

CHARITY NUMBER 1103498

COMPANY NUMBER 4786088

REPORT OF THE DIRECTORS (TRUSTEES) AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

FOR

THE SLOUGH SIKH SCHOOL TRUST

A COMPANY LIMITED BY GUARANTEE

THE SLOUGH SIKH SCHOOL TRUST

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FOR THE YEAR ENDED 30 JUNE 2005

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THE SLOUGH SIKH SCHOOL TRUST

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2005

DIRECTORS (TRUSTEES): Mr. N S Kandola
Mr. H S Sewak
Mr. J S Bahra
Mr. A S Bhachu
Mr. B S Bains
Mr. G S Jagbir

SECRETARY: Mr. N S Kandola

REGISTERED OFFICE: C/o Igentica Limited
Merlin House
Brunel Road
Theale
Berkshire
RG7 4AB

REGISTERED NUMBER: 4786088

CHARITY NUMBER: 1103498

AUDITORS Oury Clark
Chartered Accountants and
Registered Auditors
Herschel House
58 Herschel Street
Slough
Berkshire, SL1 1PG

THE SLOUGH SIKH SCHOOL TRUST

REPORT OF THE DIRECTORS (TRUSTEES)
FOR THE YEAR ENDED 30 JUNE 2005

The Trustees present their report with the financial statements of the company for the year ended 30 June 2005.

PRINCIPAL ACTIVITY

The principal activity of the charitable company in the year under review was that of establishing a primary School to further the education of members of the public living in the city of Slough or the neighbourhood thereof, conducted in accordance with the principles and traditions of the Sikh religion. To this end the Trust shall raise funds via donations, grants, legacies and other fund raising events that shall conform to any relevant statutory regulations.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

In December 2004 the Trust received planning permission from Slough Borough Council for the construction of the School. In January 2005, GOSE (Government of the South East) finally gave the go ahead for the School to be built on the green belt land on which the Trust had proposed to site the School.

Since the year end, in March 2006, the Trust has formalised the acquisition of the land in Wexham, Slough for the School and tenders for the building project have been sought. It is anticipated that construction will commence in June 2006.

Income Generation

The Statement of Financial Activities for the year on page 7 shows net incoming resources for the Trust of £540,175. In practice virtually all the funds received by the Trust to date are destined for the construction project and are considered to be restricted or designated funds for the that purpose.

The Trust commenced major fund raising activities during the year, following receiving planning permission to build the School. During the year it had generated the following income:

Donations totalling £339,961 (2004 £8,030) were raised during the year. Whilst the grants from the DfES will cover up to 90% of the building project this still leaves a major funding requirement on the part of the Trust. The charity requires and the Trustees expect to continue to receive substantial donation income in future years in order to meet the commitments required for the School project. In addition, a modest amount of income is anticipated from events and other fundraising activities.

Grants totalling £203,204 (2003 £11,104) were receivable from DfES for the year. Grants in excess of £6 million are expected in ensuing years as the School project continues.

The Trust did not have any trading activities during the year.

FIXED ASSETS

The movement in fixed assets is set out in the notes to the accounts. The initial expenditure on the project principally relates to fees payable for Architects, Planning and Design Consultants.

DIRECTORS (TRUSTEES)

The Trustees during the year under review, who are directors under Company Law, were:

Mr. N S Kandola
Mr. H S Sewak
Mr. J S Bahra
Mr. A S Bhachu
Mr. B S Bains
Mr. G S Jagbir

The charitable company was incorporated on 3 June 2003 and the director trustees are not required to retire by rotation until the end of the third Annual General Meeting following the inception of the Trust. Thereafter one third of the members of the board shall be required to retire by rotation, but shall be eligible for re-election.

THE SLOUGH SIKH SCHOOL TRUST

REPORT OF THE DIRECTORS (TRUSTEES) **FOR THE YEAR ENDED 30 JUNE 2005**

TRUSTEES' POLICY ON RESERVES

As at 30 June 2005 total generated funds were £558,609. The restricted funds of £214,308 included in this total are held for specific purposes and are not available for fund raising and administration expenditure and other projects.

The capital nature of the School building project means that £244,941 of the total generated funds is reflected in balance sheet fixed assets at the year end.

As detailed in the 2004 annual report, the Trustees have carried out their first review of their policy on reserves and took into account the present levels of income and expenditure. Income from donations and other fund raising activities can fluctuate and in the year was undoubtedly affected by appeals relating to natural disasters in the Indian Ocean region. On average this kind of fund raising was generating approximately £30,000 a month, although this level reflected the initial goodwill of potential donors and a monthly figure of £10-15,000 is a more reasonable expectation of the ongoing level. Whilst donations have mainly been unrestricted, the very nature of the Charity's principal activity means that donors have a reasonable expectation that funds will mainly be targeted towards the construction of the new School. Grants receivable from DfES are restricted in their use and are in any case dependent on expenditure being incurred.

The administration expenditure has remained at a low level to date. The Trust does not wish to be a reserves rich charity, but at present it is difficult to judge the levels of unrestricted funds that the Trust will require to meet its obligations, both on the School Project and for general purposes.

The Trustees have found it difficult to set a target, but are of the opinion that between six months and two years of the ongoing expenditure levels would be a reasonable level for free reserves. However, account would need to be taken of amounts designated for specific purposes and given the Charity is still establishing itself, no specific figure has been set at this time. The Trustees will review the position on a regular basis.

INVESTMENT POLICY AND PERFORMANCE

The charitable company's basic investment objective is to maintain the real value of its investment and to maximise income. In order to do this excess funds have been placed on deposit. In the longer term the intention is to invest in such as the COIF charities deposit fund with a wider investment portfolio of shares being held on a long-term basis. Management of the portfolio of shares will be carried out by independent investment advisors.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Trustees have identified and discussed the top ten risks that may confront the charity and how they should be managed and minimised. These risks include damage to reputation and possible liabilities arising from the Trust's activities. The Trustees have examined these matters and they are satisfied that the charity's current internal financial and other controls adequately minimise the risks identified.

The controls established include:

1) The Trustees meet at least once a fortnight to discuss and resolve any matters arising relating to financial, operational and fund raising matters. There is a clearly defined organisational structure and responsibilities are clearly defined,

THE SLOUGH SIKH SCHOOL TRUST

REPORT OF THE DIRECTORS (TRUSTEES)
FOR THE YEAR ENDED 30 JUNE 2005

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

2) As the Trust is newly established the level of activity remains relatively low. The Trust is presently establishing subcommittees with clearly defined targets.

3) The Trust will, as part of its annual planning process, include an annual risk assessment programme.

Five of the Trustees are independently appointed and at present one Trustee has been appointed from one of the two main Gurdwaras in Slough. The other Gurdwara has not nominated a person to act as a Trustee at the reporting date.

DIRECTORS' RESPONSIBILITIES

Company and charity law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the company for the period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently
- 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 charity will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to reappoint Messrs Oury Clark as auditors will be put to the members at the Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors (Trustees) are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director (Trustee) has taken all the steps that he ought to have taken as a director (Trustee) in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD:

.....
Mr. N S Kandola – Secretary

Dated: 27 April 2006

THE SLOUGH SIKH SCHOOL TRUST
(a company limited by guarantee)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SLOUGH SIKH SCHOOL TRUST

We have audited the financial statements of The Slough Sikh School Trust for the year ended 30 June 2005 on pages 7 to 11. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described on page 4 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

THE SLOUGH SIKH SCHOOL TRUST (a company limited by guarantee)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SLOUGH SIKH SCHOOL TRUST(Continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 30 June 2005 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Oury Clark Chartered Accountants
Registered Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

Dated: 27 April 2006

THE SLOUGH SIKH SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2005	Total 2004
<u>INCOMING RESOURCES</u>					
From operating activities		339,961	203,204	543,165	19,134
Investment income		2,037	-	2,037	4
Total incoming resources		341,998	203,204	545,202	19,138
<u>RESOURCES EXPENDED</u>					
Costs of generating funds	3	622	-	622	621
Management & administration expenses	3	4,405	-	4,505	83
Total resources expended		5,027	-	5,027	704
NET INCOMING RESOURCES FOR THE YEAR	2	336,971	203,204	540,175	18,434

**STATEMENT OF TOTAL HISTORICAL
GAINS & LOSSES**

Net income for the year	336,971	203,204	540,175	18,434
Gain/(loss) on revaluation of investments	-	-	-	-
Net movement in funds	336,971	203,204	540,175	18,434
Total funds brought forward	7,330	11,104	18,434	-
Total funds carried forward	344,301	214,308	558,609	18,434

THE SLOUGH SIKH SCHOOL TRUST

BALANCE SHEET
30 JUNE 2005

	Notes	£	£	£	£
		2005		2004	
FIXED ASSETS:					
Tangible assets	4	244,941		23,007	
CURRENT ASSETS:					
Debtors	5	182,421		-	
Cash at bank		<u>272,431</u>		<u>3,622</u>	
		454,852		3,622	
CREDITORS: Amounts falling due within one year					
	6	<u>141,184</u>		<u>8,195</u>	
NET CURRENT ASSET/(LIABILITIES):		<u>313,668</u>		<u>(4,573)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£558,609</u>		<u>£18,434</u>	
CAPITAL & RESERVES:					
Restricted funds	10	214,308		11,104	
Unrestricted funds	11	<u>344,301</u>		<u>7,330</u>	
		<u>£558,609</u>		<u>£18,434</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

.....
Mr. H S Sewak – Director (Trustee)

.....
Mr. J S Bahra – Director (Trustee)

Approved by the Board on 27 April 2006

THE SLOUGH SIKH SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The accounts have been prepared in accordance with the statement of recommended practice for accounting and reporting by charities (SORP 2000) and the Companies Act 1985, as amended, and with applicable Accounting Standards.

The comparative figures relate to the first year of reporting of the Trust, from 3 June 2003 to 30 June 2004.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Tangible fixed assets

The Trust does not have any fixed assets at the year-end, apart from initial expenditure incurred on the submission of the planning application and related capital costs. As the freehold buildings have not yet reached their completed stage, the Trust has not set a depreciation policy in respect of the freehold property.

Legal Status

Grants receivable

Grants receivable are recognised in the Statement of Financial Activities when the conditions for receipt of the grants have been fulfilled and the charity becomes entitled to payment. Grants received in advance in respect to future expenditure are treated as deferred income.

Fund accounting

The unrestricted funds can be utilised for any of the charity's activities. The restricted funds are credited to income with conditions attached as to their use, and can therefore only be used for that specific purpose. These funds are therefore not available for general use.

Incoming resources

Incoming resources from operating activities are made up of the total amounts receivable from donations from individuals companies and other organisations, legacies and other fund raising activities.

2. **NET INCOMING/ (OUTGOING) RESOURCES**

This is stated after charging:

	£ 2005	£ 2004
Directors' (Trustees') emoluments and other benefits etc	-	-
Audit fees	<u>1,500</u>	<u>-</u>

3. **ANALYSIS OF RESOURCES EXPENDED**

Costs of generating funds

Advertising promotion & display	<u>622</u>	<u>621</u>
------------------------------------	------------	------------

Management & administration expenses

Printing postage & stationery	1,845	53
Computer expenses	-	16
Audit & Accountancy	2,500	-
Sundry expenses	<u>60</u>	<u>14</u>
	<u>4,405</u>	<u>83</u>

THE SLOUGH SIKH SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

4. **TANGIBLE FIXED ASSETS**

	Assets under construction
	£
COST:	
As at 1 July 2004	23,007
Additions	<u>221,934</u>
At 30 June 2005	<u>244,941</u>
NET BOOK VALUE:	
At 30 June 2005	<u>244,941</u>
At 30 June 2004	<u>23,007</u>

No depreciation has been charged. For further information see Note 1.

	2005	2004
	£	£
5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Grants Receivable	132,222	-
Other Debtors	<u>50,199</u>	<u>-</u>
	<u>182,421</u>	<u>-</u>
6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	£	£
Trade creditors	136,184	5,695
Directors' current accounts (see note 7)	2,500	2,500
Accruals	<u>2,500</u>	<u>-</u>
	<u>141,184</u>	<u>8,195</u>

THE SLOUGH SIKH SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

7. **TRANSACTIONS WITH DIRECTORS (TRUSTEES)**

During the year there were the following transactions with the Trustees:

In 2004 Mr. N S Kandola provided a loan of £2,500 to the Trust. The loan is unsecured, interest free and repayable on demand

8. **LEGAL STATUS**

The Trust is a registered charity with charity number 1103498 and company registration number 4786088.

9. **SHARE CAPITAL**

The Trust is limited by guarantee and does not have a share capital. The members are each required by the memorandum of association to contribute an amount not exceeding £1 to the Trust in the event of its dissolution. The total number of members at 30 June 2005 was 6 (2004 6).

10. **RESTRICTED FUNDS**

The restricted fund of £214,308 represents the amounts that have been specifically provided for restricted purposes. In this instance the entire fund relates to funds provided for the construction of the School buildings.

11. **UNRESTRICTED FUNDS**

The unrestricted fund of £344,301 totals at the year-end. The fund can be used to meet the management & administrative expenses of the Trust and the general charitable objects of the Trust, as seen fit by the Trustees. In practice, the funding requirement of the DfES grants means that 10% of the construction cost of the School will need to be funded by the charitable company from its own resources and thus, in the main, will be funded from unrestricted funds.

THE SLOUGH SIKH SCHOOL TRUST

DETAILED INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2005

	£	£	£	£
	2005		2004	
Incoming resources:				
Donations receivable	289,762		8,030	
Grants receivable	203,204		11,104	
Tax Rebates Receivable	<u>50,199</u>		<u>-</u>	
		543,164		19,134
Investment income:				
Deposit account interest		<u>2,037</u>		<u>4</u>
		545,202		19,138
Resources Expended:				
Advertising promotion and Display	622		621	
Printing postage and stationery	1,845		53	
Computer expenses	-		16	
Audit & accountancy	2,500		-	
Sundry expenses	<u>60</u>		<u>14</u>	
		<u>5,027</u>		<u>704</u>
NET INCOMING RESOURCES		<u>540,175</u>		<u>18,434</u>