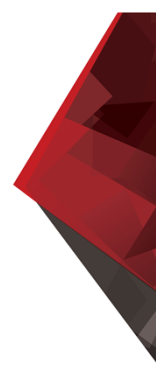


**GURU NANAK GURDWARA**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



# GURU NANAK GURDWARA

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Balbir Singh Mr Mohinder S Samra Mr Major Singh Mr Daljit Singh Sunner Mr Talvinder Singh Bains Mr Avtar Singh Krothe Mr Lehmbur Singh Gill Mr Mohan Singh Mr Jaswinder Singh Dhaliwal Mr Gurpal Singh Gill
<b>Secretary</b>	Mr Sukhdev Singh Bath Mr Kashmir Singh Bains
<b>Charity number</b>	507811
<b>Principal address</b>	127 West Bromwich Rd Walsall West Midlands WS1 4DE
<b>Auditor</b>	Patara is a trading style of T S Patara & Co Ltd. Financial House 352 Bearwood Rd Bearwood Birmingham B66 4ET
<b>Bankers</b>	Barclays Bank Plc The Bridge Walsall West Midlands
<b>Accountant</b>	A Dhillon & Co 61-63 Alexandra Rd Walsall West Midlands WS1 4DX

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# GURU NANAK GURDWARA

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# GURU NANAK GURDWARA

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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) (effective 1 January 2019)".

#### **Objectives and activities**

The charity's objectives are provision of place of worship, promoting education and practise of Sikh religion including wedding ceremonies for the benefit of the local Sikh community. In addition to the religious services the Sangat is encouraged to engage with the charity. Educational services are provided not only in Punjabi but in wider curriculum as well as homework clubs and other activities. The charity also engages with other local and wider community charities to support needy causes. The Charity also promotes health and wellbeing by providing and holding health workshops and events.

The policies adopted in furtherance of these objectives are the provision of a place of worship (Gurdwara) in Walsall and there is no change in these during the year.

The aim of the charity is to support Sikh Community in Walsall and provide a place for functions and ceremonies for the benefit of the local Sikh community so they can practise their religion.

The objectives for the year is to provide a place of worship including provision of wedding ceremonies, Education, community engagement for the Elderly, health and wellbeing for the local Sikh community. To ensure that the Gurdwara is run in accordance with the wishes of the congregation (Sangat).

The Charity raises enough money to be able to finance the running costs of the Gurdwara and accumulate money for future developments for the benefit of the local community. Sports in all ages is encouraged along with funding for local sports and youth clubs.

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

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

The Gurdwara (Temple) carried out the following activities during the year:

- The provision of a place of worship including a place for wedding ceremonies for the local Sikh community.
- Promote the basic principles of the Sikh religion.
- Promote education and sport in the community
- Generate rental income from investment properties within the vicinity of the temple to fund the activities of the Gurdwara.

The Gurdwara relies heavily on the use of volunteers from the community.

#### **Achievements and performance**

- The charity is fulfilling its main objective of providing a place of worship and for the provision of wedding ceremonies for the local Sikh community satisfactorily.

# GURU NANAK GURDWARA

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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- The charity makes donations to local community organisations with similar objectives if and when required.
- The charity continues to rent investment properties in order to raise income for the objective of the charity.
- The community celebrates Gurburabs every year with great energy along the New Year celebrations.
- Nagar Kirtan is done during April / May each year.
- Rental income has reduced substantially as a result of demolition of existing investment properties in order to construct a chapel of rest to support funeral services and six new houses for investment.

#### Financial review

The Gurdwara (Temple) is funded by donations from the congregation as well as income from investment properties. The charity is operating satisfactorily and has surplus funds.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at least at a level equivalent to between six to twelve month's expenditure. The Trustees 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.

The principal sources of income is donations and rental income from investment properties. The income is used to provide a place of worship and for the wedding ceremonies for the local Sikh community and other activities set out above.

The Trustees have 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.

#### Structure, governance and management

The charity was established by a charitable trust deed (constitution) adopted 11th April 1978, as amended 1st May 1999 and is an unincorporated association.

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

The charity is registered with the Charity Commission for England and Wales.

The Trustees who served during the year were:

Mr Balbir Singh

Mr Mohinder S Samra

Mr Surinder S Gill

(Deceased 16 February 2023)

Mr Major Singh

Mr Daljit Singh Sunner

Mr Talvinder Singh Bains

Mr Avtar Singh Krothe

Mr Lehmbur Singh Gill

Mr Mohan Singh

Mr Jaswinder Singh Dhaliwal

Mr Gurpal Singh Gill

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

# GURU NANAK GURDWARA

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2023*

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The Gurdwara is run by the community for the community with the help of a management committee under the control of the Trustees. The management committee is appointed from the congregation every two years.

The management committee consists of 2 General Secretaries 8 Treasurers and 4 Stage Secretaries together with other committee members as deemed necessary by the management committee.

Decisions are made after consultation as per the constitution.

Trustees are encouraged to attend courses to keep themselves acquainted with the duties and responsibilities of the trustees.

The management committee provide their services on a voluntary basis.

The Gurdwara (Temple) works with the local community organisations in order to promote the objectives of the charity.

During the year the Charity made donations of £5,000 to Nishkam Jatha, £950 to Sikh channel, £2,000 to Sikh Hunters (Walsall FC) and £11,250 to Walsall Asian Football.

The Gurdwara does not allow alcohol or drugs or people under the influence of alcohol or drugs on the premises.

The Gurdwara (Temple) does not have any related parties.

The Trustees' report was approved by the Board of Trustees.

**Mr Balbir Singh**

Trustee

Dated: 4 February 2024

# **GURU NANAK GURDWARA**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2023***

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

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# GURU NANAK GURDWARA

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF GURU NANAK GURDWARA

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#### Opinion

We have audited the financial statements of GURU NANAK GURDWARA (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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.

#### 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.

#### 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



# **GURU NANAK GURDWARA**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GURU NANAK GURDWARA**

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### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

# GURU NANAK GURDWARA

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GURU NANAK GURDWARA

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### **The extent to which the audit was considered capable of detecting irregularities including fraud**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management and from our knowledge and experience in the relevant field.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charity Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

# **GURU NANAK GURDWARA**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GURU NANAK GURDWARA**

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**Patara is a trading style of T S Patara & Co Ltd.**

**4 February 2024**

**Chartered Accountants  
Statutory Auditor**

Financial House  
352 Bearwood Rd  
Bearwood  
Birmingham  
B66 4ET

Patara is a trading style of T S Patara & Co Ltd. is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# GURU NANAK GURDWARA

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Income from:</b>			
Donations and legacies	3	696,154	556,838
Investments	4	10,892	8,421
<b>Total income</b>		<u>707,046</u>	<u>565,259</u>
<u>Charitable activities</u>			
Gurdwara Costs	5	430,899	250,525
Donations	5	19,200	9,125
Religion Promotion	5	13,008	9,694
Investment Income	5	22,741	16,678
<b>Total charitable expenditure</b>		<u>485,848</u>	<u>286,022</u>
Other expenditure	10	1,850	1,620
<b>Total expenditure</b>		<u>487,698</u>	<u>287,642</u>
<b>Net income and movement in funds</b>		<u>219,348</u>	<u>277,617</u>
<b>Reconciliation of funds:</b>			
Fund balances at 1 April 2022		7,615,121	7,337,504
<b>Fund balances at 31 March 2023</b>		<u><u>7,834,469</u></u>	<u><u>7,615,121</u></u>

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

# GURU NANAK GURDWARA

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		6,265,507		6,094,532
Investment property	12		646,406		136,406
			<u>6,911,913</u>		<u>6,230,938</u>
<b>Current assets</b>					
Debtors	13	34,193		38,427	
Cash at bank and in hand		928,173		1,382,521	
		<u>962,366</u>		<u>1,420,948</u>	
<b>Creditors: amounts falling due within one year</b>	14	39,810		36,765	
		<u>39,810</u>		<u>36,765</u>	
Net current assets			922,556		1,384,183
<b>Total assets less current liabilities</b>			<u>7,834,469</u>		<u>7,615,121</u>
<b>The funds of the charity</b>					
Unrestricted funds			7,834,469		7,615,121
			<u>7,834,469</u>		<u>7,615,121</u>

The financial statements were approved by the Trustees on 4 February 2024

Mr Balbir Singh  
Trustee

# GURU NANAK GURDWARA

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		233,977		283,742
<b>Investing activities</b>					
Purchase of tangible fixed assets		(189,217)		(198,390)	
Purchase of investment property		(510,000)		-	
Investment income received		10,892		8,421	
<b>Net cash used in investing activities</b>			(688,325)		(189,969)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(454,348)		93,773
Cash and cash equivalents at beginning of year			1,382,521		1,288,748
<b>Cash and cash equivalents at end of year</b>			928,173		1,382,521

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Charity information

GURU NANAK GURDWARA is a charity established by a charitable trust deed (constitution ) adopted 11th April 1978, as amended 1st May 1999 and is an unincorporated association..

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). 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. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees 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 Trustees 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.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs includes legal and professional costs which are not capable of being allocated to any charitable activity.

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.

#### Place of Worship

The charity provides a place of worship, promoting education and practise of Sikh religion including wedding ceremonies for the benefit of the local Sikh community.

#### Donations

The charity provides small amount of donations to local community organisations with similar objectives.

#### Religion Promotion

The charity carries out various events to promote the basic principles of the Sikh religion.

#### Investment Income

The Gurdwara has investment properties within it's vicinity to generate rental income to fund activities of the Gurdwara. Some investment properties have been demolished and will be replaced with new chapel of rest to support funeral services and six new houses.

#### 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 note below.
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	10% reducing balance

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 the statement of financial activities.



# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **No Depreciation.**

No depreciation is provided in respect of freehold land and buildings. The charity 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 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### **1.8 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).

#### **1.9 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.

#### **1.10 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.

Financial instruments are recognised in the charity's balance sheet when the charity 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 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.

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

#### **1.11 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.

#### **1.12 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

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.

### 3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	696,154	553,343
JRS Grant	-	3,495
	<u>696,154</u>	<u>556,838</u>

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 3 Income from donations and legacies

(Continued)

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Donations and gifts</b>		
Donations and gifts	683,374	544,243
Donations and gifts in kind	12,780	9,100
Other	-	-
	<u>696,154</u>	<u>553,343</u>
<b>Grants receivable for core activities</b>		
JRS Grant	-	3,495
	<u>-</u>	<u>3,495</u>

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 langer (food) and as part of the items required in the day to day running of the Gurdwara (Temple). The gifts in kind of food offering has been included in the accounts.

The charity has not received any legacies during the year.

### 4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	7,200	7,400
Interest receivable	3,692	1,021
	<u>10,892</u>	<u>8,421</u>

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 5 Expenditure on charitable activities

	Gurdwara Costs 2023 £	Donations 2023 £	Religion Promotion 2023 £	Investment Income 2023 £	Total 2023 £
<b>Direct costs</b>					
Depreciation and impairment	18,242	-	-	-	18,242
Rates	3,378	-	-	22,741	26,119
Property Insurance	20,086	-	-	-	20,086
Heat and Light	153,406	-	-	-	153,406
Food Supplies	122,335	-	-	-	122,335
Wages and NIC	30,505	-	-	-	30,505
Repairs and Maintenance	48,167	-	-	-	48,167
Telephone	1,453	-	-	-	1,453
Motor and transport expenses	1,399	-	-	-	1,399
Cleaning and sundry expenses	26,167	-	-	-	26,167
Bank Charges	4,280	-	-	-	4,280
Stationery	1,481	-	-	-	1,481
Donations	-	12,000	-	-	12,000
Other charitable expenditure	-	7,200	13,008	-	20,208
	<u>430,899</u>	<u>19,200</u>	<u>13,008</u>	<u>22,741</u>	<u>485,848</u>
<b>Analysis by fund</b>					
Unrestricted funds	<u>430,899</u>	<u>19,200</u>	<u>13,008</u>	<u>22,741</u>	<u>485,848</u>

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 5 Expenditure on charitable activities

(Continued)

Previous year:	Gurdwara Costs 2022 £	Donations 2022 £	Religion Promotion 2022 £	Investment Income 2022 £	Total 2022 £
<b>Direct costs</b>					
Depreciation and impairment	15,855	-	-	-	15,855
Rates	2,978	-	-	16,678	19,656
Property Insurance	14,126	-	-	-	14,126
Heat and Light	69,395	-	-	-	69,395
Food Supplies	69,195	-	-	-	69,195
Wages and NIC	25,324	-	-	-	25,324
Repairs and Maintenance	28,007	-	-	-	28,007
Telephone	1,094	-	-	-	1,094
Motor and transport expenses	1,743	-	-	-	1,743
Cleaning and sundry expenses	17,269	-	-	-	17,269
Bank Charges	3,716	-	-	-	3,716
Stationery	1,823	-	-	-	1,823
Donations	-	3,125	-	-	3,125
Other charitable expenditure	-	6,000	9,694	-	15,694
	<u>250,525</u>	<u>9,125</u>	<u>9,694</u>	<u>16,678</u>	<u>286,022</u>
<b>Analysis by fund</b>					
Unrestricted funds	<u>250,525</u>	<u>9,125</u>	<u>9,694</u>	<u>16,678</u>	<u>286,022</u>

### 6 Description of charitable activities

#### Gurdwara Costs

Provision of place of worship, promoting education, sports and practise of Sikh religion including wedding ceremonies for the benefit of the local Sikh community.

#### Donations

The charity provides small amount of donations to local community organisations with similar objectives.

#### Religion Promotion

The charity promotes the basic principles of Sikh religion.

#### Investment Income

The Gurdwara has investment properties within the vicinity of the temple to generate rental income to fund activities of the Gurdwara.

### 7 Trustees

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

There are no transactions with the trustees other than their participation as members of the congregation.

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Preachers	4	5

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

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

### 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 Governance costs

	2023 £	2022 £
Auditors' Remuneration	1,850	1,620
	1,850	1,620

### 11 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2022	6,004,690	384,089	32,229	6,421,008
Additions	154,519	34,698	-	189,217
At 31 March 2023	6,159,209	418,787	32,229	6,610,225
<b>Depreciation and impairment</b>				
At 1 April 2022	-	303,029	23,447	326,476
Depreciation charged in the year	-	17,364	878	18,242
At 31 March 2023	-	320,393	24,325	344,718
<b>Carrying amount</b>				
At 31 March 2023	6,159,209	98,394	7,904	6,265,507
At 31 March 2022	6,004,690	81,060	8,782	6,094,532

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 12 Investment property

	2023 £
<b>Fair value</b>	
At 1 April 2022	136,406
Additions through external acquisition	510,000
	<u>646,406</u>
At 31 March 2023	<u>646,406</u>

The trustees consider that the carrying amount of investment properties approximates to their fair value.

### 13 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Other debtors	34,193	38,427
	<u>34,193</u>	<u>38,427</u>

### 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	39,810	36,765
	<u>39,810</u>	<u>36,765</u>

### 15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	7,615,121	707,046	(487,698)	7,834,469
	<u>7,615,121</u>	<u>707,046</u>	<u>(487,698)</u>	<u>7,834,469</u>
<b>Previous year:</b>				
	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
General funds	7,337,504	565,259	(287,642)	7,615,121
	<u>7,337,504</u>	<u>565,259</u>	<u>(287,642)</u>	<u>7,615,121</u>

# GURU NANAK GURDWARA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 16 Capital commitments

Amounts contracted for but not provided in the financial statements:

The Gurdwara is undergoing a major development project of demolishing existing investment properties and replacing them with a chapel of rest to support funeral services and other investment properties. This project has ongoing capital commitment, the liability of which is determined as the project progress.

### 17 Related party transactions

There were no disclosable related party transactions during the year (2022 - None).

18 Cash generated from operations	2023 £	2022 £
Surplus for the year	219,348	277,617
Adjustments for:		
Investment income recognised in statement of financial activities	(10,892)	(8,421)
Depreciation and impairment of tangible fixed assets	18,242	15,855
Movements in working capital:		
Decrease/(increase) in debtors	4,234	(28,042)
Increase in creditors	3,045	26,733
<b>Cash generated from operations</b>	<b>233,977</b>	<b>283,742</b>

### 19 Analysis of changes in net funds

The charity had no debt during the year.