

Charity Registration No. 1117537

**GURDWARA BABA SANG JI TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**patara** | CHARTERED  
ACCOUNTANTS



# GURDWARA BABA SANG JI TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustee</b>	Mr Raghver Singh Mr Makhan Singh Rai Mr Kirpal Singh Athwal Mr Baljinder Singh Mr Devinder Singh Mr Satnam Singh Mrs Baljit Kaur Mr Apinder Singh Mr Harvinder Singh Sehejpal Mr Teja Singh Sandhu Mrs Daljit Kaur Bains
<b>Secretary</b>	Mr Harvinder Sehejpal
<b>Charity number</b>	1117537
<b>Principal address</b>	7-9 St Paul's Rd Smethwick West Midlands B66 1EE
<b>Independent examiner</b>	Talwinder Patara ICAEW - Chartered Accountant Patara Chartered Accountants 352 Bearwood Road Birmingham B66 4ET

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# GURDWARA BABA SANG JI TRUST

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# GURDWARA BABA SANG JI TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustee present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's The Scheme issued by The Charity Commissioners for England and Wales dated 27th November 2006 as amended by scheme dated 22nd October 2015, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in January 2019.

#### **Objectives and activities**

The charity's objectives are to advance the Sikh religion in the Smethwick and surrounding area in accordance with the teaching and tenets of Sri Guru Granth Sahib Ji including the celebration of Sikh religious festivals, conduct and registration of marriages and the advancement of education in the Sikh religion for the benefit of the local Sikh Community.

The policies adopted in furtherance of these objectives are the provision of a place of worship - Gurdwara and there has been no change in these during the year.

The aims of the charity is to provide a place for the provision of public rituals and ceremonies for the benefit of the local Sikh community so that they can practise their religion.

The objective for the year is to provide a place of worship including provision of wedding ceremonies for the local Sikh community. To ensure that the Gurdwara is run in accordance with the wishes of the congregation.

The Charity raises enough money to be able to finance the running costs of the Gurdwara and makes special appeals to the congregation to raise additional funds for any specific projects. Additional funds are being raised from the congregation to fund the completion of extension to Gurdwara (new build) to meet the increasing needs of the members.

The criteria to assess success is the smooth operation of the activities at the Gurdwara to the satisfaction of the congregation and local Sikh community.

The trustee have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The Gurdwara carried out the following activities during the year:

The Gurdwara relies heavily on the use of volunteers from the community. One of the Sikh religion's basic practise is "Sewa", free service for the community and serving mankind.

#### **Achievements and performance**

The Charity is fulfilling it's main objective of providing a place of worship, provision of wedding ceremonies and celebration of Sikh religious festivals for the local Sikh community satisfactorily.

#### **Financial review**

The Gurdwara is funded by donations and gifts from the congregation as well as income raised from carrying out ritual ceremonies.

The Charity is operating satisfactorily and has surplus funds to enable it to expand the services being offered from the Gurdwara.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustee considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

# **GURDWARA BABA SANG JI TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The principal sources of income is the donations from the local congregation and income raised from carrying out of ritual ceremonies.

The Donations and gifts has dropped significantly due to CoVid19 in the short term. The Trustees are confident that once the Local and National lockdowns has been relaxed the donations and gifts will return to their previous level.

The trustee has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **COVID-19 & BREXIT.**

This has made an unprecedented global economic impact with lockdowns and business closures - the long term impacts are unclear.

The impact of COVID-19 on the financial statements is generally considered a non-adjusting event. The Gurdwara has had to close it's premises in line with Government policy of dealing with CoVid 19 virus. The Gurdwara has resorted to Government Support in the form of grants, furlough scheme and Government backed loans.

The Gurdwara's turnover and profit has suffered as a result of lockdowns measures enforced by the Government.

Although it is not yet possible to predict the overall potential impacts of the COVID-19 outlook on the overall UK economy and the uncertainty it causes, the Trustees are confident that the discovery of the vaccine will reduce any major impact of COVID-19 on the Gurdwara.

The principal risks and uncertainties facing the Gurdwara is Brexit and the COVID-19. Brexit does not have direct impact on the Gurdwara other than that in line with the general effect on the British economy and the uncertainty it causes to the business community in general. With regards COVID-19 the future is still uncertain but the Gurdwara is managing the risk in a satisfactory manner.

The charity is looking to improve on the services provided from the Gurdwara.

The Gurdwara is undergoing renovation and development to increase the size of the Gurdwara to create facilities for toilets, kitchen and two more halls in the existing building.

The construction has been slowed down due to CoVid19 and the resultant Local and National lockdowns.

The processing of the bank loan has been delayed due to CoVid19. The Trustees are confident that with the development of vaccines and the relaxation of local and National lockdowns the Gurdwara will progress toward completion of the project in the near future.

# GURDWARA BABA SANG JI TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Structure, governance and management

The charity is a unincorporated charity registered with The Charity Commission of England and Wales on the 10th January 2007 with charity number 1117537.

The Charity is governed by The Scheme known as Gurdwara Baba Sang Ji Trust at 7-9 St Pauls Rd, Smethwick, Birmingham B66 1EE issued by The Charity Commissioners for England and Wales under the power given in the Charities Act 1993 dated 27th November 2006 as amended by scheme dated 22nd October 2015.

The title of the freehold premises is registered in the names of Ajit S Dhesi, Gian S Grewal, Jaswant S Bharj and Mohinder Singh the trustees of the Charity known as Gurdwara Baba Sang Ji Trust. These are the property holding trustees.

Under the basic principal of Sikhism the premises are open to all with the restriction that no alcohol or drugs are allowed on the premises.

The trustee who served during the year and up to the date of signature of the financial statements were:

Mr Raghver Singh  
Mr Makhan Singh Rai  
Mr Kirpal Singh Athwal  
Mr Baljinder Singh  
Mr Devinder Singh  
Mr Satnam Singh  
Mrs Baljit Kaur  
Mr Apinder Singh  
Mr Harvinder Singh Sehejpal  
Mr Teja Singh Sandhu  
Mrs Daljit Kaur Bains

The trustees are appointed after wider consultation in the Sikh Community.

The premises are run by the community for the benefit of the community under the control of the trustee. An election is conducted under the supervision of an independent body every two years to elect a management committee.

Decisions are made by the management committee after consultation with the congregation.

The trustees are encouraged to attend training courses to accustom themselves with the duties and responsibilities of being appointed a trustee.

The Gurdwara works with the Council of Sikh Gurdwaras in Sandwell & Birmingham to organise festival of Nagar Kirtan twice yearly.

The Gurdwara does not have any related parties.

### Asset cover for funds

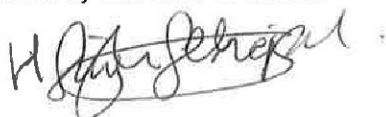
The Gurdwara has sufficient assets to cover the short and long term liabilities.

The trustees' report was approved by the Board of Trustee.

**Mr Harvinder Sehejpal**

Trustee

Dated: 9 April 2021



# GURDWARA BABA SANG JI TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEE OF GURDWARA BABA SANG JI TRUST

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I report to the trustee on my examination of the financial statements of Gurdwara Baba Sang Ji Trust (the charity) for the year ended 31 December 2020.

#### **Responsibilities and basis of report**

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

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

#### **Independent examiner's statement**

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Talwinder Patara

ICAEW - Chartered Accountant  
Patara Chartered Accountants  
352 Bearwood Rd  
Bearwood  
Birmingham  
B66 4ET

Dated: 9 April 2021

# GURDWARA BABA SANG JI TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<b><u>Income from:</u></b>			
Donations and Gifts.	3	160,848	459,499
<b><u>Expenditure on:</u></b>			
<b><u>Charitable activities</u></b>			
Place of worship - Gurdwara	4	110,778	172,140
<b>Total charitable expenditure</b>		110,778	172,140
Governance costs	8	1,400	1,375
<b>Total resources expended</b>		112,178	173,515
<b>Net income for the year/ Net movement in funds</b>		48,670	285,984
Fund balances at 1 January 2020		1,443,773	1,157,789
<b>Fund balances at 31 December 2020</b>		1,492,443	1,443,773

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.



# GURDWARA BABA SANG JI TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		1,346,696		1,033,653
<b>Current assets</b>					
Debtors	11	498		1,638	
Cash at bank and in hand		147,240		409,857	
		<u>147,738</u>		<u>411,495</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,991)</u>		<u>(1,375)</u>	
Net current assets			145,747		410,120
<b>Total assets less current liabilities</b>			<u>1,492,443</u>		<u>1,443,773</u>
<b>Income funds</b>					
Unrestricted funds - general			1,492,443		1,443,773
			<u>1,492,443</u>		<u>1,443,773</u>

The financial statements were approved by the Trustee on 9 April 2021

Mr Harvinder Singh Sehejpal  
Trustee

# GURDWARA BABA SANG JI TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Charity information**

Gurdwara Baba Sang Ji Trust is controlled by its governing document The Scheme issued by The Charity Commissioners for England and Wales dated 22nd October 2015. The Gurdwara is registered as an unincorporated Charity.

#### **1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustee in furtherance of their charitable objectives.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### **1.5 Expenditure**

The charity has only a few relevant activity categories on which resources are expended and as such the costs between the different categories are easily allocated without the use of any method of apportionment.

# GURDWARA BABA SANG JI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	See not below
Fixtures, fittings & equipment	15% straight line
Motor vehicles	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### No Depreciation.

No depreciation is provided in respect of freehold land and buildings. The company has a policy of regular maintenance and repair, so that the asset maintains its performance standards. The assets are not expected to suffer from economic or technological obsolescence and the estimated residual values are material. An impairment review is carried out annually on the tangible fixed assets other than non-depreciable land), at the end of each accounting period, where: - no depreciation is charged as it is deemed immaterial because of the length of the remaining useful economic life or where the estimated residual value is not markedly different from the carrying amount; or - the tangible fixed assets estimated useful economic life exceeds 50 years.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# GURDWARA BABA SANG JI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and Gifts.

	2020	2019
	£	£
Donations	65,041	149,660
Small donations	95,807	309,839

The Charity has not received any legacies during the year. Donations include gift aid from HM Revenue & Customs.

#### **Donated goods and services**

The Charity receives gifts in kind mainly in the form of food as part of the congregational offerings. These gifts in kind are used as part of the free langar (food) and as part of the items required in the day to day running of the Gurdwara. The amount involved is not material in relation to the total incoming resources. The gifts in kind of food offering has not been included in the accounts.

# GURDWARA BABA SANG JI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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Charitable activities

	Place of worship - Gurdwara 2020 £	Place of worship - Gurdwara 2019 £
Depreciation and impairment	7,257	7,793
Rates and water	4,909	6,323
Buildings insurance	1,104	2,186
Heat and lighting	14,533	21,668
Groceries and other food	16,357	32,034
Lesson costs	1,118	3,207
Preachers costs	42,525	53,818
Repairs and renewals	6,239	12,823
Telephone	595	377
Motor expenses	2,420	2,484
Nagar kirtan costs	1,771	9,740
Donations	4,100	8,993
Coach hire	-	1,300
Sundry expenses	334	1,495
Saropas and other fabrics	-	1,114
Printing, cleaning and advertising	7,516	6,785
	110,778	172,140
	110,778	172,140

### 5 Description of charitable activities

#### Place of worship - Gurdwara

The charity provides a place of worship and the celebration of Sikh religious festivals, conduct and registration of marriages and the advancement of education in the Sikh religion for the benefit of the local Sikh Community.

### 6 Trustee

None of the trustee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 7 Employees

There were no employees during the year.

The preachers and teachers are engaged on self employment basis.

# GURDWARA BABA SANG JI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Governance costs

	2020	2019
	£	£
Accountancy fees	900	875
Independent examiners fee	500	500
	<u>1,400</u>	<u>1,375</u>

### 9 Taxation

The income/gains have been applied for charitable purposes only and as a result Section 505 ICTA 1988 provides for the exemption of charity's income from direct taxation.

### 10 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	976,550	105,668	33,640	1,115,858
Additions	320,300	-	-	320,300
At 31 December 2020	<u>1,296,850</u>	<u>105,668</u>	<u>33,640</u>	<u>1,436,158</u>
<b>Depreciation and impairment</b>				
At 1 January 2020	-	61,142	21,063	82,205
Depreciation charged in the year	-	4,177	3,080	7,257
At 31 December 2020	<u>-</u>	<u>65,319</u>	<u>24,143</u>	<u>89,462</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>1,296,850</u>	<u>40,349</u>	<u>9,497</u>	<u>1,346,696</u>
At 31 December 2019	<u>976,550</u>	<u>44,526</u>	<u>12,577</u>	<u>1,033,653</u>

### 11 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	<u>498</u>	<u>1,638</u>

# GURDWARA BABA SANG JI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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**12 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	591	-
Accruals and deferred income	1,400	1,375
	<u>1,991</u>	<u>1,375</u>

**13 Capital commitments**

At 31 December 2020 the charity had capital commitments as follows:

The Gurdwara is undergoing a major renovation and development project which has ongoing capital commitment, the liability of which is determined as the project progress.

