

GNNET

GURU NANAK NISHKAM EDUCATION TRUST

Prime Accountants
Charter House
161 Newhall Street
Birmingham
West Midlands B3 1SW

ANNUAL REPORT OF THE TRUSTEES & FINANCIAL STATEMENTS 2022 - 2023



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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 interfaith education is imperative.

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

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



Nishkam Nursery Birmingham, Queens Jubilee, April 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 March 2023. 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 2019).

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

Bhai Sahib, Bhai (Prof) Mohinder Singh Ahluwalia, KSG, OBE, Chairman
Mr Jarnail Singh Bhinder
Mr Parvinder Singh

Auditors

Prime Accountants
Charter House
161 Newhall Street
Birmingham
West Midlands B3 1SW

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 25% holding in its subsidiary Nishkam Security Limited.

The following is a summary of the education initiatives:

- 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.
- In September 2009 opening a Full Day Care Nursery. The nursery was approved by Ofsted for 58 full time places and continues to be heavily over-subscribed.
- Supporting the preparatory work to open a new nursery in Wolverhampton in September 2015.
- Supporting the opening of a new Nishkam Nursery in Leeds in September 2021.

GNNET has contributed to the following GNNSJ education endeavours :

- Establishing Lectureship at University of Birmingham of MPhil & PhD in Sikh Studies (2000-2005)
- Post-Doctoral Research on Religion, Civil Society and the United Nations Religions for Peace Building initiative.
- Supporting Nishkam School Trust in the development of 4 Sikh-ethos multi-faith Schools
- Facilitating the partnership between UoB Jubilee Centre for Character and Virtues and the Nishkam Schools.
- Peace Charter for Forgiveness and Reconciliation
- Proposed Museum of World Religions
- 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 loss of £27,530 for the year as the new Nishkam Nursery Leeds establishes itself. The Balance Sheet shows total reserves of £364,376.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont.)

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. The nurseries continue to be in high demand with waiting lists for Nishkam Nursery Birmingham.

Pay policy for senior staff

All directors give of their time freely and no director received remuneration in the year.

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



Nishkam Nursery Wolverhampton, Parent workshop, March 2023

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 company are also charity trustees for the purposes of charity law and under the company'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 company 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.



Nishkam Nursery, Trip to the Park, June 2022

Related Parties

The charity set out its related party transaction in note 18 of the financial statements.

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.

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.

Nishkam Nursery - Full Day Care Nursery – Leeds

Nishkam Nursery Leeds opened in September 2021. in a new purpose build facility within the site of the Gurdwara Sahib (Sikh Place of Worship).

The nursery provides multi-agency, faith-based childcare services for families and children aged 6 weeks to 5 years from 8am to 6pm.

	Birmingham		Wolverhampton		Leeds	
	F/T	P/T	F/T	P/T	F/T	P/T
Baby	5	28				
Toddler	4	21	3	18		9
Preschool	28	22	14	25	2	3
TOTAL	37	71	17	43	2	12

GURU NANAK NISHKAM EDUCATION TRUST

Report of the Trustees for the year ended 31 March 2023

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, Prime 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 6/10/23 and signed on the board's behalf by:



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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GURU NANAK NISHKAM EDUCATION TRUST

Opinion

We have audited the financial statements of Guru Nanak Nishkam Education Trust (the 'charitable company') for the year ended 31 March 2023 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 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, 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.

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.

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the industry sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity including taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and other relevant parties.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GURU NANAK NISHKAM EDUCATION TRUST

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. This description forms part of our Report of the Independent Auditors.

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.



Morgan Davies FCA (Senior Statutory Auditor)
for and on behalf of Prime
Chartered Accountants
Statutory Auditor
161 Newhall Street
Birmingham
B3 1SW

Date: 9/10/2023

GURU NANAK NISHKAM EDUCATION TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	-	-	1,500
Charitable activities	4				
Fundraising		938,225	-	938,225	815,208
Investment income	3	46,740	-	46,740	44,021
Total		<u>984,965</u>	<u>-</u>	<u>984,965</u>	<u>860,729</u>
EXPENDITURE ON					
Charitable activities	5				
Staff Costs		664,258	-	664,258	576,856
Premises Costs		182,742	-	182,742	95,812
Support Costs		136,419	-	136,419	107,080
Governance Costs		29,076	-	29,076	25,411
Grants to Institution		-	-	-	200,000
Total		<u>1,012,495</u>	<u>-</u>	<u>1,012,495</u>	<u>1,005,159</u>
NET INCOME/(EXPENDITURE)		(27,530)	-	(27,530)	(144,430)
RECONCILIATION OF FUNDS					
Total funds brought forward		391,906	-	391,906	536,336
TOTAL FUNDS CARRIED FORWARD		<u>364,376</u>	<u>-</u>	<u>364,376</u>	<u>391,906</u>

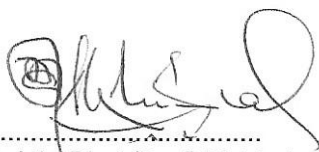
The notes form part of these financial statements

GURU NANAK NISHKAM EDUCATION TRUST

BALANCE SHEET
31 MARCH 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	12	195,764	-	195,764	203,358
Investments	13	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		195,765	-	195,765	203,359
CURRENT ASSETS					
Debtors	14	57,933	-	57,933	45,137
Cash at bank and in hand		<u>156,166</u>	<u>-</u>	<u>156,166</u>	<u>182,815</u>
		214,099	-	214,099	227,952
CREDITORS					
Amounts falling due within one year	15	<u>(45,488)</u>	<u>-</u>	<u>(45,488)</u>	<u>(39,405)</u>
NET CURRENT ASSETS		<u>168,611</u>	<u>-</u>	<u>168,611</u>	<u>188,547</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>364,376</u>	<u>-</u>	<u>364,376</u>	<u>391,906</u>
NET ASSETS		<u>364,376</u>	<u>-</u>	<u>364,376</u>	<u>391,906</u>
FUNDS	17				
Unrestricted funds				<u>364,376</u>	<u>391,906</u>
TOTAL FUNDS				<u>364,376</u>	<u>391,906</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 6/10/23 and were signed on its behalf by:



.....
Bhai Sahib, Bhai (Prof) Mohinder Singh Ahluwalia, KSG, OBE, Chairman

The notes form part of these financial statements

GURU NANAK NISHKAM EDUCATION TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(12,907)</u>	<u>(107,311)</u>
Net cash used in operating activities		<u>(12,907)</u>	<u>(107,311)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(13,742)</u>	<u>(50,048)</u>
Net cash used in investing activities		<u>(13,742)</u>	<u>(50,048)</u>
Cash flows from financing activities			
Loan repayments in year		<u>-</u>	<u>10,000</u>
Net cash provided by financing activities		<u>-</u>	<u>10,000</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(26,649)	(147,359)
Cash and cash equivalents at the beginning of the reporting period		<u>182,815</u>	<u>330,174</u>
Cash and cash equivalents at the end of the reporting period		<u>156,166</u>	<u>182,815</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(27,530)	(144,430)
Adjustments for:		
Depreciation charges	21,336	19,161
Increase in debtors	(12,796)	(737)
Increase in creditors	6,083	18,695
Net cash used in operations	<u>(12,907)</u>	<u>(107,311)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>182,815</u>	<u>(26,649)</u>	<u>156,166</u>
	<u>182,815</u>	<u>(26,649)</u>	<u>156,166</u>
Total	<u>182,815</u>	<u>(26,649)</u>	<u>156,166</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 25 years
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.

1. ACCOUNTING POLICIES - continued

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 £2,319 (2022: £1,843) to the pension provider.

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.

Debtors

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.

Creditors

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**2. DONATIONS AND LEGACIES**

	2023	2022
	£	£
Revenue grants and donations	<u>-</u>	<u>1,500</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	<u>46,740</u>	<u>44,021</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Nursery fees - parental contribution		
Activity Fundraising	456,419	328,639
Early Years Government funding (3-4 year olds)		
Activity Fundraising	481,806	453,584
Job retention scheme grants		
Activity Fundraising	<u>-</u>	<u>32,985</u>
	<u>938,225</u>	<u>815,208</u>

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

	2023	2022
	£	£
Coronavirus job retention scheme	<u>-</u>	<u>32,985</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	Support costs (see note 7)	Totals
	£	£	£
Staff Costs	-	664,258	664,258
Premises Costs	-	182,742	182,742
Support Costs	47,665	88,754	136,419
Governance Costs	<u>-</u>	<u>29,076</u>	<u>29,076</u>
	<u>47,665</u>	<u>964,830</u>	<u>1,012,495</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**6. GRANTS PAYABLE**

	2023	2022
	£	£
Grants to Institution	<u>-</u>	<u>200,000</u>

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

	2023	2022
	£	£
GNNSJ Leeds	<u>-</u>	<u>200,000</u>

7. SUPPORT COSTS

	Management	Governance	Totals
	£	costs £	£
Staff Costs	664,258	-	664,258
Premises Costs	182,742	-	182,742
Support Costs	84,002	4,752	88,754
Governance Costs	<u>29,076</u>	<u>-</u>	<u>29,076</u>
	<u>960,078</u>	<u>4,752</u>	<u>964,830</u>

8. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration	4,752	4,320
Depreciation - owned assets	<u>21,336</u>	<u>19,161</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. STAFF COSTS

	2023 £	2022 £
Salaries and wages	589,943	528,543
Social Security costs	32,811	27,921
Subcontractors	30,494	10,935
Pensions	11,011	9,457
	<u>664,259</u>	<u>576,856</u>

	2023	2022
The average number of employee during the year	<u>32</u>	<u>31</u>

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 £67,631 (2022: £63,064). No employees had employee benefits in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,500	-	1,500
Charitable activities			
Fundraising	815,208	-	815,208
Investment income	<u>44,021</u>	<u>-</u>	<u>44,021</u>
Total	<u>860,729</u>	<u>-</u>	<u>860,729</u>
EXPENDITURE ON			
Charitable activities			
Staff Costs	576,856	-	576,856
Premises Costs	95,812	-	95,812
Support Costs	107,080	-	107,080
Governance Costs	25,411	-	25,411
Grants to Institution	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total	<u>1,005,159</u>	<u>-</u>	<u>1,005,159</u>
NET INCOME/(EXPENDITURE)	(144,430)	-	(144,430)
RECONCILIATION OF FUNDS			
Total funds brought forward	536,336	-	536,336

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>391,906</u>	<u>-</u>	<u>391,906</u>

12. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 April 2022	341,153	34,683	375,836
Additions	<u>-</u>	<u>13,742</u>	<u>13,742</u>
At 31 March 2023	<u>341,153</u>	<u>48,425</u>	<u>389,578</u>
DEPRECIATION			
At 1 April 2022	159,392	13,086	172,478
Charge for year	<u>13,646</u>	<u>7,690</u>	<u>21,336</u>
At 31 March 2023	<u>173,038</u>	<u>20,776</u>	<u>193,814</u>
NET BOOK VALUE			
At 31 March 2023	<u>168,115</u>	<u>27,649</u>	<u>195,764</u>
At 31 March 2022	<u>181,761</u>	<u>21,597</u>	<u>203,358</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	<u>1</u>
NET BOOK VALUE	
At 31 March 2023	<u>1</u>
At 31 March 2022	<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: 18-20 Soho Road Handsworth, Birmingham, West Midlands, B21 9BH

Nature of business: Security provider

Class of share:	% holding
Ordinary	25

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	27,718	9,426
Other debtors	16,057	21,178
Prepayments	14,158	14,533
	<u>57,933</u>	<u>45,137</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	14,409	10,169
Amounts owed to group undertakings	2,892	245
Social security and other taxes	12,459	8,895
Other creditors	4,964	9,104
Accrued expenses	10,764	10,992
	<u>45,488</u>	<u>39,405</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	111,421	111,421
Between one and five years	421,084	445,684
In more than five years	183,681	270,502
	<u>716,186</u>	<u>827,607</u>

The operating lease commitment relates to the lease of 5-7 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.

17. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	391,906	(27,530)	364,376
	<u>391,906</u>	<u>(27,530)</u>	<u>364,376</u>
TOTAL FUNDS	<u>391,906</u>	<u>(27,530)</u>	<u>364,376</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**17. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	984,965	(1,012,495)	(27,530)
TOTAL FUNDS	<u>984,965</u>	<u>(1,012,495)</u>	<u>(27,530)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	536,336	(144,430)	391,906
TOTAL FUNDS	<u>536,336</u>	<u>(144,430)</u>	<u>391,906</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	860,729	(1,005,159)	(144,430)
TOTAL FUNDS	<u>860,729</u>	<u>(1,005,159)</u>	<u>(144,430)</u>

18. 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.

Guru Nanak Nishkam Sewak Jatha Leeds

A sister organisation of Guru Nanak Nishkam Sewak Jatha (Birmingham) UK

Marg Sat Santokh Manufacturers Limited

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

Nishkam Civic Association

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

18. RELATED PARTY DISCLOSURES - continued**Nishkam Healthcare Trust**

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

Nishkam School Trust

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

Nishkam Security Limited

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

Sangat Trust

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

	2023 £	2022 £
During the year Guru Nanak Nishkam Education Trust purchased the following goods:		
Marg Sat Santokh Manufacturers Limited		517
During the year Guru Nanak Nishkam Education Trust made the following donation:		
Guru Nanak Nishkam Sewak Jatha (Leeds) UK		200,000
During the year Guru Nanak Nishkam Education Trust received the following rent:		
Nishkam School Trust	72,672	44,017
During the year Guru Nanak Nishkam Education Trust paid the following rent:		
Guru Nanak Nishkam Sewak Jatha (Birmingham) UK		44,017
Guru Nanak Nishkam Sewak Jatha (Leeds) UK	40,935	23,380
During the year Guru Nanak Nishkam Education Trust received the following services:		
Nishkam Security Limited	9,287	2,510
During the year the following expenditure were incurred on behalf of Guru Nanak Niskam Education Trust:		
Nishkam School Trust		9,217
At the end of the year the following amounts were due by Guru Nanak Nishkam Education Trust:		
Guru Nanak Nishkam Sewak Jatha (Birmingham) UK		3,814
Nishkam Security Limited		245
Nishkam School Trust	2,892	3,190
At the end of the year the following was owed to Guru Nanak Nishkam Education Trust:		
Nishkam School Trust	11,634	10,743

19. ULTIMATE CONTROLLING PARTY

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

GNNET