

# GNNET

GURU NANAK NISHKAM EDUCATION TRUST

## ANNUAL REPORT OF THE TRUSTEES & FINANCIAL STATEMENTS 2023 - 2024

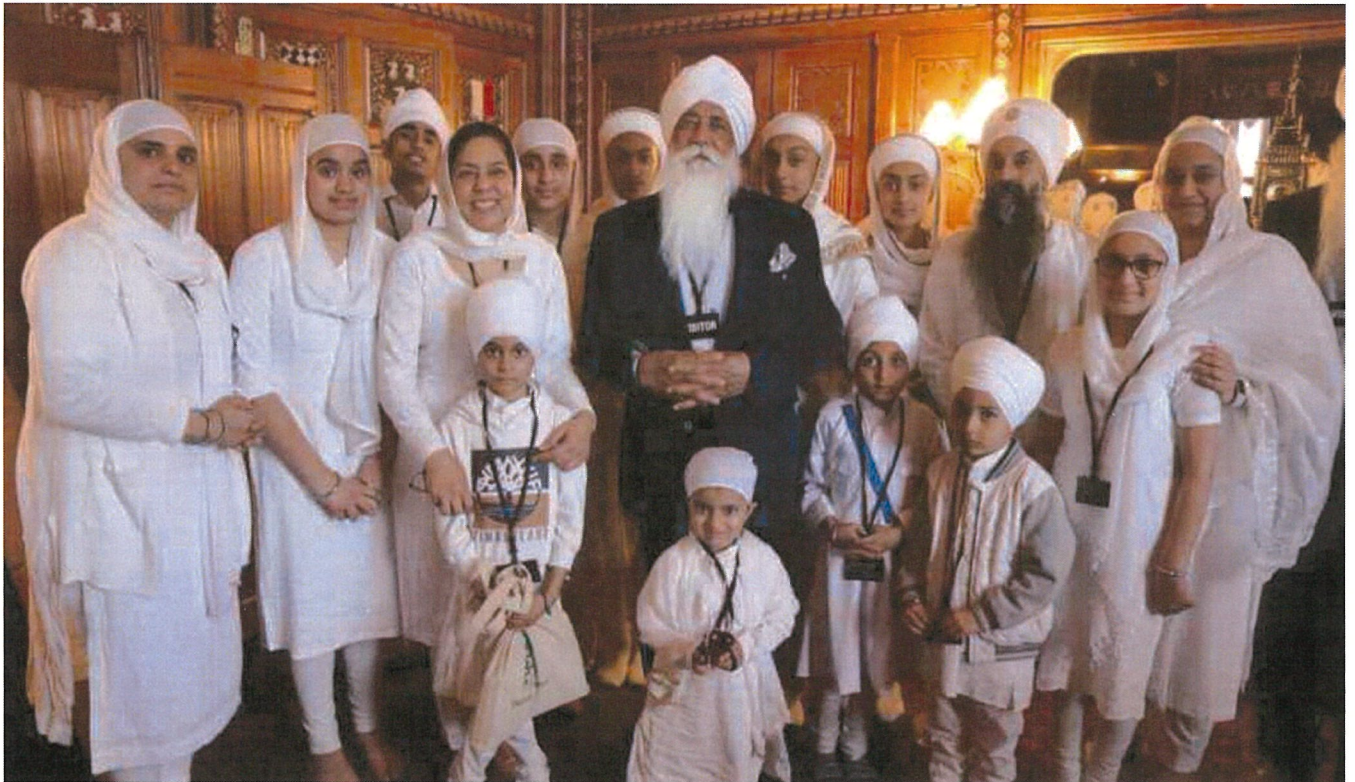


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Bhai Sahib Ji with Children and staff from Nishkam Nursery during visit to London Westminster to celebrate Vaisakhi in the Houses of Parliament, April 2023



## 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



Pre-school – World Book day event



The Trustees present their report with the financial statements of the charity for the year ended 31 March 2024. 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

BSN Chartered Accountants  
3B Swallowfield Courtyard  
Wolverhampton Road  
Oldbury  
West Midlands B69 2JG

## 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 £105,680 for the year as the new Nishkam Nursery Leeds establishes itself. The Balance Sheet shows total reserves of £835,934.

## 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.

### 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.

### Related Parties

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



Mussy puddles event



## 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.

### Pupil numbers by Nursery and Class

	Birmingham	Wolverhampton	Leeds
Baby	22		
Toddler	35	9	
Preschool	47	60	22
<b>TOTAL</b>	<b>104</b>	<b>69</b>	<b>22</b>



## GURU NANAK NISHKAM EDUCATION TRUST

### Report of the Trustees for the year ended 31 March 2024

#### 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.

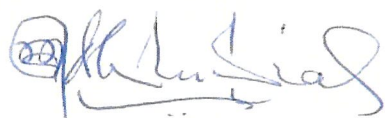
In so far as the trustees are aware:

- 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, BSN 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 30.October.2024 and signed on the board's behalf by:



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

# **Guru Nanak Nishkam Education Trust**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Guru Nanak Nishkam Education Trust**

**Year ended 31 March 2024**

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#### **Opinion**

We have audited the financial statements of Guru Nanak Nishkam Education Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

# **Guru Nanak Nishkam Education Trust**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Guru Nanak Nishkam Education Trust** *(continued)*

**Year ended 31 March 2024**

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#### **Other information**

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

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

We have nothing to report in this regard.

#### **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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the 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.



# **Guru Nanak Nishkam Education Trust**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Guru Nanak Nishkam Education Trust** *(continued)*

**Year ended 31 March 2024**

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#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud might be inherently more difficult than irregularities that result from error, which gives rise to a risk of material misstatement. We are of the opinion that the planned audit approach, the documentation and interrogation of the entity's controls means that the audit procedures carried out were capable of detecting irregularities, including fraud. We have also reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations and have reviewed correspondence with regulatory bodies as part of our audit procedures.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Guru Nanak Nishkam Education Trust *(continued)*

Year ended 31 March 2024

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Hannah Justice FCA FCCA*

Hannah Justice FCA FCCA (Senior Statutory Auditor)

For and on behalf of  
BSN Associates Limited  
Chartered accountants & statutory auditor  
3B Swallowfield Courtyard  
Wolverhampton Road  
Oldbury  
West Midlands  
B69 2JG

30 October 2024

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

			2024		2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	—	50,800	50,800	39,400
Charitable activities	6	989,367	—	989,367	938,225
Investment income	7	46,741	—	46,741	46,741
Other income	8	1,500	—	1,500	—
<b>Total income</b>		<u>1,037,608</u>	<u>50,800</u>	<u>1,088,408</u>	<u>1,024,366</u>
<b>Expenditure</b>					
Expenditure on charitable activities	9,10	<u>1,098,088</u>	<u>96,000</u>	<u>1,194,088</u>	<u>1,097,096</u>
<b>Total expenditure</b>		<u>1,098,088</u>	<u>96,000</u>	<u>1,194,088</u>	<u>1,097,096</u>
<b>Net expenditure and net movement in funds</b>		<u>(60,480)</u>	<u>(45,200)</u>	<u>(105,680)</u>	<u>(72,730)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward as previously reported		364,376	577,238	941,614	391,906
Prior year adjustment		—	—	—	622,438
Total funds brought forward as restated		<u>364,376</u>	<u>577,238</u>	<u>941,614</u>	<u>1,014,344</u>
<b>Total funds carried forward</b>		<u>303,896</u>	<u>532,038</u>	<u>835,934</u>	<u>941,614</u>

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

The notes on pages 16 to 28 form part of these financial statements.



# Guru Nanak Nishkam Education Trust

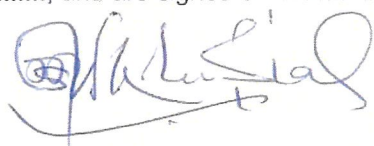
Company Limited by Guarantee

## Statement of Financial Position

31 March 2024

	Note	2024 £	2023 (restated) £
<b>Fixed assets</b>			
Tangible fixed assets	16	704,983	773,002
Investments	17	1	1
		<u>704,984</u>	<u>773,003</u>
<b>Current assets</b>			
Debtors	19	83,832	57,933
Cash at bank and in hand		<u>104,426</u>	<u>156,166</u>
		188,258	214,099
<b>Creditors: amounts falling due within one year</b>	20	<u>57,308</u>	<u>45,488</u>
<b>Net current assets</b>		<u>130,950</u>	<u>168,611</u>
<b>Total assets less current liabilities</b>		<u>835,934</u>	<u>941,614</u>
<b>Net assets</b>		<u>835,934</u>	<u>941,614</u>
<b>Funds of the charity</b>			
Restricted funds		532,038	577,238
Unrestricted funds		<u>303,896</u>	<u>364,376</u>
<b>Total charity funds</b>	22	<u>835,934</u>	<u>941,614</u>

These financial statements were approved by the board of trustees and authorised for issue on 30 October 2024 and are signed on behalf of the board by:



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

The notes on pages 16 to 28 form part of these financial statements.

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2024

	2024	2023 (restated)
	£	£
<b>Cash flows from operating activities</b>		
Net expenditure	(105,680)	(72,730)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	69,230	66,536
Dividends, interest and rents from investments	(46,741)	(46,741)
Accrued expenses	1,718	—
<i>Changes in:</i>		
Trade and other debtors	(25,899)	(12,796)
Trade and other creditors	10,102	6,083
Cash generated from operations	(97,270)	(59,648)
Net cash used in operating activities	(97,270)	(59,648)
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	46,741	46,741
Purchase of tangible assets	(1,211)	(13,742)
Net cash from investing activities	45,530	32,999
<b>Net decrease in cash and cash equivalents</b>	(51,740)	(26,649)
<b>Cash and cash equivalents at beginning of year</b>	156,166	182,815
<b>Cash and cash equivalents at end of year</b>	104,426	156,166

The notes on pages 16 to 28 form part of these financial statements.

# **Guru Nanak Nishkam Education Trust**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2024**

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#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 18-20 Soho Road, Handsworth, Birmingham, B21 9BH.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

##### **Basis of preparation**

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

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

##### **Going concern**

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

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Income tax**

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

##### **Fund accounting**

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

Restricted funds are subjected to restrictions on their expenditure declared by the donor or when funds are raised for particular restricted purposes.



# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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#### 3. Accounting policies *(continued)*

##### Incoming resources

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

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Resources expended

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

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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#### 3. Accounting policies *(continued)*

##### **Tangible assets**

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

##### **Depreciation**

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

Short leasehold property	- 4% straight line
Fixtures and fittings	- 25% straight line

##### **Investments**

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

##### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

##### **Impairment of fixed assets**

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

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



# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

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#### 3. Accounting policies *(continued)*

##### Impairment of fixed assets *(continued)*

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

##### Financial instruments

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

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the transaction price less any impairment or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

#### 4. Limited by guarantee

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### 5. Donations and legacies

	Restricted Funds	Total Funds 2024	Restricted Funds	Total Funds 2023 <i>(restated)</i>
	£	£	£	£
<b>Grants</b>				
Educational research venture	50,800	50,800	39,400	39,400

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 6. Charitable activities

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 (restated)
	£	£	£	£
Nursery fees - parental contribution	441,303	441,303	456,419	456,419
Nursery fees - early years government funding	548,064	548,064	481,806	481,806
	<u>989,367</u>	<u>989,367</u>	<u>938,225</u>	<u>938,225</u>

#### 7. Investment income

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 (restated)
	£	£	£	£
Rents receivable	<u>46,741</u>	<u>46,741</u>	<u>46,741</u>	<u>46,741</u>

#### 8. Other income

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 (restated)
	£	£	£	£
Other income	<u>1,500</u>	<u>1,500</u>	<u>—</u>	<u>—</u>

#### 9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Provision of nursery care	1,021,523	96,000	1,117,523
Support costs	76,565	—	76,565
	<u>1,098,088</u>	<u>96,000</u>	<u>1,194,088</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023 (restated)
	£	£	£
Provision of nursery care	932,679	84,600	1,017,279
Support costs	79,817	—	79,817
	<u>1,012,496</u>	<u>84,600</u>	<u>1,097,096</u>

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2024	Total fund 2023
	£	£	£	£
Provision of nursery care	1,117,523	69,231	1,186,754	1,089,356
Governance costs	—	7,334	7,334	7,740
	<u>1,117,523</u>	<u>76,565</u>	<u>1,194,088</u>	<u>1,097,096</u>

#### 11. Analysis of support costs

	Support costs - Nursery Care	Total 2024	Total 2023
	£	£	£
Staff costs	22,490	22,490	22,518
Premises	46,741	46,741	46,741
Other costs	—	—	2,818
	<u>69,231</u>	<u>69,231</u>	<u>72,077</u>

#### 12. Net expenditure

Net expenditure is stated after charging/(crediting):

	2024	2023 <i>(restated)</i>
	£	£
Depreciation of tangible fixed assets	<u>69,230</u>	<u>66,536</u>

#### 13. Auditors remuneration

	2024	2023 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>5,100</u>	<u>4,752</u>

#### 14. Staff costs

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

	2024	2023 <i>(restated)</i>
	£	£
Wages and salaries	678,145	589,970
Social security costs	49,143	32,811
Employer contributions to pension plans	13,412	11,011
	<u>740,700</u>	<u>633,792</u>



# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

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##### 14. Staff costs *(continued)*

The average head count of employees during the year was 35 (2023: 32). The average number of full-time equivalent employees during the year is analysed as follows:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Nursery staff	<u>35</u>	<u>32</u>

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

##### 15. Trustee remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 (2023 - £Nil).

There were no trustees' expenses paid for the year ended 31 March 2024 (2023 - £Nil).

##### 16. Tangible fixed assets

	Short leasehold property improvements £	Fixtures and fittings £	<b>Total £</b>
<b>Cost</b>			
At 1 April 2023 (as restated)	1,471,153	48,425	1,519,578
Additions	<u>—</u>	<u>1,211</u>	<u>1,211</u>
<b>At 31 March 2024</b>	<u>1,471,153</u>	<u>49,636</u>	<u>1,520,789</u>
<b>Depreciation</b>			
At 1 April 2023	725,800	20,776	746,576
Charge for the year	<u>58,846</u>	<u>10,384</u>	<u>69,230</u>
<b>At 31 March 2024</b>	<u>784,646</u>	<u>31,160</u>	<u>815,806</u>
<b>Carrying amount</b>			
<b>At 31 March 2024</b>	<u>686,507</u>	<u>18,476</u>	<u>704,983</u>
At 31 March 2023	<u>745,353</u>	<u>27,649</u>	<u>773,002</u>

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 17. Investments

	Other investments £
<b>Cost or valuation</b>	
At 1 April 2023	1
Additions	—
<b>At 31 March 2024</b>	<u>1</u>
<b>Impairment</b>	
At 1 April 2023 and 31 March 2024	—
<b>Carrying amount</b>	
At 31 March 2024	<u>1</u>
At 31 March 2023	<u>1</u>

All investments shown above are held at valuation.

#### 18. Investment entities

##### Subsidiaries and other investments

	Class of share	Percentage of shares held
<b>Other significant holdings</b>		
Nishkam Security Limited	Ordinary	25

Nishkam Security Limited is a company registered in England and Wales. The company is a security provider and its registered office is 18-20 Soho Road Handsworth, Birmingham, West Midlands, B21 9BH.

#### 19. Debtors

	2024	2023 <i>(restated)</i>
	£	£
Trade debtors	60,685	27,718
Prepayments and accrued income	15,609	14,158
Other debtors	<u>7,538</u>	<u>16,057</u>
	<u>83,832</u>	<u>57,933</u>

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

#### 20. Creditors: amounts falling due within one year

	2024	2023 <i>(restated)</i>
	£	£
Trade creditors	17,799	14,409
Amounts owed to group undertakings	2,631	2,892
Accruals and deferred income	19,598	10,764
Social security and other taxes	13,467	12,459
Other creditors	3,813	4,964
	<u>57,308</u>	<u>45,488</u>

#### 21. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £13,412 (2023: £11,011).

#### 22. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2023	Income	Expenditure	Prior year adjustments	At 31 March 2024
	£	£	£	£	£
General funds	<u>364,376</u>	<u>1,037,608</u>	<u>(1,098,088)</u>	<u>—</u>	<u>303,896</u>

	At 1 April 2022	Income	Expenditure	Prior year adjustments	At 31 March 2023
	£	£	£	£	£
General funds	<u>391,906</u>	<u>984,966</u>	<u>(1,012,496)</u>	<u>—</u>	<u>364,376</u>

##### Restricted funds

	At 1 April 2023	Income	Expenditure	Prior year adjustments	At 31 March 2024
	£	£	£	£	£
Restricted Funds	<u>577,238</u>	<u>50,800</u>	<u>(96,000)</u>	<u>—</u>	<u>532,038</u>

	At 1 April 2022	Income	Expenditure	Prior year adjustments	At 31 March 2023
	£	£	£	£	£
Restricted Funds	<u>—</u>	<u>39,400</u>	<u>(84,600)</u>	<u>622,438</u>	<u>577,238</u>



# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

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#### 22. Analysis of charitable funds *(continued)*

Restricted funds relate to grants and donations received that are to be used towards improvements. These costs have been capitalised and the depreciation in relation to this is being allocated to the fund each year.

#### 23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	172,945	532,038	704,983
Investments	1	—	1
Current assets	188,258	—	188,258
Creditors less than 1 year	(57,308)	—	(57,308)
<b>Net assets</b>	<b>303,896</b>	<b>532,038</b>	<b>835,934</b>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	195,764	577,238	773,002
Investments	1	—	1
Current assets	214,099	—	214,099
Creditors less than 1 year	(45,488)	—	(45,488)
<b>Net assets</b>	<b>364,376</b>	<b>577,238</b>	<b>941,614</b>

#### 24. Prior period adjustment

During the year the following adjustments have been identified to correct errors and/or amend accounting policies which have been reflected as prior year adjustments.

Grants and donations received in prior years for capital spend had been incorrectly deducted from fixed assets. This income should have been recognised in restricted funds as the income recognition criteria had been met with the associated expenditure allocated to the fund each year.

The net impact was as follows:

	£
<b>2022</b>	
Increase fixed assets and restricted funds	622,438
<b>2023</b>	
Increase fixed assets and restricted funds	577,238
Net reduction in deficit	45,200

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# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

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#### 25. Financial instruments

Financial assets held by the charity are cash at bank, trade and other debtors.

Financial liabilities held by the charity are trade and other creditors.

#### 26. Analysis of changes in net debt

	At 1 Apr 2023	Cash flows	At 31 Mar 2024
	£	£	£
Cash at bank and in hand	156,166	(51,740)	104,426

#### 27. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023 (restated)
	£	£
Not later than 1 year	103,381	123,421
Later than 1 year and not later than 5 years	347,324	464,084
Later than 5 years	343,897	470,798
	<u>794,602</u>	<u>1,058,303</u>

Part of the operating lease commitment relates to the lease of 5-7 Soho Road from Guru Nanak Nishkam Sewak Jatha (Birmingham) UK. The premises are sublet to Nishkam School Trust for the same annual rent.

# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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#### 28. Related parties

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 are directors.

**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 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.

During the year the following related party transactions occurred

	2024 £	2023 £
Guru Nanak Nishkam Sewak Jatha Birmingham		
Rent paid	71,341	71,341
Nishkam School Trust		
Rent paid	12,000	12,000
Recharged utilities	11,444	—
Provision of lunches	6,074	—
Rent Received	46,741	72,672
Guru Nanak Nishkam Sewak Jatha Leeds		
Rent paid	26,720	40,935
Nishkam Security Limited		
Purchases of services	12,905	9,287



# Guru Nanak Nishkam Education Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

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At the year end the charity owed and was owed the following sums to related parties

	2024 £	2023 £
Nishkam School Trust		
Debtor	7,538	11,634
Creditor	2,632	2,892
Nishkam Security Limited		
Creditor	1,370	—

#### **29. Controlling party**

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

**GNNET**