



SIVAYOGAM

Financial Statements

31 March 2021

ADRIAN & CO

Chartered accountants & statutory auditor

1417/1419 London Road

Norbury

London

SW16 4AH

SIVAYOGAM

(Charity number: 1050398)

Contents

Year ended 31 March 2021

	Page
Trustees and advisors	1
Trustees' annual report	2
Independent auditor's report to the members	6
Statement of financial activities	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13

SIVAYOGAM

(Charity number: 1050398)

Trustees and advisors

Year ended 31 March 2021

Registered charity name SIVAYOGAM
Charity registration number 1050398
Principal and registered office 41 St Georges Avenue
London
NW9 0JT
United Kingdom

The trustees

Mr N Seevaratnam ACA ACMA
(Chair)
Mr S P Tanaraja FCCA
(Treasurer)
Mr A Gananathan LLB (Hons)
MBA
Mr J Saravanamuthu (Appointed 1 October 2021)
Mr N Seevaratnam (Appointed 1 July 2021)
Miss A Seevaratnam (Resigned 9 June 2021)
(Served from 12 September 2020
to 11 March 2021)
Mr T Shanmugathas

Auditor

Adrian & Co
Chartered accountants & statutory auditor
1417/1419 London Road
Norbury
London
SW16 4AH

SIVAYOGAM

(Charity number: 1050398)

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

The trustees present their report and the financial statements of the charity for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the charity's Deed and 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) and Charities Act 2011.

The Objectives of the Trust

The charity operates under a Declaration of Trust, the governing document, which was registered with the Charity Commissioners in November 1995 under registration number 1050398. The objects of the Trust are, briefly, to advance the Hindu (Saiva) religion, to advance education in Hindu (Saiva) culture, to provide recreational facilities and relief of poverty, hardship and distress to the public and specifically the destitute children and elders in Sri Lanka.

The Trustees

The Declaration of Trust provides for at least three and not more than five trustees. The Trustees in office at the end of the year were Mr. Sanmugarajah Tanarajah, FCCA from 03 December 2011, Mr. Arunasalam Gananathan, LLB(Hons), MBA, from 12 January 2018, Mr. Nagendram Seevaratnam from 01 November 2019, Mr Nimalan Seevaratnam from 01 July 2021 and Dr Jeyakanthan Saravanamuthu from 01 October 2021. Miss Ambihai Seevaratnam, M.Sc., FCCA, MBA resigned on 09 June 2021. The trustees are chosen based on their integrity, dedication and commitment to the advancement of the objectives of the charity. They are generally very well educated in Saiva religion and the Tamil culture and are deeply involved in the activities of the charity.

Activities and Public Benefits

a) **Temple Activities** - Sivayogam runs two temples, Arulmihi London Muththumari Amman Temple at 128, Aurelia Road, Croydon CR0 3BF and Arulmihi London Nadarajar Temple at 3C & 11 and 13B Ranelagh Road, Wembley, HA0 4TW. We celebrate every Hindu (Saiva) festival at the two Temples.

b) Arulmihi London Muththumari Amman temple is in a large freehold property at 128 Aurelia Road, Croydon CR0 3BF from 6th February 2017. The purchase was completed at a cost of 2.242m on 23 August 2019. The property includes a car park.

c) **Financing:** A sum of £0.5m out of donations received from devotees and temple Receipts over the years was paid as deposit towards the purchase of 128 Aurelia Road and the balance of £1.742m has now been paid to complete the purchase by mortgaging two properties, those at Corydon and Wembley and from additional donations and temple receipts from devotees.

d) Redesign and Construction of the New Temple:

Darnton B3 was appointed as the Architect and a team of professionals, a senior Civil Engineer, a senior Structural Engineer, a Director of Buildings with a London Borough Council and a few members of the community, is engaged on a voluntary basis, in the design and construction of the project.

The new building could be described as of three sections, the center one being the Temple. On its right-wing ground floor is a dining hall for the devotees, a modern kitchen approved by the borough council, and number of rooms for storage and other uses of the Temple including toilets etc. On its upper floor is accommodation for seven priests/religious workers, and an exhibition hall. On its left-wing are two reception halls, one on the ground and the other on the upper floor with necessary

SIVAYOGAM

(Charity number: 1050398)

Trustees' Annual Report (continued)

Year ended 31 March 2021

facilities. The existing roof is to be replaced to suit the new building.

The consent of the Borough Council for the change of use to a place of worship and alterations to the structure of the building and its roof have been obtained. The trustees are grateful to the London Borough of Croydon for the kindness, understanding and co-operation extended to them by its staff.

e) **Funding:** Trustees are confident that major share of the cost of redesign and development, to make the existing building suitable for pursuing its ambitious objectives, shall be met from donations from the devotees and temple receipts. Short term interest free loans from devotees too are available whenever cash flow demands.

f) **Completion and Consecration:** We hope to complete the building of the new Temples before the end of the year 2023. But the rest of the development, mainly the reception hall and other facilities, may go on for two or more years depending on the income from the temples and, donations from the congregation. The consecration ceremony could be on an auspicious day towards the end of 2023. The estimated total cost of redesign and construction is estimated at £6.0m. The Trustees believe they could find the required funds. They have planned to run a charity shop at the premises for additional receipts.

g) **Future Plan:** In addition to the services provided by the two temples, and other services that were provided while we were in Tooting for sixteen years, such as classes in Indian Dance, Indian Music (Vocal, Violin, Veena, Miruthangam (drum), Tamil Language etc., we propose to have classes for English Language, Yoga, Tuition for students up to class 9, Religious Knowledge, Computer studies, etc. It is designed to charge a nominal fee for these services.

Leisure Centers for (a) Elders and (b) Youth. Two small halls are provided for this purpose in the building under construction. Elders shall be provided with a meal and tea.

h) **Arulmihu London Nadarajar Temple** is in a freehold property which was purchased in the year 2005 and the Temple is housed in a small hall. Planning consent for a proper Hindu Saiva Temple was received in May 2011 and foundation was laid in February 2012. The construction is rescheduled to commence in April 2023

i) **Fund for the Eelam Orphans, Widows and Destitutes:** The trustees continued to fund London Sivayogam Orphanage (Annai Illam) in Mannar, London Sivayogam Girls Home in Batticaloa and Sivayoga Samajam Swamy Gengatharanandha Children's Home, Trincomalee. These are being fully financed by Sivayogam. In addition, we also provided funds towards the upkeep of 35 children during the year out of about one hundred and fifty, who are in the orphanage run by the Hindu Board of Education.

j) **External factor that affects the activities of Sivayogam:** The Genocide of the Tamils in Sri Lanka by the Sri Lankan Government reached its climax in May 2009 and continued unabated. This has an adverse effect in the operation of Sivayogam as more than ninety per cent of the congregation is from Sri Lanka and close relatives of almost all of them were killed, disappeared or raped by the armed forces during the later years. This has caused apathy among the members of the congregation and only time can heal. This is a hard blow to the charity itself. There is heavy demand for humanitarian assistance which the charity is unable to meet at present. The trustees are helpless and do not

SIVAYOGAM

(Charity number: 1050398)

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

foresee any improvement in the finances to facilitate this demand until the development of the property for Muththumari Amman Temple is completed.

k) Effects of covid-19: Due to the covid lockdown and the restrictions imposed by the government very few members of the community attended the services at the temple since March 2020 to date. Hence the income dropped heavily.

l) Appeal for Life-term members: The trustees decided to hand over to the devotees the day to day running of the two temples after the construction work is completed. Accordingly, devotees associated with the activities of the temples are eligible to apply for life-term membership. Those desirous may apply with a full life term membership fee of £500 and 108 of them shall form the "Thiruppanich Sabai". The "Sabai" will elect a committee of seven members to form an executive committee for a term of three years to be responsible for the running of the day-to-day affairs and shall be responsible to the Executive Officer who is responsible to the Trustees.

Finance: The total income of the charity during the year to 31 March 2021 was £397,623 (2020: £831,393). Although the net current liability at the year-end was £6,412 (2020: net current assets £47,786), the trustees are confident that, based on the current and renewed participation of devotees/donors in the charitable activities, the income from temple services will reach pre-Covid levels in the near future in order to manage the cash flow without difficulty.

Risk Management

The Board of Trustees has conducted its own review of the major risks to which the charity is exposed and established systems to mitigate those risks. The main risk is non-availability of qualified priests and religious workers in UK or EU. We are trying to manage by recruiting retired and less qualified priests.

Reserves policy

The Board of Trustees established a reserve policy to carry a minimum reserve equivalent of three months of its operational budget. This has been difficult to achieve in the recent years, as the community, being disappointed and hurt, is reluctant to continue its support due to the relocation of the Amman Temple. However, the trustees have tried a reserve at least £30,000 held at the end each month in the unrestricted funds while ensuring that all running expenditure was met during the period.

Donation making policy

No changes were made to the policy that was in practice. During the year the charity made donations totalling £20,188 towards the upkeep of the Children orphanages and Elders' Home in Sri Lanka. No donations were made during the year towards other institutions or other purposes.

SIVAYOGAM

(Charity number: 1050398)

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. 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.

The trustees' annual report was approved on 31 January 2022 and signed on behalf of the board of trustees by:


Mr N Seevaratnam ACA ACMA
(Chair and Trustee)


Mr S P Tanaraja FCCA
(Treasurer and Trustee)

SIVAYOGAM

(Charity number: 1050398)

Independent Auditor's Report to the Members of Sivayogam

Year ended 31 March 2021

Opinion

We have audited the financial statements of Sivayogam (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 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 Charities Act 2011.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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.

SIVAYOGAM

(Charity number: 1050398)

Independent Auditor's Report to the Members of Sivayogam (continued)

Year ended 31 March 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

SIVAYOGAM

(Charity number: 1050398)

Independent Auditor's Report to the Members of Sivayogam (continued)

Year ended 31 March 2021

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

However, it is the primary responsibility of trustees and management to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the preventions and detections of fraud and error.

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

As part of an audit in accordance with ISAs (UK), we exercised professional judgment and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- tested journals entries to identify unusual transactions and transactions entered into outside The normal course of the charitable activities.
- evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

SIVAYOGAM

(Charity number: 1050398)

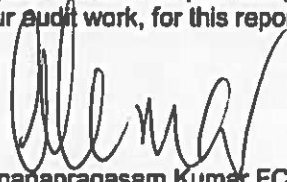
Independent Auditor's Report to the Members of Sivayogam (continued)

Year ended 31 March 2021

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Gnanapragasam Kumar FCCA (Senior Statutory Auditor)

For and on behalf of
Adrian & Co
Chartered accountants & statutory auditor
1417/1419 London Road
Norbury
London
SW16 4AH

31 January 2022

SIVAYOGAM

(Charity number: 1050398)

Statement of Financial Activities**Year ended 31 March 2021**

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	143,238	63,253	206,491	256,951
Charitable activities	5	101,306	–	101,306	159,789
Investment income	6	572	–	572	1,188
Other income	7	89,254	–	89,254	413,467
Total income		<u>334,370</u>	<u>63,253</u>	<u>397,623</u>	<u>831,393</u>
Expenditure					
Expenditure on charitable activities	8,9	297,089	40,741	337,830	397,610
Total expenditure		<u>297,089</u>	<u>40,741</u>	<u>337,830</u>	<u>397,610</u>
Net income and net movement in funds		<u>37,281</u>	<u>22,512</u>	<u>59,793</u>	<u>433,783</u>
Reconciliation of funds					
Total funds brought forward		1,175,229	1,197,822	2,373,051	1,939,268
Total funds carried forward		<u>1,212,510</u>	<u>1,220,334</u>	<u>2,432,844</u>	<u>2,373,051</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

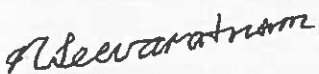
SIVAYOGAM

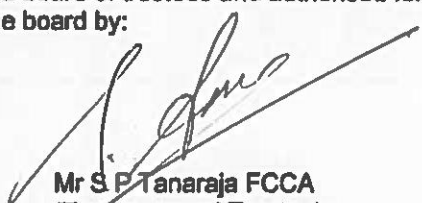
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Statement of Financial Position**31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	14	3,606,502	3,638,645
Current assets			
Debtors	15	30,936	60,375
Cash at bank and in hand		75,316	22,326
		<u>106,252</u>	<u>82,701</u>
Creditors: amounts falling due within one year	16	112,664	34,915
Net current liabilities		<u>(6,412)</u>	<u>47,786</u>
Total assets less current liabilities		3,600,090	3,686,431
Creditors: amounts falling due after more than one year	17	1,167,246	1,313,380
Net assets		<u>2,432,844</u>	<u>2,373,051</u>
Funds of the charity			
Restricted funds		1,220,334	1,197,822
Unrestricted funds		1,212,510	1,175,229
Total charity funds	18	<u>2,432,844</u>	<u>2,373,051</u>

These financial statements were approved by the board of trustees and authorised for issue on 31 January 2022, and are signed on behalf of the board by:


 Mr N Seevaratnam ACA ACMA
 (Chair and Trustee)


 Mr S P Tanaraja FCCA
 (Treasurer and Trustee)

SIVAYOGAM

(Charity number: 1050398)

Statement of Cash Flows**Year ended 31 March 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Net income	59,793	433,783
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	44,143	53,880
Other interest receivable and similar income	(572)	(1,186)
Interest payable and similar charges	30,614	18,274
Accrued expenses	600	3,000
<i>Changes in:</i>		
Trade and other debtors	29,439	496,331
Trade and other creditors	(30,000)	30,000
Cash generated from operations	134,017	1,034,062
Interest paid	(30,952)	(16,359)
Interest received	572	1,186
Net cash from operating activities	<u>103,637</u>	<u>1,018,889</u>
Cash flows from investing activities		
Purchase of tangible assets	(12,000)	(2,265,399)
Net cash used in investing activities	<u>(12,000)</u>	<u>(2,265,399)</u>
Cash flows from financing activities		
Proceeds from borrowings	(38,647)	831,833
Net cash (used in)/from financing activities	<u>(38,647)</u>	<u>831,833</u>
Net increase/(decrease) in cash and cash equivalents	52,990	(414,677)
Cash and cash equivalents at beginning of year	22,326	437,003
Cash and cash equivalents at end of year	<u>75,316</u>	<u>22,326</u>

SIVAYOGAM

(Charity number: 1050398)

Notes to the Financial Statements

Year ended 31 March 2021

1. General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 41 St Georges Avenue, London, NW9 0JT, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Transfer of funds: Where necessary a transfer is made from unrestricted funds to restricted funds to facilitate payments to orphanages in Sri Lanka which are usually funded from restricted funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
 - legacy income is recognised when receipt is probable and entitlement is established.
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SIVAYOGAM

(Charity number: 1050398)

Notes to the Financial Statements

Year ended 31 March 2021

income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured

Clothing and other items donated which are sold during the year are included as incoming resources within activities for generating funds. Assets which have been donated to the charity are treated as intangible income in the incoming resources and recognised as tangible fixed assets in the Balance Sheet at the current market value.

No amounts are included for the contribution of general volunteers.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Direct charitable Expenditure comprises of directly attributable to the main activities and objects of the Charity. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Management and Administration Expenditure includes all expenditure not directly related to the charitable activity. This includes costs of running office premises and administrative staff salaries.

Governance Costs: Include costs of the preparation and examination of statutory accounts, the costs of the trustee meetings and cost of any legal advice to trustees on governance & constitutional matters.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

SIVAYOGAM

(Charity number: 1050398)

Notes to the Financial Statements

Year ended 31 March 2021

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property -	1% on written down value (excluding land).
Furniture, fixtures and equipment -	25% on written down value.
Statues and shrines -	not depreciated as they are made of natural stones expected to last for hundreds of years and in line with Hindu culture and knowledge.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

SIVAYOGAM

(Charity number: 1050398)

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Free Will Offerings	12,377	7,275	19,652
Donations	106,698	55,978	162,676
Gift Aid Claim	24,163	—	24,163
	<u>143,238</u>	<u>63,253</u>	<u>206,491</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Free Will Offerings	22,281	18,064	40,345
Donations	124,171	79,935	204,106
Gift Aid Claim	12,500	—	12,500
	<u>158,952</u>	<u>97,999</u>	<u>256,951</u>

Grants and donations

Eelam, Widows & Orphans: This fund was generated mainly to assist the Widows, Elders, Orphans, destitutes & to provide relief to the poor in Eelam (Sri Lanka). The bulk of the donations received are through bank standing orders from devotees towards the maintenance of children in Orphanages in Eelam, either run and funded directly by Sivayogam or maintained by an independent organisation through Sivayogam.

SIVAYOGAM

(Charity number: 1050398)

Notes to the Financial Statements (continued)**Year ended 31 March 2021****5. Charitable activities**

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Temple services	<u>101,306</u>	<u>101,306</u>	<u>159,789</u>	<u>159,789</u>

6. Investment Income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>572</u>	<u>572</u>	<u>1,186</u>	<u>1,186</u>

7. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Sale of goods	5,993	–	5,993
Other donations	–	–	–
Government grants	<u>83,261</u>	<u>–</u>	<u>83,261</u>
	<u>89,254</u>	<u>–</u>	<u>89,254</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Sale of goods	11,291	–	11,291
Other donations	–	402,176	402,176
Government grants	–	–	–
	<u>11,291</u>	<u>402,176</u>	<u>413,467</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charitable activities	276,974	40,741	317,715
Governance costs	<u>20,115</u>	<u>–</u>	<u>20,115</u>
	<u>297,089</u>	<u>40,741</u>	<u>337,830</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	291,815	93,777	385,592
Governance costs	<u>12,218</u>	<u>–</u>	<u>12,218</u>
	<u>303,833</u>	<u>93,777</u>	<u>397,610</u>

SIVAYOGAM

(Charity number: 1050398)

Notes to the Detailed Statement of Financial Activities**Year ended 31 March 2021****9.****Expenditure on charitable activities by activity type**

CHARITABLE EXPENDITURE			2021	2020
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	£
Rent & Service Charge	-	-	-	21,375
Rates & Water	12,299	-	12,299	11,795
Light & Heat	13,503	-	13,503	7,222
Repairs & Renewals	15,681	-	15,681	30,822
Health & Safety	5,424	-	5,424	600
Telephone & Internet	5,542	-	5,542	2,917
Printing, Postage, Stationery & Publicity	1,239	-	1,239	3,325
Pooja Items (for Temple Services)	26,936	-	26,936	57,541
Salaries & N.I	119,270	12,000	131,270	110,845
Insurance	6,466	-	6,466	3,704
Travelling & Transport	3,126	-	3,126	9,753
Legal & Professional Fees	-	-	-	22,661
Interest on Loans & Mortgage	30,614	-	30,614	18,274
Grants & Donations	-	20,188	20,188	28,719
Sundry Expenses	819	-	819	523
Bank Charges	2,672	-	2,672	4,233
Depreciation	<u>33,363</u>	<u>8,553</u>	<u>41,936</u>	<u>51,083</u>
Sub total	<u>276,974</u>	<u>40,741</u>	<u>317,715</u>	<u>385,392</u>

SIVAYOGAM

(Charity number: 1050398)

Notes to the Detailed Statement of Financial Activities**Year ended 31 March 2021****GOVERNANCE COSTS**

Wages	12,000	12,000	2,500
Audit Fee (including VAT)	3,600	3,600	3,000
Rent & Service charges			1,125
Rates & Water	622	622	621
Light & Heat	1,101	1,101	380
Telephone & internet	339	339	153
Printing, Postage, etc	247	247	1,662
Depreciation	<u>2,206</u>	<u>2,206</u>	<u>2,777</u>
Sub total	<u>20,115</u>	<u>20,115</u>	<u>12,218</u>
Grand total	<u>297,089</u>	<u>40,741</u> <u>337,830</u>	<u>397,610</u>

10. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	44,143	53,860

11. Auditors remuneration

Auditor's remuneration for the year, including VAT £3,600 (2020: £3,000)

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	<u>143,270</u>	<u>113,345</u>

The average head count of employees during the year was 8 (2020: 7).

No employee received wages or employee benefits of more than £60,000 during the year (2020: Nil).

SIVAYOGAM

(Charity number: 1050398)

Notes to the Detailed Statement of Financial Activities**Year ended 31 March 2021****13. Trustee remuneration and expenses**

Neither wages nor reimbursement of expenses have been made or are due to be made to any of the trustees in respect of the period.

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Statues and Shrine sundries at cost £	Total £
Cost					
At 1 April 2020	3,420,538	398,675	13,379	249,043	4,081,635
Additions	—	—	—	12,000	12,000
At 31 March 2021	3,420,538	398,675	13,379	261,043	4,093,635
Depreciation					
At 1 April 2020	149,287	280,324	13,379	—	442,990
Charge for the year	14,555	29,588	—	—	44,143
At 31 March 2021	163,842	309,912	13,379	—	487,133
Carrying amount					
At 31 March 2021	3,256,696	88,763	—	261,043	3,606,502
At 31 March 2020	3,271,251	118,351	—	249,043	3,638,645

The freehold properties are secured against the bank loan- see note 17

15. Debtors

	2021 £	2020 £
Prepayments and accrued income	—	4,003
Other debtors	30,936	56,372
	30,936	60,375

16. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	107,487	—
Accruals and deferred income	5,177	4,915
Other creditors	—	30,000
	112,664	34,915

SIVAYOGAM

(Charity number: 1050398)

Notes to the Detailed Statement of Financial Activities**Year ended 31 March 2021****17. Creditors: amounts falling due after more than one year**

	2021 £	2020 £
Bank loans and overdrafts		
Loan payable between 2 to 5 years	322,482	322,482
Loan payable over 5 years	844,784	990,918
	<u>1,167,246</u>	<u>1,313,380</u>

A 15-year loan of £1.3m was obtained in 2020 from Barclays bank plc to purchase the property at 128 Aurelia Road, Croydon, CR0 3BF. The loan is secured against the freehold properties, (see note 14)

18. Analysis of charitable funds**Unrestricted funds**

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>1,175,229</u>	<u>334,370</u>	<u>(297,089)</u>	<u>1,212,510</u>
	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
General funds	<u>1,147,844</u>	<u>331,218</u>	<u>(303,833)</u>	<u>1,175,229</u>

Restricted funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Buildings funds	1,195,475	41,963	(20,553)	1,216,885
Eelam project funds	<u>2,347</u>	<u>21,290</u>	<u>(20,188)</u>	<u>3,449</u>
Restricted Fund	<u>1,197,822</u>	<u>63,253</u>	<u>(40,741)</u>	<u>1,220,334</u>

SIVAYOGAM

(Charity number: 1050398)

Notes to the Detailed Statement of Financial Activities**Year ended 31 March 2021****Analysis of net assets by funds**

	Unrestricted Funds	Restricted Funds	Restricted Funds	2021	2020
		Building Fund	Eelam Project	Total Funds	Total Funds
Tangible Assets	2,419,512	1,188,990	-	3,606,502	3,638,645
Current Assets	71,123	31,680	3,449	106,252	82,701
Current Liabilities	(110,879)	(1,785)	-	(112,664)	(34,915)
Liabilities over one year	<u>(1,167,246)</u>	=	=	<u>(1,167,246)</u>	<u>(1,313,380)</u>
	<u>1,212,510</u>	<u>1,216,885</u>	<u>3,449</u>	<u>2,432,844</u>	<u>2,373,051</u>

19. Analysis of changes in net debt

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	22,326	52,990	75,316
Debt due within one year	-	(107,487)	(107,487)
Debt due after one year	<u>(1,313,380)</u>	<u>146,134</u>	<u>(1,167,246)</u>
	<u>(1,291,054)</u>	<u>91,637</u>	<u>(1,199,417)</u>

20. Related party transactions

There have been no related party transactions during the year and in previous year.

21. Taxation

The charity Sivayogam is exempt from taxation on income and gains falling within section 505 of the taxes Act 1988 or section 258 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity during the year or the previous year.