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# GNNET

GURU NANAK NISHKAM EDUCATION TRUST

REGISTERED CHARITY NUMBER: 508470

Stanley Yule Chartered Accountants  
Registered Auditors Waterside House  
Waterside Business Park  
1649 Pershore Road  
Birmingham West Midlands B30 3DR

## ANNUAL REPORT OF THE TRUSTEES & FINANCIAL STATEMENTS 2020 - 2021



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## GNNET

Guru Nanak Nishkam Education Trust (GNNET) was incorporated on 11 December 2002, and was registered with the Charity Commission as a charity on 9 March 2004. GNNET is governed by the memorandum and articles of association as a not-for-profit organisation whose principle objective is the provision of community wide academic education underpinned by a Sikh multi-faith ethos in order to advance spirituality, morality, ethics and social values. GNNET has been created for the advancement of the objectives of Guru Nanak Nishkam Sewak Jatha (Birmingham) UK (GNNSJ) in the field of education.

GNNSJ has a long established and clearly focussed programme of community investment and regeneration. It devotes resources to promote social and economic welfare with particular emphasis on education and community regeneration initiatives. Education

Education from a Sikh perspective, should not be limited to acquiring intellectual or technical knowledge alone; it would include fostering contemplation, wisdom and key values which underpin the nature of economic, scientific, social and other advances.

GNNET and NST are means for GNNSJ to manage the education programmes and support service provision from nursery to funding university level programmes.. The new UN seventeen sustainable goals include the provision of quality education, GNNET's endeavours will continue to support this overarching goal. Education is a fertile arena for drawing out and cultivating key human/spiritual values in young children to nurture them as good human beings. In a world so troubled by ignorance, misconceptions and hostilities based on religious identity; the development of a sound model for intra-faith and interfaith education is imperative.

1. Values based education helps to broaden the curriculum and creates good human beings
2. Imparting Godly values empowers the young to be virtuous and take civic responsibility
3. Creates employment opportunities and helps to regenerate the local area
4. The whole ethos of volunteering encourages and enables the community to contribute to rebuilding the local area
5. Builds capacity of individuals, families and local communities to be self sufficient
6. Provides community support, promotes community action and cohesion
7. Encourages self-help and self-reliance within communities at collective and individual levels
8. It has a multiplier effect (i.e. creates a virtuous cycle):
  - Embedding values leads to positive attitudes in young people
  - Volunteering promotes altruism
  - Virtuous actions help others
  - Creates strong families and supportive communities
9. Contributing to the Government's social action initiatives such as the 'Big Society' agenda, National Citizen Service and International Citizen Service.
10. Education is the best investment for the future, it facilitates engagement and partnerships with other organisations

The specific projects to deliver the above public benefit are described below:





The Trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Registered Company number

04614219 (England and Wales)

#### Registered Charity number

1102555

#### Principal Address

18 -20 Soho Road Handsworth Birmingham B21 9BH

#### Trustees

Dr. Mohinder Singh Ahluwalia

Mr Jarnail Singh Bhinder

Mr Parvinder Singh

#### Auditors

Stanley Yule Chartered Accountants

Registered Auditors

Waterside House

1649 Pershore Road

B30 3DR

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a charitable trust.

#### Risk management

The Trustees actively review the major risks which the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced by the Charity and confirm that they have established systems to mitigate the risks.

#### Going concern

The accounts have been prepared on the basis of being a going concern. The Trustees confirm that they have taken into account all available information about the future for at least 12 month from the date the accounts were approved and conclude there is no uncertainty relating to going concern

### OBJECTIVES AND ACTIVITIES

#### Significant activities

The principal activities during the year were the operation of three full day care nursery's and also that of a holding company to its subsidiary Nishkam Security Limited.

#### Significant activities (continued)

The following is a summary of the education initiatives:

1. The groundwork for a Voluntary Aided Primary School was initially supported through GNNET which paved the way for Nishkam School Trust to establish 4 Sikh-ethos multi-faith Free Schools.
2. In September 2009 opening a Full Day Care Nishkam Nursery in Birmingham. The nursery was approved by Ofsted for 58 full time places and continues to be heavily oversubscribed.
3. Supporting the preparatory work to open a new Nishkam Nursery in Wolverhampton in September 2015.
4. Supporting the opening of a new Nishkam Nursery in Leeds in September 2021.

GNNET has contributed to the following GNNESJ education endeavours

1. Establishing Lectureship at University of Birmingham MPhil & PhD in Sikh Studies (2000-2005)
2. Post-Doctoral Research on Religion, Civil Society and the United Nations
3. Supporting Nishkam School Trust in the continuing development of 4 Sikh-ethos multi-faith Schools
4. Facilitating the partnership between UoB Jubilee Centre for Character and Virtues and the Nishkam Schools.
5. Peace Charter for Forgiveness and Reconciliation
6. Proposed Museum of World Religions
7. Supporting Religions and Peace lectureships

### FINANCIAL REVIEW

#### Reserves policy

The present level of funding is adequate to support the continuation of the current activities.

#### Principal Funding Source

The Charities principal funding source arrives from government funding for education and childcare.

#### Transactions and financial position

The Statement of Financial Activities shows net income resources of £51,641 for the year and reserves of £536,336 in total.

#### Public benefit

GNNET carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to those who attend the GNNET educational sites and the wider communities it serves.

#### Pay policy for senior staff

All Directors give their time freely and did not receive any remuneration in the year.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings.

### STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont.)

#### Investment Policy

Aside from retaining an adequate reserves each year most of the charity's funds are to be spent in the short term. The charity has therefore not considered any plans for long term investments.

#### Recruitment and Appointment of Management Committee

The directors of the Trust are also charity trustees for the purposes of charity law and under the Trust's Articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the minimum and maximum members of the Management Committee shall be determined by the Trust in Annual General Meeting, but until so fixed there shall be no maximum number and the minimum number of members of the council shall be two. All member of the Management Committee give their time voluntarily and received no benefits from the charity.

#### Related Parties

The charity set out its related party transaction in note 16 of the financial statements.

#### Fundraising

No fundraising events or activities took place in the year.

#### Impact of Covid-19

The health and safety of the staff and children is considered to be of utmost importance to the Trust and remains a priority throughout this challenging time. To align to Government advice and to ensure our staff are protected as far as possible, whilst ensuring our customers continue to be served to a high standard, a range of temporary social measures were introduced in the year. Such measures include the addition of hygiene facilities around the Nursery and increased social distancing as appropriate.

From a financial perspective, the Trust's surplus have remained steady throughout the year following continued Government support. The Trust has taken advantage of the rates holiday and Job Retention Scheme in the year. Public funding was received from the local authority in consistency with prior years which enabled the nursery to remain open throughout the year. This was key particular at the start of the year whereby the nursery remained open to provide childcare to children of key workers.

Further, there were no concerns with cash collection in the year and therefore no bad debt provision has been recognised by the nursery.

The strong net asset and cash position of the Trust provides highly sufficient coverage for the Nursery to be a going concern.

The Job Retention Scheme funding will continue to be utilised whilst staff remain on furlough although there is a strong expectation, both from communications with parents of attendees and admission waiting lists, that the Nursery will return to full operation from 1st September 2021 and any remaining furloughed staff will return to work.



## Nishkam Nursery Provision

### Nishkam Nursery - Full Day Care Nursery - Birmingham

In September 2009 GNNET opened a Full Day Care Nursery at 1 Soho Road, Handsworth. During a six month period from March 2009 skilled volunteers and craftsman renovated the building in record time. Originally built in 1865 as a private residence it was first used as a War time Nursery in 1944.

This thriving Nursery is now providing much needed faith inspired education and high quality child care for local young children, quality employment and training for local people, within a greatly renovated building which had previously been left empty and unused.

The popularity and reputation of the Nursery continues, as it is oversubscribed and the number of children wishing to register in September 2017 was well in excess of the current capacity.

Currently the Nursery utilises the dining facilities of the Nishkam Primary School which is already a constrained area, this is due to the ancillary space within the Nursery being limited. This has scheduling implications for activities as the lunch time period at the Primary School is extended. In order to overcome the constraints, the development of further space is required.

### Nishkam Nursery - Full Day Care Nursery – Wolverhampton

In September 2015 GNNET opened a Full Day Care Nursery in Wolverhampton following the success of the Nishkam primary. Currently the Nursery utilises the premises of the Nishkam Primary School which has the capacity given it is growing incrementally year on year. During a three month period from June 2015 skilled volunteers renovated the nursery area in record time for the opening in September 2015.

This Nursery is now providing much needed faith inspired education and high quality child care for 34 local young children, quality employment and training for local people, within a great community atmosphere.

Consideration is being given to the development of a purpose built site to accommodate the demand and needs of the Nursery.

GNNET will be expanding its portfolio with a third day nursery. "Nishkam Nursery Leeds" is based in Leeds and the nursery is currently undergoing construction to enable the nursery to open in September 2021.

Nishkam Nursery Birmingham and Nishkam Nursery in Wolverhampton have both received good Ofsted ratings at the last inspections. *Strong leadership and effective support for staff's professional development have enabled the setting to maintain its good-quality service since the last inspection.*

Pupils	Birmingham		Wolverhampton	
	Part time	Full time	Part time	Full time
0-1 year olds	11	1	1	-
1-2 year olds	13	4	14	-
2-3 year olds	25	21	14	5
3-4 year olds	18	21	15	7
Total	67	38	44	12



## **GURU NANAK NISHKAM EDUCATION TRUST**

### **Report of the Trustees for the year ended 31 March 2021**

#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Guru Nanak Nishkam Education Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

#### **AUDITORS**

The auditors, Stanley Yule Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 3-12-2021 and signed on the board's behalf by:



Bhai Sahib, Bhai (DR) Mohinder Singh Ahluwalia, KSG, OBE, Chairman — Trustee



**Report of the Independent Auditors to the Members of  
Guru Nanak Nishkam Education Trust**

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**Opinion**

We have audited the financial statements of Guru Nanak Nishkam Education Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

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

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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



**Report of the Independent Auditors to the Members of  
Guru Nanak Nishkam Education Trust**

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**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

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

**Report of the Independent Auditors to the Members of  
Guru Nanak Nishkam Education Trust**

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**Our responsibilities for the audit of the financial statements**

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

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

- Enquiry of management with regards to actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and reviewing accounting estimates for evidence of management bias.
- Reviewing disclosures in the financial statements and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Reviewing leases, finance agreements and other such agreements to determine if any conditions attached, whether conditions are complied with, and to ensure disclosures in the financial statements are accurate.
- Checking all statutory submissions have been submitted on time and are complete. This includes submissions to The Charity Commission.
- Checking existence and continued use of fixed assets and checking calculations of depreciation to ensure valuation of assets are at fair value.
- Reviewing Government support received as a result of the COVID-19 pandemic and checking compliance with conditions attached to such support and eligibility to receive such support.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of  
Guru Nanak Nishkam Education Trust**

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**Use of our report**

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



Ian Bidmead FCA (Senior Statutory Auditor)  
for and on behalf of Stanley Yule Chartered Accountants  
Statutory Auditors  
Waterside House  
Waterside Business Park  
1649 Pershore Road  
Birmingham  
West Midlands  
B30 3DR

Date: ...3-12-2021.....



**GURU NANAK NISHKAM EDUCATION TRUST**

**Statement of Financial Activities  
for the year ended 31 March 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	-	-	867
<b>Charitable activities</b>	4				
Charitable activities		803,829	-	803,829	743,224
Investment income	3	40,205	-	40,205	40,643
<b>Total</b>		<b>844,034</b>	<b>-</b>	<b>844,034</b>	<b>784,734</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Staff Costs		530,848	-	530,848	546,757
Premises Costs		65,304	-	65,304	73,254
Support Costs		73,813	-	73,813	102,356
Governance Costs		22,428	-	22,428	4,320
Grants to Institution		100,000	-	100,000	-
<b>Total</b>		<b>792,393</b>	<b>-</b>	<b>792,393</b>	<b>726,687</b>
<b>NET INCOME</b>		<b>51,641</b>	<b>-</b>	<b>51,641</b>	<b>58,047</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		484,695	-	484,695	426,648
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>536,336</b>	<b>-</b>	<b>536,336</b>	<b>484,695</b>

The notes form part of these financial statements

**GURU NANAK NISHKAM EDUCATION TRUST**

**Balance Sheet  
31 March 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	172,471	-	172,471	172,941
Investments	13	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		172,472	-	172,472	172,942
<b>CURRENT ASSETS</b>					
Debtors	14	54,400	-	54,400	67,021
Cash at bank and in hand		<u>330,174</u>	<u>-</u>	<u>330,174</u>	<u>269,430</u>
		384,574	-	384,574	336,451
<b>CREDITORS</b>					
Amounts falling due within one year	15	(20,710)	-	(20,710)	(24,698)
		<u>363,864</u>	<u>-</u>	<u>363,864</u>	<u>311,753</u>
<b>NET CURRENT ASSETS</b>					
		536,336	-	536,336	484,695
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>536,336</u>	<u>-</u>	<u>536,336</u>	<u>484,695</u>
<b>NET ASSETS</b>					
		<u>536,336</u>	<u>-</u>	<u>536,336</u>	<u>484,695</u>
<b>FUNDS</b>	16				
Unrestricted funds				<u>536,336</u>	<u>484,695</u>
<b>TOTAL FUNDS</b>				<u>536,336</u>	<u>484,695</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 3-12-2021 and were signed on its behalf by:



Bhai Sahib, Bhai (DR) Mohinder Singh Ahluwalia, KSG, OBE, Chairman —Trustee

The notes form part of these financial statements

**GURU NANAK NISHKAM EDUCATION TRUST**

**Cash Flow Statement  
for the year ended 31 March 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>78,382</u>	<u>81,966</u>
Net cash provided by operating activities		<u>78,382</u>	<u>81,966</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(17,638)</u>	<u>(1,032)</u>
Net cash used in investing activities		<u>(17,638)</u>	<u>(1,032)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>60,744</b>	<b>80,934</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u><b>269,430</b></u>	<u><b>188,496</b></u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u><b>330,174</b></u></u>	<u><u><b>269,430</b></u></u>

The notes form part of these financial statements



**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Cash Flow Statement  
for the year ended 31 March 2021**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>51,641</b>	<b>58,047</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>18,108</b>	<b>19,891</b>
Decrease in debtors	<b>12,134</b>	<b>27,845</b>
Decrease in creditors	<b><u>(3,501)</u></b>	<b><u>(23,817)</u></b>
<b>Net cash provided by operations</b>	<b><u>78,382</u></b>	<b><u>81,966</u></b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1.4.20</b>	<b>Cash flow</b>	<b>At 31.3.21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	<b><u>269,430</u></b>	<b><u>60,744</u></b>	<b><u>330,174</u></b>
	<b><u>269,430</u></b>	<b><u>60,744</u></b>	<b><u>330,174</u></b>
<b>Total</b>	<b><u>269,430</u></b>	<b><u>60,744</u></b>	<b><u>330,174</u></b>

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

### Income

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

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

### Allocation and apportionment of costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include cost related to statutory audit and legal fees.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- straight line over the life of the lease
Fixtures and fittings	- 25% on cost

### Taxation

The charity is exempt from corporation tax on its charitable activities.

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### Pension costs and other post-retirement benefits

The Charity operates a defined contribution pension scheme, managed by Nest. Contributions payable to the Charity's pension scheme are charged to the unrestricted funds and are included in the Statement of Financial Activities in the period to which they relate. At the end of the period the Charity owed £1,687 (2020 - £1,405) to the pension provider.

continued...

**1. ACCOUNTING POLICIES - continued**

**Income and expenditure account**

The Statement of Financial Activities discloses the identical information of the Income and Expenditure Account and as such no separate Income and Expenditure Account has been prepared.

**Going Concern**

The accounts have been prepared on the basis of being a going concern as outlined in the Trustees' report.

**Basic financial assets**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Basic financial liabilities**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised costs using the effective interest method.

**Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss account.

**Donated Services**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met and the receipt of economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), the general volunteer time of Volunteers is not recognised. Please refer to the trustee's annual report for more information about their contribution.

**Government Grants**

Grants are accounted for under the accruals model as permitted by FRS102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure. Government grants relate to the receipt of Coronavirus Job Retention Scheme income which is included under grant income.

continued...



**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**2. DONATIONS AND LEGACIES**

	2021	2020
	£	£
Revenue grants and donations	<u>-</u>	<u>867</u>

**3. INVESTMENT INCOME**

	2021	2020
	£	£
Rents received	<u>40,205</u>	<u>40,643</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Nursery fees - parental contribution	233,752	
Early Years Government funding (3-4 year olds)	464,949	
Job retention scheme grants	<u>105,128</u>	
	<u>803,829</u>	<u>743,224</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Coronavirus job retention scheme	<u>105,128</u>	<u>-</u>

Due to the Covid-19 pandemic, various Government grants and support schemes were put in place, to which the company was entitled to utilise and are included in charitable income.

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Staff Costs	-	-	530,848	530,848
Premises Costs	-	-	65,304	65,304
Support Costs	23,766	-	50,047	73,813
Governance Costs	-	-	22,428	22,428
Grants to Institution	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
	<u>23,766</u>	<u>100,000</u>	<u>668,627</u>	<u>792,393</u>

continued...

**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**6. GRANTS PAYABLE**

	2021 £	2020 £
Grants to Institution	<u>100,000</u>	<u>-</u>

The total grants paid to institutions during the year was as follows:

	2021 £	2020 £
GNN SJ Leeds	<u>100,000</u>	<u>-</u>

**7. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Staff Costs	530,848	-	530,848
Premises Costs	65,304	-	65,304
Support Costs	50,047	-	50,047
Governance Costs	<u>18,108</u>	<u>4,320</u>	<u>22,428</u>
	<u>664,307</u>	<u>4,320</u>	<u>668,627</u>

**8. NET INCOME/(EXPENDITURE)**

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

	2021 £	2020 £
Auditors' remuneration	4,320	4,320
Depreciation - owned assets	<u>18,108</u>	<u>19,891</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

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

**Trustees' expenses**

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

continued...

**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**10. STAFF COSTS**

	2021	2020
	£	£
Salaries and wages	483,444	470,038
Social Security costs	29,310	27,114
Subcontractors	9,548	41,714
Pensions	8,546	7,891
	<u>530,846</u>	<u>546,757</u>

The average number of employee during the year was:

2021	2020
28	30

All employee time involves providing either support to the governance of the charity or support services to charitable activities.

The trust considers its key management personnel comprise of the trustees and the Nursery Managers. The total employment benefits of the key personnel were £54,170 (2020 - £53,158). No employees had employee benefits in excess of £60,000.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	867	-	867
<b>Charitable activities</b>			
Fundraising	743,224	-	743,224
Investment income	<u>40,643</u>	<u>-</u>	<u>40,643</u>
<b>Total</b>	784,734	-	784,734
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Staff Costs	546,757	-	546,757
Premises Costs	73,254	-	73,254
Support Costs	102,356	-	102,356
Governance Costs	4,320	-	4,320
	<u>726,687</u>	<u>-</u>	<u>726,687</u>
<b>Total</b>	726,687	-	726,687

continued...



**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>NET INCOME</b>	58,047	-	58,047
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	426,648	-	426,648
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>484,695</u>	<u>-</u>	<u>484,695</u>

**12. TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2020	299,905	33,018	332,923
Additions	9,463	8,175	17,638
Disposals	<u>-</u>	<u>(24,773)</u>	<u>(24,773)</u>
At 31 March 2021	<u>309,368</u>	<u>16,420</u>	<u>325,788</u>
<b>DEPRECIATION</b>			
At 1 April 2020	134,090	25,892	159,982
Charge for year	12,234	5,874	18,108
Eliminated on disposal	<u>-</u>	<u>(24,773)</u>	<u>(24,773)</u>
At 31 March 2021	<u>146,324</u>	<u>6,993</u>	<u>153,317</u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u>163,044</u>	<u>9,427</u>	<u>172,471</u>
At 31 March 2020	<u>165,815</u>	<u>7,126</u>	<u>172,941</u>

continued...

**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>MARKET VALUE</b>	
At 1 April 2020 and 31 March 2021	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>1</u>
At 31 March 2020	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Nishkam Security Limited**

Registered office:

Nature of business: Security provider

	%	2021	2020
Class of share:	holding	£	£
Ordinary	25	<b>59,651</b>	31,601
Aggregate capital and reserves		<b>28,052</b>	19,845
Profit for the year		<u>28,052</u>	<u>19,845</u>

The charity has a 25% holding in Nishkam Security Limited, which is a company that provides security services to the various charities operated from the Soho Road Campus under the lead charity Guru Nanak Nishkam Sewak Jatha (Birmingham) UK. The remaining share holding is split between the associated charities that utilise the services of this company.

**14. DEBTORS**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	<b>28,937</b>	47,733
Other debtors	<b>12,381</b>	6,898
Prepayments	<b>3,082</b>	2,390
	<u><b>44,400</b></u>	<u>57,021</u>

continued...

**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**14. DEBTORS - continued**

	<b>2021</b>	2020
	£	£
Amounts owed by participating interests	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>
Aggregate amounts	<u>54,400</u>	<u>67,021</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	2020
	£	£
Trade creditors	2,937	3,862
Amounts owed to group undertakings	298	785
Social security and other taxes	9,045	7,234
Other creditors	1,628	5,158
Accrued expenses	<u>6,802</u>	<u>7,659</u>
	<u>20,710</u>	<u>24,698</u>

**16. MOVEMENT IN FUNDS**

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
<b>Unrestricted funds</b>			
General fund	484,695	51,641	536,336
	<u>484,695</u>	<u>51,641</u>	<u>536,336</u>
<b>TOTAL FUNDS</b>	<u>484,695</u>	<u>51,641</u>	<u>536,336</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	844,034	(792,393)	51,641
	<u>844,034</u>	<u>(792,393)</u>	<u>51,641</u>
<b>TOTAL FUNDS</b>	<u>844,034</u>	<u>(792,393)</u>	<u>51,641</u>

continued...

**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**16. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
<b>Unrestricted funds</b>			
General fund	426,648	58,047	484,695
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>426,648</u>	<u>58,047</u>	<u>484,695</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	784,734	(726,687)	58,047
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>784,734</u>	<u>(726,687)</u>	<u>58,047</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
<b>Unrestricted funds</b>			
General fund	426,648	109,688	536,336
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>426,648</u>	<u>109,688</u>	<u>536,336</u>

continued...



**GURU NANAK NISHKAM EDUCATION TRUST**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**16. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,628,768	(1,519,080)	109,688
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>1,628,768</u>	<u>(1,519,080)</u>	<u>109,688</u>

**17. RELATED PARTY DISCLOSURES**

During the year the following connected parties and transactions were identified:

**Guru Nanak Nishkam Sewak Jatha Birmingham (UK)**

A charitable company in which trustee Mohinder Singh Ahluwalia was a trustee and director. Guru Nanak Nishkam Education Trust holds a leasehold interest for the freehold of 5 to 7 Soho Road held by Guru Nanak Nishkam Sewak Jatha (Birmingham) UK.

**Nishkam Civic Association**

A charity in which the trustee Mohinder Singh Ahluwalia, J Singh Bhinder were trustees and directors.

**Nishkam Healthcare Trust**

A charity and its subsidiaries in which the trustee Mohinder Singh Ahluwalia has significant influence.

**Nishkam Security Limited**

A 25% owned subsidiary of Guru Nanak Nishkam Education Trust.

**Marg Sat Santokh Manufacturers Limited**

A company in which the trustees Mohinder Singh Ahluwalia and J Singh Bhinder were directors.

**Nishkam School Trust**

A charity in which the trustee Mohinder Singh Ahluwalia was the patron.

**Sangat Trust**

A charitable company in which the Trustee Mohinder Singh Ahluwalia has been a trustee.

	2021 £	2020 £
<b>During the year Guru Nanak Nishkam Education Trust purchased the following goods:</b>		
Marg Sat Santokh Manufacturers Limited	580	424
<b>During the year Guru Nanak Nishkam Education Trust received the following rent:</b>		
Nishkam School Trust	40,203	40,202
<b>During the year Guru Nanak Nishkam Education Trust paid the following rent:</b>		
Guru Nanak Nishkam Sewak Jatha (Birmingham) UK	40,203	40,202

continued...

## GURU NANAK NISHKAM EDUCATION TRUST

### Notes to the Financial Statements - continued for the year ended 31 March 2021

#### 17. RELATED PARTY DISCLOSURES - continued

Nishkam School Trust	12,000	12,000
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**During the year Guru Nanak Nishkam Education Trust received the following services:**

Nishkam Security Limited	2,381	2,699
Nishkam Civic Association	-	280
Nishkam School Trust	-	9,692

**During the year the following expenditure were incurred on behalf of Guru Nanak Nishkam Education Trust:**

Nishkam School Trust	9,214	10,020
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**At the end of the year the following amounts were due by Guru Nanak Nishkam Education Trust:**

Nishkam Security Limited	298	785
Nishkam School Trust	1,720	5,251
Guru Nanak Nishkam Sewak Jatha (Birmingham) UK	-	-

**At the end of the year the following was owed to Guru Nanak Nishkam Education Trust:**

Nishkam Security Limited	10,000	10,000
Nishkam School Trust	5,253	6,897

Included in monies owed to the trust is an interest free loan of £10,000 originally advanced to Nishkam Security Trust in 2012.

#### 18. ULTIMATE CONTROLLING PARTY

The Trustees consider that the charity is jointly controlled by the Trustees and there is no ultimate controlling party.

#### 19. OPERATING LEASES

The operating lease commitment relates to the lease of 5 to 7 Soho Road from Guru Nanak Nishkam Sewak Jatha (Birmingham) UK. During the year this property was sub-let to Nishkam School Trust for the same annual rent.

	2021 £	2020 £
Operating lease commitments expiring within 8 years (2020- 9 years)	321,624	361,827

During 2021 an operating lease was taken out for 94 Lady Put Lane from Guru Nanak Nishkam Sewak Jatha Leeds.

	2021 £	2020 £
Operating lease commitments expiring within 10 years	400,800	-

**GURU NANAK NISHKAM EDUCATION TRUST**

**Detailed Statement of Financial Activities  
for the year ended 31 March 2021**

	2021 £	2020 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Revenue grants and donations	-	867
<b>Investment income</b>		
Rents received	40,205	40,643
<b>Charitable activities</b>		
Nursery fees - parental contribution	233,752	376,618
Early Years Government funding (3-4 year olds)	464,949	366,606
Job retention scheme grants	<u>105,128</u>	<u>-</u>
	<u>803,829</u>	<u>743,224</u>
<b>Total incoming resources</b>	<b>844,034</b>	<b>784,734</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Food	14,393	24,836
Nursery equipment & activities	9,199	8,809
Kitchenware	174	336
Grants to institutions	<u>100,000</u>	<u>-</u>
	<b>123,766</b>	<b>33,981</b>
<b>Support costs</b>		
<b>Management</b>		
Salaries - administrative staff	483,444	470,038
Employers NI - administrative staff	29,310	27,114
Pensions	8,546	7,891
Rates, rent, water and service charges	55,263	63,623
Insurance	3,030	2,765
Light and heat	10,041	9,631
Telephone	709	714
Printing, postage and stationery	10,119	8,645
Sundries	2,345	4,196
Supply teachers	9,548	41,714
Premises repairs and renewals	11,650	3,074
Cleaning	8,168	5,809
Carried forward	<b>632,173</b>	<b>645,214</b>

This page does not form part of the statutory financial statements

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