

**GURU NANAK GURDWARA & SIKH COMMUNITY
CENTRE**

Unaudited Financial Statements

30 April 2021

BROOM STURMAN & CO

Accountants
251 Acklam Road
Acklam
Middlesbrough
TS5 7BW

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Financial Statements

Year ended 30 April 2021

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	5
Statement of financial activities	6
Statement of financial position	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed statement of financial activities	15
Notes to the detailed statement of financial activities	16

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Trustees' Annual Report

Year ended 30 April 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 30 April 2021.

Reference and administrative details

Registered charity name GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Charity registration number 1065733

Principal office 31A Allensway
Thornaby
Stockton on Tees
TS17 9HA

The trustees

Mr K Singh
Mr P S Sangha
Mr S Singh
Mr I S Upal
Mr L S Kandola
Dr G S Randhawa

Independent examiner Mr I Broom of Broom Sturman & Co
251 Acklam Road
Acklam
Middlesbrough
TS5 7BW

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Trustees' Annual Report *(continued)*

Year ended 30 April 2021

Structure, governance and management

Guru Nanak Gurdwara & Sikh Community Centre is constituted as a charitable trust registered with the Charities Commission in November 1997 under the charity number 1065733.

Organisational structure

The charity trustees are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits. The trustees, in conjunction with the committee, meet together, as a body, periodically and are responsible for all decisions taken in relation to running the Temple and the community facilities and the activities provided by the charity.

Recruitment and appointment of trustees

The existing trustees are responsible for the recruitment of new trustees but in so doing the trustees seek the views and recommendations of both elders and community leaders via the general secretary. The trustees believe this approach ensures that new trustees are respected members of the faith and local communities and ensures that good relations are fostered between the temple and the people of the local community that we serve.

In selecting new trustees, we seek to identify people who regularly attend events and functions organised by the charity and are willing to volunteer to help in our broader community work. Potential trustees are invited to attend trustees' meetings as observers and are given more details of the charity's aims and activities and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Induction and training of trustees

Following appointment, new trustees are introduced to their new role and given copies of the constitution along with a number of publications from the Charities Commission which provide guidance on charities and public benefit and on the advancement of religion for the public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act.

Risk management

The trustees have assessed the risks faced by the charity and are satisfied that systems are in place, or arrangements are in hand, to manage identified risks. In particular, insurance cover is in place and the finances of the Temple are kept under regular review. Appropriate Criminal Record Checks are made for all those who work with children and other vulnerable groups within the Temple and community.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Trustees' Annual Report *(continued)*

Year ended 30 April 2021

Objectives and activities

Our objectives

The charity's objectives are to provide a cultural socio-religious base for the Sikh Community in Thornaby and Stockton. The charity has continued in its objectives stated above by providing an open, easy and free means for the Sikh Community in the area to engage in their religious and cultural heritage.

We have referred to the guidance in our Governing document recognised by the Charity Commission. Constitution adopted 14.07.1994 as amended on 23.06.1996 as amended on 13.04.1998.

Strategies

We want to make our Temple an accessible and welcoming venue where all Sikhs, or those wishing to know more about our faith, can gather together to learn about religion and worship.

We try to promote the Sikh faith in the Thornaby and Stockton area and encourage all schools, colleges and universities to visit the Temple.

We regularly invite people from other faiths to attend at major functions in order to maintain and promote inter faith activities. We also have a Langer (free kitchen) which is open to everyone in the local community, irrespective of religious beliefs. We offer many different classes to the local community including community language class, karate class and other various activities.

Achievements and performance

We are effectively liaising with the wider communities / educational establishments in the area to meet community cohesion agenda, e.g. many parties from schools visited our Sikh Temple and Community Centre and gained knowledge of the basic principles of the Sikh religion, which preaches strongly on all types of equalities. We are liaising closely with SACRE (Standing Advisory Committee on Religious Education) Stockton Borough Council. Statutory risk assessment and safeguarding procedures are followed during the visits. We have received appreciation letters from SBC officials and schools.

Financial review

The trustees are satisfied with the financial position of the charity and no formal reserves policy is in place.

Principal funding sources

The principle source of funding for the charity is donations from the local Sikh community. Trustees and all members are encouraged to pay their donations monthly by standing order. The charity also receives some rental income from the third party use of the community centre. Gift aid is also in operation. The charity has not applied for any grants.

Plans for future periods

The charity wishes to continue the promotion of the Sikh faith in the local community and to continue helping those in need. We will continue to receive visits from educational institutions including visits from police training academies. We will continue to attend SACRE Stockton Borough Council meetings. Trustees recognise the excellent provision and mechanism put in place by our Treasurer and other volunteers for outside visitors. We will encourage and assist the Treasurer in implementing this provision. As advised by the Charity Commission in April 2018 the charities and trustees safeguarding procedures continue to be followed on a priority basis.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Trustees' Annual Report *(continued)*

Year ended 30 April 2021

The trustees' annual report was approved on 23 July 2021 and signed on behalf of the board of trustees by:

Charity Secretary

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Independent Examiner's Report to the Trustees of GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Year ended 30 April 2021

I report to the trustees on my examination of the financial statements of GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE ('the charity') for the year ended 30 April 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr I Broom
of Broom Sturman & Co
Independent Examiner

251 Acklam Road
Acklam
Middlesbrough
TS5 7BW

23 July 2021

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Statement of Financial Activities

Year ended 30 April 2021

		2021	2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	4	—	57,624
Total income		—	57,624
Expenditure			
Expenditure on charitable activities	5,6	—	46,339
Total expenditure		—	46,339
Net income and net movement in funds		—	11,285
Reconciliation of funds			
Total funds brought forward		723,220	723,220
Total funds carried forward		734,505	734,505

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 8 to 13 form part of these financial statements.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Statement of Financial Position

30 April 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	11	855,369	859,238
Current assets			
Cash at bank and in hand		23,312	7,765
Creditors: amounts falling due within one year	12	144,176	143,783
Net current liabilities		120,864	136,018
Total assets less current liabilities		734,505	723,220
Net assets		734,505	723,220
Funds of the charity			
Unrestricted funds		734,505	723,220
Total charity funds	13	734,505	723,220

These financial statements were approved by the board of trustees and authorised for issue on 23 July 2021, and are signed on behalf of the board by:

Trustee

The notes on pages 8 to 13 form part of these financial statements.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Notes to the Financial Statements

Year ended 30 April 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 31A Allensway, Thornaby, Stockton on Tees, TS17 9HA.

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.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

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.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

3. Accounting policies *(continued)*

Tangible assets *(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:

Fixtures and fittings	- 15% reducing balance
Equipment	- 15% reducing balance

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.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

	Total Funds 2021 £	Total Funds 2020 £
Donations		
Donations	49,854	54,784
Donations - gift aid	–	4,982
Other donations and legacies		
Other donations and legacies type 1	–	8,906
Other donations - Foster House	7,770	8,780
	<u>57,624</u>	<u>77,452</u>

5. Expenditure on charitable activities by fund type

	Total Funds 2021 £	Total Funds 2020 £
Activity type 1	10,309	20,949
Support costs	36,030	49,422
	<u>46,339</u>	<u>70,371</u>

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

6. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Activity type 1	10,309	–	10,309	20,949
Governance costs	–	36,030	36,030	49,422
	<u>10,309</u>	<u>36,030</u>	<u>46,339</u>	<u>70,371</u>

7. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>3,869</u>	<u>4,552</u>

8. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,378</u>	<u>1,278</u>

9. Staff costs

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

	2021	2020
	£	£
Wages and salaries	<u>12,314</u>	<u>15,095</u>

The average head count of employees during the year was 1 (2020: 1).

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

10. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

11. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 May 2020 and 30 April 2021	<u>833,447</u>	<u>35,309</u>	<u>39,821</u>	<u>908,577</u>
Depreciation				
At 1 May 2020	–	22,737	26,602	49,339
Charge for the year	–	<u>1,886</u>	<u>1,983</u>	<u>3,869</u>
At 30 April 2021	–	<u>24,623</u>	<u>28,585</u>	<u>53,208</u>
Carrying amount				
At 30 April 2021	<u>833,447</u>	<u>10,686</u>	<u>11,236</u>	<u>855,369</u>
At 30 April 2020	<u>833,447</u>	<u>12,572</u>	<u>13,219</u>	<u>859,238</u>

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	142,548	142,643
Accruals and deferred income	<u>1,628</u>	<u>1,140</u>
	<u>144,176</u>	<u>143,783</u>

13. Analysis of charitable funds

Unrestricted funds

	At 30 April 2021 £
General funds	<u>734,505</u>
	At 30 April 2020 £
General funds	<u>723,220</u>

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Management Information

Year ended 30 April 2021

The following pages do not form part of the financial statements.

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Detailed Statement of Financial Activities

Year ended 30 April 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Donations	49,854	54,784
Donations - gift aid	—	4,982
Other donations and legacies type 1	—	8,906
Other donations - Foster House	7,770	8,780
	<u>57,624</u>	<u>77,452</u>
Total income	<u>57,624</u>	<u>77,452</u>
Expenditure		
Expenditure on charitable activities		
Purchases	187	736
Wages and salaries	12,314	15,095
Rates and water	2,761	4,775
Light and heat	5,313	10,182
Repairs and maintenance	4,969	7,446
Cleaning	2,395	3,837
Other establishment	4,126	12,232
Legal and professional fees	1,378	1,895
Telephone	467	204
Other office costs	558	963
Depreciation	3,869	4,552
Interest on bank loans and overdrafts	8,002	8,454
	<u>46,339</u>	<u>70,371</u>
Total expenditure	<u>46,339</u>	<u>70,371</u>
Net income	<u>11,285</u>	<u>7,081</u>

GURU NANAK GURDWARA & SIKH COMMUNITY CENTRE

Notes to the Detailed Statement of Financial Activities

Year ended 30 April 2021

	2021 £	2020 £
Expenditure on charitable activities		
Activity type 1		
<i>Activities undertaken directly</i>		
Direct charitable activity 1 - food	187	736
Direct charitable activity 1 - wages/salaries	120	1,620
Direct charitable activity 1 - donations	2,000	10,139
Direct charitable activity 1 - interest on bank loans	8,002	8,454
	<u>10,309</u>	<u>20,949</u>
Governance costs		
Governance costs - wages/salaries	12,194	13,475
Governance costs - rates & water	2,761	4,775
Governance costs - light & heat	5,313	10,182
Governance costs - repairs & maintenance	4,969	7,446
Governance costs - cleaning	2,395	3,837
Governance costs - insurance	2,126	2,093
Governance costs - accountancy fees	1,378	1,278
Governance costs - printing, postage and stationery	401	617
Governance costs - telephone	467	204
Governance costs - other office costs	157	963
Governance costs - depreciation	3,869	4,552
	<u>36,030</u>	<u>49,422</u>
Expenditure on charitable activities	<u>46,339</u>	<u>70,371</u>