

SIVAYOGAM

(Charity Registered No. 1050398)



Annual Report and Financial Statements for the year ended 31 March 2023

ADRIAN & CO

Chartered Certified Accountants & Statutory Auditor
1417/1419 London Road
Norbury
London
SW16 4AH

Sivayogam

Financial Statements

Year ended 31 March 2023

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Sivayogam

Trustees' Annual Report

Year ended 31 March 2023

The Trustees of Sivayogam Charity present their annual report and audited accounts for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 2 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) (effective January 2019).

Reference and administrative details

Registered charity name	Sivayogam
Charity registration number	1050398
Principal office	41 St Georges Avenue London NW9 0JT United Kingdom
Patrons	Mr N Seevaratnam ACA ACMA Mr A Gananathan LLB (Hons)

The Trustees

Mrs A K Selvakumar (Chair) BSc. (Appointed 13 March 2023) MSc. FCCA, MBA	
Mr N Seevaratnam ACA ACMA	(Resigned 13 March 2023)
Mr S P Tanaraja FCCA (Treasurer)	(Appointed 3 December 2011)
Mr A Gananathan LLB (Hons)	(Resigned 13 March 2023)
Mr J Saravanamuthu	(1 October 2021)
Mr N Seevaratnam (Secretary)	(Appointed 1 July 2021)
Mr N Velupillai	(Appointed 13 March 2023)

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

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Structure, governance and management

The governing document:

The charity operates under a Declaration of Trust (Trust Deed), the governing document, which was registered with the Charity Commissioners in November 1995 under registration number 1050398. The charity is constituted as an unincorporated association and it is governed and managed by the Trustees.

The Registered Office of the charity is at 41, St Georges Ave., London NW9 0JT.

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 (Treasurer) from 03 December 2011, Mr Nimalan Seevaratnam from 01 July 2021, Mr Navaratnam Velupillai from 13 March 2023 and Mrs Ambihai Selvakumar (chair) from 13 March 2023. Mr Nagendram Seevaratnam and Mr Arunasalam Gananathan resigned on 13 March 2023.

Recruitment and appointment of new Trustees:

The trustees meet regularly in order to assess the need to recruit and appoint new trustees, especially when an existing trustee wishes to retire. 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.

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.

Objectives and activities

The purpose of the charity, as set out in the Trust Deed and the its activities:

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.

Activities and Public Benefits

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

b) Arulmihu London Muththumari Amman temple is in a large freehold property at 128 Aurelia Road, Croydon CR0 3BF from 6 February 2017. The purchase was completed at a cost of £2.0m on 23 August 2019. The property includes a car park.

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 and the balance of £1.5m was paid on 23rd August 2019 to complete the purchase by mortgaging two properties, those at Croydon and Wembley.

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Trustees' Annual Report *(continued)*

Year ended 31 March 2023

The above two temple are in the process of being developed.

c) Plans for other future activities:

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.

d) Fund for the Eelam Orphans, Widows and the Destitute: The contributes funds towards the welfare of Eelam Orphans, widows and the destitute. In particular, two orphanages are being fully financed by Sivayogam. They are London Sivayogam Orphanage (Annai Illam) in Mannar, and Sivayoga Samajam Swamy Gengatharanandha Children's Home, Trincomalee. In addition, we also provid 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.

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

Achievements and performance

a) Redesign and Construction of the New Temple - Arulmihu London Muththumari Amman Temple Croydon: 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 centre 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 a 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 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.

b) 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.

c) Fund for the Eelam Orphans, Widows and Destitute: The trustees continued to fund London Sivayogam Orphanage (Annai Illam) in Mannar, and Sivayoga Samajam Swamy Gengatharanandha Children's Home, Trincomalee. These are being fully financed by Sivayogam. In addition, we also

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Trustees' Annual Report *(continued)*

Year ended 31 March 2023

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.

Financial review

The total income of the charity during the year to 31 March 2023 was £524,069 (2022: £430,771). The net current asset at the year-end was £104,676 (2022: £63,781), 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.

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 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 £25,000 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 £29,551 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.

Plans for future periods

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.

Arulmihu London Nadarajar Temple in Wembley is in a freehold property which was purchased in the year 2005 and the Temple is housed in a small hall. The construction is rescheduled to commence in January 2024.

Completion and Consecration: We hope to complete the building of the Wembley Temple before the end of the year 2025. 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 2025. 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.

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;

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Trustees' Annual Report *(continued)*

Year ended 31 March 2023

- 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is 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 auditor is aware of that information.

The trustees' annual report was approved on 17 January 2024 and signed on behalf of the board of trustees by:



Mrs A K Selvakumar (chair)
Trustee



Mr S P Tanaraja (Treasurer)
Trustee

Sivayogam

Independent Auditor's Report to the Trustees of Sivayogam

Year ended 31 March 2023

Independent Auditor's Report to the Trustees of Sivayogam

Opinion

We have audited the financial statements of Sivayogam (the 'charity') for the year ended 31 March 2023 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), 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 January 2019).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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.

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Independent Auditor's Report to the Trustees of Sivayogam

Year ended 31 March 2023

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 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.

Year ended 31 March 2023

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, designed 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.
- Concluded on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- 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.

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

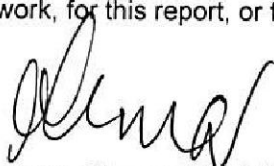
Year ended 31 March 2023

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 trustees, 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 trustees 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 trustees 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 Certified Accountants & Statutory Auditor
1417/1419 London Road
Norbury
London
SW16 4AH

17 January 2024

Sivayogam

Statement of Financial Activities

Year ended 31 March 2023

		Unrestricted funds £	2023 Restricted funds £	Total funds £	2022 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	238,973	74,853	313,826	228,627
Charitable activities	5	187,802	–	187,802	168,069
Investment income	6	872	–	872	758
Other income	7	21,570	–	21,570	33,317
Total income		<u>449,217</u>	<u>74,853</u>	<u>524,070</u>	<u>430,771</u>
Expenditure					
Expenditure on charitable activities	8,9	390,393	47,023	437,416	355,779
Total expenditure		<u>390,393</u>	<u>47,023</u>	<u>437,416</u>	<u>355,779</u>
Net income and net movement in funds		<u>58,824</u>	<u>27,830</u>	<u>86,654</u>	<u>74,992</u>
Reconciliation of funds					
Total funds brought forward		1,260,384	1,247,452	2,507,836	2,432,844
Total funds carried forward		<u>1,319,208</u>	<u>1,275,282</u>	<u>2,594,490</u>	<u>2,507,836</u>

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

The notes on pages 13 to 23 form part of these financial statements.


Sivayogam


Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	14	3,543,866	3,570,896
Current assets			
Debtors	15	27,000	27,934
Cash at bank and in hand		192,840	154,442
		219,840	182,376
Creditors: amounts falling due within one year	16	115,163	118,595
Net current assets		104,677	63,781
Total assets less current liabilities		3,648,543	3,634,677
Creditors: amounts falling due after more than one year	17	1,054,053	1,126,841
Net assets		2,594,490	2,507,836
Funds of the charity			
Restricted funds		1,275,282	1,247,452
Unrestricted funds		1,319,208	1,260,384
Total charity funds	18	2,594,490	2,507,836

These financial statements were approved by the board of trustees and authorised for issue on 17 January 2024, and are signed on behalf of the board by:


Mrs A K Selvakumar (chair)
Trustee


Mr S P Tanaraja (Treasurer)
Trustee

The notes on pages 13 to 22 form part of these financial statements.

Sivayogam

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	86,654	74,992
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	54,929	56,328
Other interest receivable and similar income	(872)	(758)
Interest payable and similar charges	52,955	30,630
Accrued expenses	1,200	-
<i>Changes in:</i>		
Other debtors	935	3,002
Accruals and other creditors	(4,632)	5,930
Cash generated from operations	191,169	170,124
Interest paid	(52,955)	(30,630)
Interest received	872	758
Net cash and cash equivalents from operating activities	<u>139,086</u>	<u>140,252</u>
Cash flows from investing activities		
Purchase of tangible assets	(27,899)	(20,722)
Net cash used in investing activities	<u>(27,899)</u>	<u>(20,722)</u>
Cash flows from financing activities		
Repayment of loan	(72,789)	(40,404)
Net cash used in financing activities	<u>(72,789)</u>	<u>(40,404)</u>
Net increase in cash and cash equivalents	38,398	79,126
Cash and cash equivalents at beginning of year	154,442	75,316
Cash and cash equivalents at end of year	<u>192,840</u>	<u>154,442</u>

The notes on pages 13 to 23 form part of these financial statements.

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.

3. Accounting policies *(continued)*

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.
- 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. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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.

All costs are allocated to expenditure categories reflecting 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.

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.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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 – 2% on cost (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

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

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 2023 £
Donations			
Free Will Offerings	10,627	14,920	25,547
Donations	192,640	59,933	252,573
Gift Aid Claim	35,706	—	35,706
	<u>238,973</u>	<u>74,853</u>	<u>313,826</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Free Will Offerings	13,067	11,786	24,853
Donations	150,418	53,356	203,774
Gift Aid Claim	—	—	—
	<u>163,485</u>	<u>65,142</u>	<u>228,627</u>

Sivayogam

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Temple services	187,802	187,802	168,069	168,069

6. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	872	872	758	758

7. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Sale of goods	21,570	21,570	11,171	11,171
Government grants	–	–	22,146	22,146
	21,570	21,570	33,317	33,317

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Charitable activities	372,752	47,023	419,775
Governance costs	17,641	–	17,641
	390,393	47,023	437,416

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activities	295,983	38,024	334,007
Governance costs	21,772	–	21,772
	317,755	38,024	355,779

Sivayogam

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

9. Expenditure on charitable activities by activity type

CHARITABLE EXPENDITURE			2023	2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Rates & Water	7,173	-	7,173	10,165
Light & Heat	16,780	-	16,780	12,373
Repairs & Renewals	17,366	-	17,366	10,932
Health & Safety	3,195	-	3,195	6,155
Telephone & Internet	2,964	-	2,964	3,618
Printing, Postage, Stationery & Publicity	1,221	-	1,221	1,617
Pooja Items (for Temple Services)	74,141	-	74,141	57,978
Salaries & N.I	132,026	12,200	144,226	102,119
Insurance	3,808	-	3,808	3,833
Travelling & Transport	5,984	-	5,984	10,891
IT expenses	2,116	-	2,116	2,840
Equipment expense	-	-	-	1,348
Interest on Loans & Mortgage	52,955	-	52,955	30,630
Grants & Donations	-	29,551	29,551	19,969
Sundry Expenses	1,301	-	1,301	1,834
Bank Charges	4,272	-	4,272	3,583
Depreciation	<u>47,450</u>	<u>5,272</u>	<u>52,722</u>	<u>54,122</u>
Sub total	<u>372,752</u>	<u>47,023</u>	<u>419,775</u>	<u>334,007</u>

Sivayogam

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

GOVERNANCE COSTS

			2023	2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Wages	8,000		8,000	12,000
Audit Fee (including VAT)	4,800		4,800	4,800
Rates & Water	620		620	622
Light & Heat	1,200		1,200	1,101
Telephone & internet	620		620	339
Printing, Postage, etc	195		195	247
Sundry expenses	-		-	457
Depreciation	<u>2,206</u>		<u>2,206</u>	<u>2,206</u>
Sub total	<u>17,641</u>		<u>17,641</u>	<u>21,772</u>
Grand total	<u>390,393</u>	<u>47,023</u>	<u>437,416</u>	<u>335,779</u>

Sivayogam

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Net income

Net income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	<u>54,929</u>	<u>56,328</u>

11 Auditors remuneration

Auditor's remuneration for the year, including VAT is £4,800 (2022 £4,800)

12. Staff costs

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

	2023	2022
	£	£
Wages and salaries	<u>152,226</u>	<u>114,119</u>

The average head count of employees during the year was 7 (2022: 7).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

13. Trustee remuneration and expenses

The executive officer was elected to be a trustee on 9 June 2021 and continues to receive a remuneration of gross monthly salary of £1,200 (2022 £1,200) for being an executive officer but not for being a trustee.

Sivayogam

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Statues and Shrine at cost £	Total £
Cost						
At 1 Apr 2022	3,420,538	401,475	25,949	5,352	261,043	4,114,357
Additions	25,600	2,299	—	—	—	27,899
Disposals	—	—	(13,379)	—	—	(13,379)
At 31 Mar 2023	3,446,138	403,774	12,570	5,352	261,043	4,128,877
Depreciation						
At 1 Apr 2022	196,408	330,764	14,951	1,338	—	543,461
Charge for the year	32,923	18,252	2,750	1,004	—	54,929
Disposals	—	—	(13,379)	—	—	(13,379)
At 31 Mar 2023	229,331	349,016	4,322	2,342	—	585,011
Carrying amount						
At 31 Mar 2023	3,216,807	54,758	8,248	3,010	261,043	3,543,866
At 31 Mar 2022	3,224,130	70,711	10,998	4,014	261,043	3,570,896

(There is a bank charge on one of the freehold properties – see notes 16 and 17)

15. Debtors

	2023 £	2022 £
Prepayments and accrued income	—	935
Other debtors	27,000	26,999
	<u>27,000</u>	<u>27,934</u>

16. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts (see note 17)	107,487	107,488
Accruals and deferred income	7,676	11,107
	<u>115,163</u>	<u>118,595</u>

Sivayogam

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

17. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans and overdrafts	<u>1,054,053</u>	<u>1,126,841</u>

A 15-year loan of £1.3m was obtained in 2020 from Barclays bank plc to purchase the temple at 128 Aurelia Road, Croydon CR0 3BF, the loan is secured against the freehold properties, (see note 16).

18. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
General funds	<u>1,260,384</u>	<u>449,217</u>	<u>(390,393)</u>	<u>1,319,208</u>

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>1,212,510</u>	<u>365,629</u>	<u>(317,755)</u>	<u>1,260,384</u>

Restricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted Fund	<u>1,247,452</u>	<u>74,853</u>	<u>(47,023)</u>	<u>1,275,282</u>

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted Fund	<u>1,220,334</u>	<u>65,142</u>	<u>(38,024)</u>	<u>1,247,452</u>

Sivayogam

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of net assets by funds

	Unrestricted Funds	Restricted Funds	Restricted Funds	2022	2022
		Building Fund	Eelam Project	Total Funds	Total Funds
Tangible Assets	2,425,422	1,118,444	-	3,543,866	3,570,896
Current Assets	74,526	138,829	6,485	219,840	182,376
Current Liabilities	(115,163)	-	-	(115,163)	(118,595)
Liabilities over one year	<u>(1,054,053)</u>	-	-	<u>(1,054,053)</u>	<u>(1,126,841)</u>
	<u>1,330,732</u>	<u>1,257,273</u>	<u>6,485</u>	<u>2,594,490</u>	<u>2,507,836</u>

20. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	154,442	38,398	192,840
Debt due within one year	(107,488)	-	(107,488)
Debt due after one year	<u>(1,126,841)</u>	<u>72,789</u>	<u>(1,054,052)</u>
	<u>(1,079,887)</u>	<u>111,187</u>	<u>(968,700)</u>

21. Related party transactions

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

22 Taxation

The charity Sivayogam is exempt from taxation on income and 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 or the previous year.