

**THE SIKH CHANNEL COMMUNITY  
BROADCASTING COMPANY LIMITED**  
*(Limited by Guarantee)*

**CONSOLIDATED REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

***Registered Charity No 1136163***

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THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

**Trustees:** S S Bal  
Dr M S Khatra  
P Singh

**Company number:** 07030547

**Charity registration:** 1136163

**Registered office:** Unit 3, Avenue Road, Aston, Birmingham, B6 4DY

**Auditors:** Messrs Malcolm Willcox & Co, *Chartered Certified Accountants*  
Hagley House, 93 Hagley Road, Edgbaston, Birmingham, B16 8LA

**Bankers:** Cashplus Bank  
6 London Wall, London, EC2Y 5EB

**Chief Executive Officer:** Gurpreet Kaur Sandhu

## REPORT OF THE TRUSTEES

The trustees present their report and the audited consolidated financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applying to the UK and Republic of Ireland (FRS102) published in October 2019.

The charitable company qualifies as small under Section 382 of the Companies Act 2006.

### Trustees

The trustees are also the directors for the purpose of company law, and those who served during the year and up to the date of this report were:

S S Bal

Dr M S Khatra

P Singh

### Chief executive officer

Gurpreet Kaur Sandhu.

### Structure, governance and management

The charity is a company limited by guarantee and not having share capital.

It endeavours to recruit trustees with the appropriate skills, knowledge and experience needed for the effective management of the charitable company. The trustees are all volunteers, and they delegate the day-to-day operations of the company to its staff who are assisted, when required, by paid professional advisers. When vacancies occur new trustees/directors are appointed from approaches, suggestions and recommendations.

### Objectives and activities

The objectives of the charity are to further the religious and other charitable work of the Sikh religion and the Sikh community across the world. The principal aims are:

- To unite and join millions of Sikhs together through a universal platform.
- To promote the advancement of knowledge and awareness of the Sikh faith by conveying the teachings in the Sri Guru Granth Sahib Ji alongside those of the ten Sikh Gurus through means of broadcast, community service and interfaith outreach.
- To produce engaging television programmes for broadcast to the wide international Sikh diaspora, which are predominantly based on the principles of the Sikh faith, with some non-faith based programming, such as cooking and general entertainment shows. The central theme and aim of all programming produced by the charity is to unite communities with the assistance of the universal message of the Sikh faith in line with the charity's objectives.
- To act as a conduit for promoting participation and interest in the local community and greater understanding between all faiths with a strong commitment to Sikh intra-faith and shall endeavour to improve the quality of life, in particular for the elderly and housebound who are often disconnected from their local communities; and also to connect the next generation of the Sikh faith and to teach them about their heritage and culture.
- To sponsor and undertake ground level humanitarian aid projects in both the United Kingdom and abroad.

### Public benefit

The charity is a recognised global brand with an international reach. The charity continues to create awareness on local and domestic issues, such as alcohol and drug misuse, domestic violence, child sexual exploitation, forced marriages, missing persons and continues to promote ethical values such as equal rights for all communities, helping the homeless, refugees and victims of abuse.

REPORT OF THE TRUSTEES - continued

**Public benefit - continued**

The charity continues to support farmers who have been protesting in Punjab and Delhi, against the newly formed three agricultural laws, which massively impacts farmers' commercial interests by the privatisation of the sector. The charity has been covering the issue in India and also the views of the Punjabi communities in UK, Europe and Canada.

The public continues to benefit from the charity's television and online broadcasting, with informative and educational programming produced from across the world. The charity has expanded into further non-religious programming, such as bilingual cooking shows, children's programming and current news affairs. The charity has also worked closely with more organisations in order to provide an equal platform for community interest and to help promote charitable causes. It showed stories of poverty stricken families in the Punjab, who have been struggling to arrange weddings for their daughters in accordance with the Sikh culture. The charity has been supporting such families in their need to conduct respectful and dignified wedding ceremonies, which has been warmly welcomed by many of our viewers.

It has duly been shown on the television platform of the charity thus gaining huge support due to its emotional connection with the viewers.

The charity continues to work very closely with local city councils and Directors of Public Health, NHS and other medical professionals to raise awareness of safeguarding, primarily within the Sikh community during the COVID-19 pandemic. The charity was instrumental as one of the leading platforms in helping to raise public awareness during the substantial spike in positive cases in Sandwell and Smethwick, with a series of special bi-lingual programmes being commissioned due to the dense Punjabi speaking community residing in those areas, and the general lack of Punjabi literature and PR throughout the U.K.

**Financial review**

Income and expenditure declined compared with the previous year, which was partly due to Covid-19, and resulted in a net deficit of £18,551, as shown in the statement of financial activities on page 9.

The charity's wholly-owned subsidiary, The Sikh Channel Trading Company Limited, generated a surplus of £32,018 for the year ended 30 September 2020, thus reducing the deficit on shareholder's funds at that date from £163,885 to £131,867 – which is in line with the plan to eliminate the deficit.

**Achievements and performance**

During the year the charity supported victims of the floods in the Punjab, poor families in the Punjab by covering their wedding expenses and charities working for children's health or education, namely Share Charity (Coventry) and The Birmingham Children's Hospital.



*Vital food supplies distributed by team workers of the charity to the needy during the Punjab flood*



*The presentation of a donation of £3,442.61 to the Birmingham Children's Hospital*

**Achievements and performance - continued**



*Team workers of the charity on their way to deliver food after the devastating Punjab flood*

The charity's viewing audience has grown internationally and continues to reach new countries with the aid of our improved online platform and innovative programming, aimed at a wider Sikh diaspora. We are now streaming in HD with the ability to go live simultaneously across multiple platforms, helping the charity to gain mass viewing and support.

The charity continues to be the main source of information on Sikh affairs, religious sermons and current news. The charity's recognition as a trusted and respected source of information has helped it reach new audiences through our social media platforms.

The charity has been one of the main sources of information to Sikh communities regarding the ongoing farmers' protest taking place in Delhi (mainly by farmers from the Punjab), and supported by farmers across India against the three agricultural laws, favouring the privatisation of the agriculture sector, which the farmers fear will devastate their livelihoods. The charity has expanded its team in Delhi in order to play a key role as a media channel in broadcasting the ground realities of the protest from Delhi; airing views of the farm leaders, the general community, ruling parties, etc about the protest, and in addition has been supporting the farmers or their families in need of aid at these sites.

The increased programming from protest sites and Delhi in general, meant that the charity had to expand its team in India to receive regular updated programming and has broadcast fresh news from the sites in morning and evening programmes gaining massive popularity among the viewers in the UK as one of the best platforms to watch the news updates.

The charity has also covered the celebration of the 550<sup>th</sup> birth anniversary of Guru Nanak, the first Guru and founder of the Sikh faith. This included programmes from Guru Nanak's birth place (Nanakana Sahib, Pakistan), Amritsar and various historical sites in India and around the world wherever Sikhs celebrate these important events in their history. Similar coverage was given to the 400<sup>th</sup> birth anniversary of the 9<sup>th</sup> Guru, Tegh Bahadur Ji.

**COVID-19**

The Covid pandemic had a significant impact on the charity's broadcasting operations. Coverage of weekend community and religious events was seriously affected, with the result that the number of such events taking place fell from a dozen or more to zero overnight – which drastically reduced our staffing levels.

The cancellation of these events resulted in a fall in donations to the charity from our target broadcasting audience and from those attending the community and religious gatherings.

**Plans for the future**

The charity will continue to improve its online presence and facilities by offering more on-demand service programmes to cater for changing audience viewing patterns. The charity's mobile applications are to be redeveloped to provide a greater user-friendly experience. In the light of the volume of correspondence received by the charity, global mail systems will be upgraded to a cloud storage system in order to provide a more efficient and streamlined service.

The charity will consider the introduction of new technology to facilitate more home working, one of the effects of Covid-19.

#### Plans for the future - continued

This introduction will enable the charity to expand its team of television presenters who can be present anywhere in the UK, Europe, India or Canada, and will be able to host shows using the online system adopted by the charity.

As the UK now slowly moves toward reopening after the lockdown, the charity is now looking forward to covering all events that will be organised around the UK by Sikh organisations, Gurudwaras, Punjabi cultural societies, or wider Asian communities. The charity will continue to support the families in need of aid in the Punjab in terms of educational or financial support.

#### Going concern

The management team have reviewed the charity's cash flow forecast, including the effect of Covid-19, and have a reasonable expectation that the charity will generate sufficient income over the next twelve months to finance its activities. Therefore, the going concern basis of accounting has been adopted in the preparation of the financial statements.

#### Reserves policy

The Trustees are mindful of a reserves policy, and will endeavour to establish such a reserve when the financial position of the charity makes it possible.

#### Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Responsibilities of directors/trustees

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 these financial statements, the directors are required to:

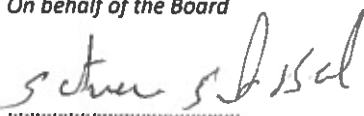
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

#### Auditors

The auditors, Messrs Malcolm Willcox & Co, *Chartered Certified Accountants*, have signified their willingness to continue in office.

On behalf of the Board



S S BAL  
Trustee

## REPORT OF THE INDEPENDENT AUDITORS

### TO THE MEMBERS OF THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

#### Opinion

We have audited the financial statements of The Sikh Channel Community Broadcasting Company Limited (the 'charitable company') and its subsidiary for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated statement of cash flows and notes to the consolidated 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, including Financial Reporting Standard 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 group and charitable company's affairs as at 30 September 2020, and of the group's 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; and
- ☐ have been prepared in accordance with the requirements of the Charities Act 2011 and the Companies Act 2006.

#### Basis of 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 group and 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 the provisions available for small entities, in the circumstances set out in note 19 to the financial statements 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for the period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report 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.

## REPORT OF THE INDEPENDENT AUDITORS

### TO THE MEMBERS OF THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

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 (incorporating the directors 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 our knowledge and understanding of the group and charitable company 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 and the Charities Act 2011 require us to report to you if, in our opinion:

- ☐ adequate and sufficient 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.
- ☐ The trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the Small Companies' exemptions in preparing the trustees' report and from the requirement to produce a strategic report.

#### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, 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 group and 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 group or charitable company or to cease operations, or have no realistic alternative but to do so.



## REPORT OF THE INDEPENDENT AUDITORS

### TO THE MEMBERS OF THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

#### Auditors responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

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



**Malcolm H J Willcox FCCA**

Senior Statutory Auditor

For and on behalf of Malcolm Willcox & Co

*Chartered Certified Accountants and Statutory Auditors*

Birmingham

29 July 2021

THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 30 SEPTEMBER 2020

	Notes	Unrestricted Fund £	Restricted Funds £	2020 Total £	2019 Total £
<b>INCOME</b>					
<b>Charitable activities:</b>					
Donations and gifts	( 3 )	611,370	168,736	780,106	1,056,575
Investment income	( 4 )	-	69	69	12
Government grants		31,965	9,967	41,932	-
<b>Generated funds:</b>					
Trading turnover – The Sikh Channel Trading Company Limited	( 2 )	55,391	-	55,391	30,887
<b>Total incoming resources</b>		<u>698,726</u>	<u>178,772</u>	<u>877,498</u>	<u>1,087,474</u>
<b>Resources expended</b>					
<b>Charitable expenditure:</b>					
Direct charitable expenditure	( 5 )	687,666	185,010	872,676	1,298,395
<b>Costs of generating funds:</b>					
Trading – The Sikh Channel Trading Company Limited	( 2 )	23,373	-	23,373	46,355
<b>Total resources expended</b>		<u>711,039</u>	<u>185,010</u>	<u>896,049</u>	<u>1,344,750</u>
<b>Net outgoing resources before transfers</b>		<u>( 12,313)</u>	<u>( 6,238)</u>	<u>( 18,551)</u>	<u>( 257,276)</u>
<b>Transfer between funds</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net outgoing resources being net movement in fund</b>		<u>( 12,313)</u>	<u>( 6,238)</u>	<u>( 18,551)</u>	<u>( 257,276)</u>
<b>Total funds brought forward at 1 October 2019</b>		<u>( 89,634)</u>	<u>177,285</u>	<u>87,651</u>	<u>344,927</u>
<b>Total funds carried forward at 30 September 2020</b>		<u>( 101,947)</u>	<u>171,047</u>	<u>69,100</u>	<u>87,651</u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year, and complies with the requirements for an income and expenditure account under the Companies Act 2006.

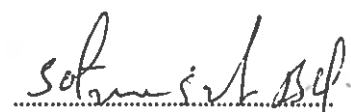
THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

CONSOLIDATED BALANCE SHEET  
30 SEPTEMBER 2020

		Group		Charity	
	Notes	2020 £	2019 £	2020 £	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	( 9 )	25,552	36,048	25,543	33,672
Investment	(10)	-	-	100	100
		<hr/>	<hr/>	<hr/>	<hr/>
		25,552	36,048	25,643	33,772
		<hr/>	<hr/>	<hr/>	<hr/>
<b>CURRENT ASSETS</b>					
Debtors	(11)	106,669	64,833	223,730	222,554
Cash at bank and in hand		142,428	210,142	142,428	210,142
		<hr/>	<hr/>	<hr/>	<hr/>
		249,097	274,975	366,158	432,696
<b>CREDITORS – amounts falling due within one year</b>	(12)	(205,549)	(223,372)	(190,734)	(214,832)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net current assets</b>		43,548	51,603	175,424	217,864
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets less current liabilities</b>		69,100	87,651	201,067	251,636
		<hr/>	<hr/>	<hr/>	<hr/>
<b>ACCUMULATED FUNDS</b>					
Restricted funds	(13)	171,047	177,285	171,047	177,285
Unrestricted funds		30,020	74,351	30,020	74,351
Non-charitable funds		(131,967)	(163,985)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	(14)	69,100	87,651	201,067	251,636
		<hr/>	<hr/>	<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Approved and signed on 29 July 2021 on behalf of the Board by



S S BAL  
Trustee

THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED 30 SEPTEMBER 2020

		2020	2019
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	(16)	( 64,976)	(164,424)
<b>Investing activities</b>			
Purchase of tangible fixed assets		( 2,807)	( 2,500)
Interest received		69	12
<b>Net cash used in investing activities</b>		<u>( 2,738)</u>	<u>( 2,488)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>( 67,714)</u>	<u>(166,912)</u>
Cash and cash equivalents at beginning of year		<u>210,142</u>	<u>377,054</u>
<b>Cash and cash equivalents at end of year</b>		<u>142,428</u>	<u>210,142</u>
<b>Relating to:</b>			
Cash at bank and in hand		<u>142,428</u>	<u>210,142</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 2020

CHARITY INFORMATION

The Sikh Channel Community Broadcasting Company Limited is an incorporated charity in England and Wales, company registration number 07030547, and Charity Commission registration number 1136163. The registered office is Unit 3, Avenue Road, Aston, Birmingham, B6 4DY. The charity is a company limited by guarantee.

1 ACCOUNTING POLICIES

(a) **Basis of preparation**

The financial statements have been prepared in accordance with 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 (FRS102)" issued in October 2019 and the Companies Act 2006. The Charity is a Public Benefit Entity as defined by FRS102.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary, The Sikh Channel Trading Company Limited. Inter-group transactions are eliminated on consolidation. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (accounts and reports) Regulations 2008 and adapted the Companies Act formats to reflect the specific nature of the charity's activities. No separate SOFA has been presented for the charity alone, as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

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. The principal accounting policies adopted are set out below.

(b) **Going concern**

The management team have reviewed the charity's cash flow forecast, including the effect of Covid-19, and have a reasonable expectation that the charity will generate sufficient income over the next twelve months to finance its activities. Therefore, the going concern basis of accounting has been adopted in the preparation of the financial statements.

(c) **Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

(d) **Incoming resources**

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 the 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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT.

(e) **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. 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. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

1 ACCOUNTING POLICIES - continued

(f) **Allocation of direct and support costs**

These costs enable the charity to deliver its charitable activities.

Direct costs represent expenditure on the production of programmes and broadcasting, and support costs include administrative payroll costs and general overheads.

Where costs cannot be directly attributable to a particular restricted fund, they have been allocated on the bases of time and activity.

In the previous year, an adjustment to re-allocate these costs in respect of prior years has been made in the financial statements.

(g) **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 basis:

Fixtures, fitting & equipment	-	25% per annum
Motor vehicles	-	25% per annum

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.

(h) **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.

(i) **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as payable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price. 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.

**1 ACCOUNTING POLICIES - continued**

**(j) Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease.

**(k) Foreign exchange**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**(l) Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**(m) Significant judgements and estimates**

In the application of the charity's accounting policies, the Trustees 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.

The charity's main source of income is derived from voluntary donations. A key judgement made by the management team in the preparation of the financial statements is that the charity has a reasonable expectation of receiving these donations in the future at a level to sustain the charity's activities.

**2 NET INCOME FROM ACTIVITIES OF TRADING SUBSIDIARY**

The charity has a wholly owned trading subsidiary which is incorporated in the UK. The principal activity of The Sikh Channel Trading Company Ltd is to provide advertising services. A summary of its trading results is shown below. Audited financial statements are filed with the Registrar of Companies.

THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
YEAR ENDED 30 SEPTEMBER 2020

2 NET INCOME FROM ACTIVITIES OF TRADING SUBSIDIARY - continued

	2020 £	2019 £
Turnover	55,391	30,887
Cost of sales	-	( 2,696)
	<hr/>	<hr/>
Gross profit	55,391	28,191
Administrative expenses	( 17,373)	( 32,257)
Staff costs	( 6,000)	( 11,402)
	<hr/>	<hr/>
Net profit/loss	32,018	( 15,468)
	<hr/>	<hr/>

3 DONATIONS AND GIFTS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations and gifts	558,145	168,736	726,881	1,042,477
Gift Aid	53,225	-	53,225	14,098
	<hr/>	<hr/>	<hr/>	<hr/>
	611,370	168,736	780,106	1,056,575
	<hr/>	<hr/>	<hr/>	<hr/>

	2020 £	2019 £
4 INVESTMENT INCOME		
Interest receivable	69	12
	<hr/>	<hr/>



THE SIKH CHANNEL COMMUNITY BROADCASTING COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
YEAR ENDED 30 SEPTEMBER 2020

	Production costs £	Broadcasting costs £	Donations made £	Total 2020 £	Total 2019 £
<b>5 CHARITABLE ACTIVITIES</b>					
Production & broadcasting costs	117,256	230,789	-	348,045	492,545
Donations and gifts	-	-	12,358	12,358	27,231
Charitable expenditure	23,024	36,056	4,714	63,794	173,656
	<u>140,280</u>	<u>266,845</u>	<u>17,072</u>	<u>424,197</u>	<u>693,432</u>
Share of support costs (note 6)	137,877	274,588	-	412,465	585,159
Share of governance costs (note 6)	12,036	23,978	-	36,014	19,804
	<u>290,193</u>	<u>565,411</u>	<u>17,072</u>	<u>872,676</u>	<u>1,298,395</u>
<b>Analysis by fund</b>					
Unrestricted funds	230,816	455,736	1,114	687,666	
Restricted funds	59,377	109,675	15,958	185,010	
	<u>290,193</u>	<u>565,411</u>	<u>17,072</u>	<u>872,676</u>	
<b>For the year ended 30 September 2019</b>					
Unrestricted funds	205,572	564,790	58,272		828,634
Restricted funds	135,427	191,681	142,653		469,761
	<u>340,999</u>	<u>756,471</u>	<u>200,925</u>		<u>1,298,395</u>
		Support costs £	Governance costs £	2020 £	2019 £
<b>6 SUPPORT COSTS</b>					
Staff costs		262,855	-	262,855	346,829
Depreciation		8,513	-	8,513	11,224
Equipment leasing		933	-	933	1,230
Rent, rates and insurance		35,064	-	35,064	35,687
Heat and light		11,166	-	11,166	19,576
Cleaning		3,757	-	3,757	4,469
Foreign exchange costs		3,247	-	3,247	4,991
Bank interest and charges		16,139	-	16,139	20,781
Repairs and maintenance		3,409	-	3,409	3,716
Printing, stationery and advertising		3,374	-	3,374	10,676
Telephone and postage		25,394	-	25,394	32,240
Motor and travelling		13,164	-	13,164	70,693
Legal and professional fees		17,103	27,514	44,617	28,190
Sundry expenses		5,431	100	5,531	6,261
Audit fee		-	8,400	8,400	8,400
PAYE interest		493	-	493	-
Loss on disposal of fixed assets		2,423	-	2,423	-
		<u>412,465</u>	<u>36,014</u>	<u>448,479</u>	<u>604,963</u>
Analysed between charitable activities		<u>412,465</u>	<u>36,014</u>	<u>448,479</u>	<u>604,963</u>

Governance costs include payments to the auditors of £8,400 (2019 - £8,400) for audit fees.

**7 TRUSTEES AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES**

No trustees received any expenses. Key management personnel's remuneration was £83,859 (2019 - £78,614).

	2020 Number	2019 Number
<b>8 EMPLOYEES</b>		
<b>Number of employees</b>		
The Sikh Channel Community Broadcasting Company Limited	10	14
The Sikh Channel Trading Company Limited	1	1
	<hr/> 11	<hr/> 15
<b>Employment costs</b>		
Wages and salaries	246,564	327,970
Social security costs	17,056	24,706
Other pension costs	5,235	5,555
	<hr/> 268,855	<hr/> 358,231

There were no employees whose annual remuneration was £60,000 or more.

	Fixtures, fittings & equipment £	Motor vehicle £	Total £
<b>9 TANGIBLE FIXED ASSETS - GROUP</b>			
<b>Cost:</b>			
At 1 October 2019	222,293	7,356	229,649
Additions	2,807	-	2,807
Disposals	( 14,558)	-	( 14,558)
	<hr/> 210,542	<hr/> 7,356	<hr/> 217,898
At 30 September 2020			
<b>Depreciation:</b>			
At 1 October 2019	188,572	5,029	193,601
Depreciation charged in the year	10,298	582	10,880
Eliminated on disposals	( 12,135)	-	( 12,135)
	<hr/> 186,735	<hr/> 5,611	<hr/> 192,346
At 30 September 2020			
<b>Carrying amount:</b>			
At 30 September 2020	23,807	1,745	25,552
	<hr/>	<hr/>	<hr/>
At 30 September 2019	33,721	2,327	36,048
	<hr/>	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
YEAR ENDED 30 SEPTEMBER 2020

		Fixtures, fittings & equipment £	Motor vehicle £	Total £
9	TANGIBLE FIXED ASSETS - CHARITY			
	Cost:			
	At 1 October 2019	182,795	7,356	190,151
	Additions	2,807	-	2,807
	Disposals	( 14,558)	-	( 14,558)
	At 30 September 2020	171,044	7,356	178,400
	Depreciation and impairment:			
	At 1 October 2019	151,450	5,029	156,479
	Depreciation charged in the year	7,931	582	8,513
	Eliminated on disposal	( 12,135)	-	( 12,135)
	At 30 September 2020	147,246	5,611	152,857
	Carrying amount:			
	At 30 September 2020	23,798	1,745	25,543
	At 30 September 2019	31,345	2,327	33,672
10	INVESTMENT			
	The charity owns 100% of the equity of the following company:			
			2020 £	2019 £
	The Sikh Channel Trading Company Limited			
	100 ordinary shares at £1 each		100	100
11	DEBTORS			
		Group 2020 £	Group 2019 £	Charity 2020 £
				Charity 2019 £
	Trade debtors	3,474	2,700	-
	Other debtors	56,026	4,297	56,026
	Prepayments	47,169	57,836	47,169
	Amounts due from subsidiary	-	-	120,535
		106,669	64,833	223,730
				222,554

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
YEAR ENDED 30 SEPTEMBER 202012 CREDITORS – *amounting due within one year*

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	127,924	149,131	122,823	143,828
Taxation and social security costs	23,205	14,992	15,491	13,755
Other creditors	44,020	47,499	44,020	47,499
Accruals	10,400	11,750	8,400	9,750
	<u>205,549</u>	<u>223,372</u>	<u>190,734</u>	<u>214,832</u>

## 13 RESTRICTED FUNDS

The income funds of the charity include a restricted fund comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1.10.19 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 30.9.20 £
Sikh Aid	2,496	168,278	(154,442)	-	16,332
The SMART Centre Appeal	125,021	-	( 5,200)	-	119,821
Saka Sirhand	-	7,185	( 11,219)	4,034	-
Punjab Flood Appeal	49,768	3,309	( 14,149)	( 4,034)	34,894
	<u>177,285</u>	<u>178,772</u>	<u>(185,010)</u>	<u>-</u>	<u>171,047</u>

## 14 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	As at 30.9.20 £
Tangible fixed assets			
Current assets	25,552	-	25,552
Creditors – amounts falling due within one year	78,050 (205,549)	171,047 -	249,097 (205,549)
	<u>(101,947)</u>	<u>171,047</u>	<u>69,100</u>
	Unrestricted £	Restricted £	As at 30.9.19 £
Tangible fixed assets	36,048	-	36,048
Current assets	97,690	177,285	274,975
Creditors – amounts falling due within one year	(223,372)	-	(223,372)
	<u>( 89,634)</u>	<u>177,285</u>	<u>87,651</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
YEAR ENDED 30 SEPTEMBER 2020

**15 SHARE CAPITAL**

The company is limited by guarantee and does not have any share capital.

	2020 £	2019 £
<b>16 CASH ABSORBED BY OPERATIONS</b>		
Deficit for the year	( 18,551)	(257,276)
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	( 69)	( 12)
Depreciation of tangible fixed assets	10,880	18,198
Loss on disposal of tangible fixed assets	2,423	-
<b>Movements in working capital:</b>		
Increase/decrease in debtors	( 41,836)	42,985
Decrease/increase in creditors	( 17,823)	31,681
	<hr/>	<hr/>
<b>Cash absorbed by operations</b>	<b>( 64,976)</b>	<b>(164,424)</b>
	<hr/>	<hr/>

**17 APB ETHICAL STANDARDS**

In common with many businesses of our size and nature we use our auditors to prepare and submit return to the tax authorities and to assist with the preparation of the financial statements.

**18 RELATED PARTIES**

During the year The Sikh Channel Trading Company Limited, the subsidiary undertaking, owed The Sikh Channel Community Broadcasting Company Limited £120,535 (2019 - £161,151).