUCATION TRUST LTD

BALANCE SHEET – continued
31 AUGUST 2021

	Notes	Pension £	31.8.21 Total funds £	31.8.20 Total funds £
FIXED ASSETS				
Intangible assets	13	-	15,570	18,027
Tangible assets	14	-	<u>3,678,877</u>	<u>3,797,242</u>
		-	3,694,447	3,815,269
CURRENT ASSETS				
Stocks	15	-	6,232	-
Debtors	16	-	137,535	150,376
Cash at bank and in hand		-	<u>123,023</u>	<u>79,959</u>
		-	266,790	230,335
CREDITORS				
Amounts falling due within one year	17	-	(716,012)	(761,624)
NET CURRENT ASSETS/(LIABILITIES)				
		-	<u>(449,222)</u>	<u>(531,289)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		-	3,245,225	3,283,980
PENSION LIABILITY				
	20	(804,000)	(804,000)	(531,000)
NET ASSETS				
		<u>(804,000)</u>	<u>2,441,225</u>	<u>2,752,980</u>
FUNDS				
Restricted funds:				
Restricted Income Funds			(372,436)	(442,541)
Fixed Asset fund			3,694,447	3,815,268
Pension			<u>(804,000)</u>	<u>(531,000)</u>
			2,518,011	2,841,727
Unrestricted funds:				
Unrestricted Income fund			<u>(76,786)</u>	<u>(88,747)</u>
TOTAL FUNDS				
			<u>2,441,225</u>	<u>2,752,980</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 30th December 2021 and were signed on its behalf by:

AS Basra

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A S Basra – Trustee

The notes form part of these financial statements

SEVAK EDUCATION TRUST LTD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities		
Cash generated from operations 22	52,028	(38,348)
Finance costs paid	<u>(2,244)</u>	<u> </u>
Net cash provided by/(used in) operating activities	<u>49,784</u>	<u>(38,348)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,795)	(14,968)
Purchase of tangible fixed assets	(46,521)	(110,343)
Capital grants from DfE/EFA	42,576	87,175
Interest received	<u>20</u>	<u>104</u>
Net cash used in investing activities	<u>(6,720)</u>	<u>(38,032)</u>
Change in cash and cash equivalents in the reporting period		
	43,064	(76,380)
Cash and cash equivalents at the beginning of the reporting period	<u>79,959</u>	<u>156,339</u>
Cash and cash equivalents at the end of the reporting period	<u>123,023</u>	<u>79,959</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Sevak Education Trust Ltd meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast 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. At 31 August 2021 the Trust had a deficit of £372,436 on its restricted reserves and net current liabilities of £449,222. The reason for this position, and the steps being taken to ensure the Trust can continue to meet its liabilities are discussed in the financial review in the Trustee's Report. A significant amount of the liability relates to clawback of overpaid GAG (General Annual Grant) for YE 31.08.2020 and the ESFA have agreed for this to be repaid from future GAG payments over a 12 month period.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

Capital grants are recognised 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

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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.

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible assets

Intangible assets costing £1000 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 assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer Software - 20-33% straight line

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long-term leasehold property - 2% Straight Line
Computer equipment - 20% Straight Line
Fixtures and fittings - 20% Straight Line
Motor vehicles - 20% Straight Line

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the company and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the company's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the company's wholly owned subsidiary are held at face value less any impairment.

Stocks

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

Taxation

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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

Pensions benefits

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

1. **ACCOUNTING POLICIES - continued**

Pensions benefits

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 net income/(expenditure) 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 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.

2. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

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 assumptions:

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

SEVAK EDUCATION TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Donations	4,233	3	4,236	8,100
Other DfE Capital Grant	-	-	-	10,631
Other Capital Grant	-	7,611	7,611	65,080
DfE Devolved Formula Capital Grant	-	34,965	34,965	11,464
	<u>4,233</u>	<u>42,579</u>	<u>46,812</u>	<u>95,275</u>

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	2,587,382	2,587,382	2,610,481
Other DfE/EFSA grants	-	66,042	66,042	-
	<u>-</u>	<u>2,653,424</u>	<u>2,653,424</u>	<u>2,610,481</u>
Other income from the academy trust's educational operations	<u>-</u>	<u>233,606</u>	<u>233,606</u>	<u>260,942</u>
	<u>-</u>	<u>2,887,030</u>	<u>2,887,030</u>	<u>2,871,423</u>

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Other Income: Self Generated	26,566	-	26,566	5,775
Catering income	42,268	-	42,268	36,579
Trip Income	7,392	-	7,392	13,972
School Bus Income	-	-	-	230
	<u>76,226</u>	<u>-</u>	<u>76,226</u>	<u>56,556</u>

SEVAK EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

6. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Deposit account interest	<u>20</u>	<u>-</u>	<u>20</u>	<u>104</u>

7. EXPENDITURE

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	1,969,681	-	87,828	2,057,509	2,316,892
Allocated support costs	<u>342,331</u>	<u>264,209</u>	<u>514,794</u>	<u>1,121,334</u>	<u>1,199,754</u>
	<u>2,312,012</u>	<u>264,209</u>	<u>602,622</u>	<u>3,178,843</u>	<u>3,516,646</u>

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

	31.8.21 £	31.8.20 £
Audit Costs	11,500	8,750
IT Support Services	18,121	1,051
Other non-audit services	1,500	8,913
Depreciation - owned assets	164,886	259,194
Computer software amortisation	<u>5,252</u>	<u>8,013</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs	-	2,057,509	2,057,509	2,316,892
Support costs	<u>68,518</u>	<u>1,052,816</u>	<u>1,121,334</u>	<u>1,199,754</u>
	<u>68,518</u>	<u>3,110,325</u>	<u>3,178,843</u>	<u>3,516,646</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

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

	31.8.21	31.8.20
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	342,331	324,530
Depreciation	97,128	195,031
Technology costs	33,476	7,565
Premises costs	251,052	257,002
Other support costs	288,973	330,111
Governance costs	<u>108,374</u>	<u>85,515</u>
Total support costs	<u>1,121,334</u>	<u>1,199,754</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

10. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	1,615,464	1,635,493
Social security costs	158,421	151,549
Operating costs of defined benefit pension schemes	<u>353,460</u>	<u>331,652</u>
	2,127,345	2,118,694
Supply teacher costs	<u>184,667</u>	<u>445,565</u>
	<u>2,312,012</u>	<u>2,564,259</u>

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

	31.8.21	31.8.20
Teachers	33	25
Admin and support	20	32
Management	<u>3</u>	<u>4</u>
	<u>56</u>	<u>61</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**10. STAFF COSTS - continued**

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

	31.8.21	31.8.20
£60,001 - £70,000	1	2
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u><u>2</u></u>	<u><u>2</u></u>

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 the employee benefits (including pension contributions) received by key management personnel for their services to the Academy Trust was £154,793 (2020: £178,664). Some members of the key management personnel are not employed by the Academy Trust and their costs are invoiced. During the year £19,975 was invoiced to the Trust in respect of consultancy services from key management personnel and is included in the legal and professional fees.

Related Party Transactions - Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020- £NIL).
During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

The company has opted into the Department of 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 membership.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Income fund £	Restricted Income Funds £	Fixed Asset fund £	Pension £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	8,100	-	87,175	-	95,275
Charitable activities					
Funding for the academy's educational operations	-	2,871,423	-	-	2,871,423
Other trading activities	56,556	-	-	-	56,556
Investment income	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>
Total	64,760	2,871,423	87,175	-	3,023,358

SEVAK EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted Income fund £	Restricted Income Funds £	Fixed Asset fund £	Pension £	Total funds £
EXPENDITURE ON Charitable activities					
Academy's educational operations	106,010	3,125,507	267,206	104,000	3,602,723
Total	106,010	3,125,507	267,206	104,000	3,602,723
Net gains/(losses) on investments	-	-	-	(156,000)	(156,000)
NET INCOME/(EXPENDITURE)	(41,250)	(254,084)	(180,031)	(260,000)	(735,365)
Transfers between funds	-	(5,170)	5,170	-	-
Net movement in funds	(41,250)	(259,254)	(174,861)	(260,000)	(735,365)
RECONCILIATION OF FUNDS					
Total funds brought forward	(47,497)	(183,287)	3,990,129	(271,000)	3,488,345
TOTAL FUNDS CARRIED FORWARD	<u>(88,747)</u>	<u>(442,541)</u>	<u>3,815,268</u>	<u>(531,000)</u>	<u>2,752,980</u>

13. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 September 2020	47,875
Additions	<u>2,795</u>
At 31 August 2021	<u>50,670</u>
AMORTISATION	
At 1 September 2020	29,848
Charge for year	<u>5,252</u>
At 31 August 2021	<u>35,100</u>
NET BOOK VALUE	
At 31 August 2021	<u>15,570</u>
At 31 August 2020	<u>18,027</u>

SEVAK EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2020	3,895,406	415,827	5,975	530,326	4,847,534
Additions	-	7,381	-	39,140	46,521
At 31 August 2021	<u>3,895,406</u>	<u>423,208</u>	<u>5,975</u>	<u>569,466</u>	<u>4,894,055</u>
DEPRECIATION					
At 1 September 2020	341,362	329,628	5,975	373,327	1,050,292
Charge for year	73,008	28,777	-	63,101	164,886
At 31 August 2021	<u>414,370</u>	<u>358,405</u>	<u>5,975</u>	<u>436,428</u>	<u>1,215,178</u>
NET BOOK VALUE					
At 31 August 2021	<u>3,481,036</u>	<u>64,803</u>	<u>-</u>	<u>133,038</u>	<u>3,678,877</u>
At 31 August 2020	<u>3,554,044</u>	<u>86,199</u>	<u>-</u>	<u>156,999</u>	<u>3,797,242</u>

15. STOCKS

	31.8.21	31.8.20
	£	£
Stocks	<u>6,232</u>	<u>-</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade debtors	2,750	850
Other debtors	114,893	134,609
Prepayments and accrued income	19,892	14,917
	<u>137,535</u>	<u>150,376</u>

SEVAK EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade creditors	119,097	129,736
Social security and other taxes	32,166	39,475
Other creditors	40,134	42,901
Accruals and deferred income	54,714	79,611
ESFA Crs: abatement of GAG	<u>469,901</u>	<u>469,901</u>
	<u>716,012</u>	<u>761,624</u>
	2021	2020
	£	£
Deferred income at 1 September 2020	22,175	26,894
Amounts released from previous periods	(22,175)	(26,894)
Resources deferred during the year	<u>16,858</u>	<u>22,175</u>
	<u>16,858</u>	<u>22,175</u>

At the balance sheet date the academy trust was holding funds of £16,858 received in advance for Universal Infant Free School Meals for the 2021-22 term.

18. MEMBERS' LIABILITY

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

19. MOVEMENT IN FUNDS

	At 1.9.20	Net movement in funds	Transfers between funds	At 31.8.21
	£	£	£	£
Restricted general funds				
Restricted Income Funds	(442,542)	76,844	(6,738)	(372,436)
Fixed Asset fund	3,815,269	(127,560)	6,738	3,694,447
Pension	<u>(531,000)</u>	<u>(273,000)</u>	-	<u>(804,000)</u>
	<u>2,841,727</u>	<u>(323,716)</u>	-	<u>2,518,011</u>
Unrestricted fund				
Unrestricted Income fund	(88,747)	11,961	-	(76,786)
	<u>2,752,980</u>	<u>(311,755)</u>	-	<u>2,441,225</u>
TOTAL FUNDS	<u>2,752,980</u>	<u>(311,755)</u>	-	<u>2,441,225</u>

SEVAK EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted Income Funds	2,887,033	(2,810,189)	-	76,844
Fixed Asset fund	42,576	(170,136)	-	(127,560)
Pension	-	(130,000)	(143,000)	(273,000)
	<u>2,929,609</u>	<u>(3,110,325)</u>	<u>(143,000)</u>	<u>(323,716)</u>
Unrestricted fund				
Unrestricted Income fund	80,479	(68,518)	-	11,961
	<u>80,479</u>	<u>(68,518)</u>	<u>-</u>	<u>11,961</u>
TOTAL FUNDS	<u>3,010,088</u>	<u>(3,178,843)</u>	<u>(143,000)</u>	<u>(311,755)</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
Restricted Income Funds	(183,287)	(254,084)	(5,170)	(442,541)
Fixed Asset fund	3,990,129	(180,031)	5,170	3,815,268
Pension	(271,000)	(260,000)	-	(531,000)
	<u>3,535,842</u>	<u>(694,115)</u>	<u>-</u>	<u>2,841,727</u>
Unrestricted fund				
Unrestricted Income fund	(47,497)	(41,250)	-	(88,747)
	<u>(47,497)</u>	<u>(41,250)</u>	<u>-</u>	<u>(88,747)</u>
TOTAL FUNDS	<u>3,488,345</u>	<u>(735,365)</u>	<u>-</u>	<u>2,752,980</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted Income Funds	2,871,423	(3,125,507)	-	(254,084)
Fixed Asset fund	87,175	(267,206)	-	(180,031)
Pension	-	(104,000)	(156,000)	(260,000)
	<u>2,958,598</u>	<u>(3,496,713)</u>	<u>(156,000)</u>	<u>(694,115)</u>
Unrestricted fund				
Unrestricted Income fund	64,760	(106,010)	-	(41,250)
	<u>3,023,358</u>	<u>(3,602,723)</u>	<u>(156,000)</u>	<u>(735,365)</u>

20. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

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

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

20. PENSION AND SIMILAR OBLIGATIONS - continued

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £266,675 (2020 - £244,443).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee - administered funds. The total contribution made for the year ended 31 August 2021 was £72,000 (2020 : £80,000), of which employer's contributions totalled £53,000 (2020 : £59,000) and employees' contributions totalled £19,000 (2020 : £21,000). The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 to 12.5 per cent 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.

SEVAK EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	175,000	159,000
Net interest from net defined benefit asset/liability	17,000	9,000
Past service cost	-	-
	<u>192,000</u>	<u>168,000</u>
Actual return on plan assets	<u>88,000</u>	<u>19,000</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	1,018,000	488,000
Current service cost	175,000	159,000
Contributions by scheme participants	19,000	21,000
Interest cost	17,000	9,000
Oblig Experience loss/(gain)	(26,000)	219,000
Actuarial losses/(gains)	257,000	124,000
Benefits paid	41,000	(2,000)
	<u>1,501,000</u>	<u>1,018,000</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	487,000	217,000
Assets Interest income	9,000	5,000
Contributions by employer	53,000	59,000
Contributions by scheme participants	19,000	21,000
Assets Other actuarial gains/(loss)	-	168,000
Actuarial gains/(losses)	88,000	19,000
Benefits paid	41,000	(2,000)
	<u>697,000</u>	<u>487,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial gains/(losses)	<u>(143,000)</u>	<u>(156,000)</u>
	<u>(143,000)</u>	<u>(156,000)</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	423,000	273,000
Gilts	58,000	53,000
Other Bonds	43,000	19,000
Property	49,000	37,000
Cash	26,000	32,000
Other	98,000	73,000
	<u>697,000</u>	<u>487,000</u>

The actual return on scheme assets was £97,000 (2020: £24,000)

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

	31.8.21	31.8.20
Discount rate	1.70%	1.65%
Future salary increases	3.85%	3.20%
Future pension increases	2.85%	2.20%
Inflation assumption (CPI)	2.85%	2.20%

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

Retiring today		
Males	21.6	21.9
Females	24	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26

SEVAK EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

20. PENSION AND SIMILAR OBLIGATIONS - continued

Sensitivity analysis		
	31.8.21	31.8.20
	£	£
Discount rate +0.1%	1,449,000	982,000
Discount rate -0.1%	1,555,000	1,055,000
Mortality assumption - 1 year increase	1,562,000	1,056,000
Mortality assumption - 1 year decrease	1,442,000	982,000
CPI rate +0.1%	1,554,000	1,054,000
CPI rate -0.1%	1,450,000	983,000

21. RELATED PARTY DISCLOSURES

No related party transactions took place in the period of account.

22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.21	31.8.20
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(311,755)	(735,365)
Adjustments for:		
Depreciation charges	170,136	267,206
Capital grants from DfE/ESFA	(42,576)	(87,175)
Losses on investments	143,000	156,000
Interest received	(20)	(104)
Def'd b'fit pen'on sch'e cost less Cont	122,000	100,000
Def'd b'fit pension scheme finance cost	8,000	4,000
(Increase)/decrease in stocks	(6,232)	3,013
Decrease/(increase) in debtors	12,841	(16,683)
(Decrease)/increase in creditors	<u>(45,610)</u>	<u>270,760</u>
Net cash provided by/(used in) operations	<u>49,784</u>	<u>(38,348)</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>79,959</u>	<u>43,064</u>	<u>123,023</u>
	<u>79,959</u>	<u>43,064</u>	<u>123,023</u>
Total	<u>79,959</u>	<u>43,064</u>	<u>123,023</u>