



**S I V A Y O G A M**

**(Charity Registered No.1050398)**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2017**

**Adrian & Co.**

**Chartered Certified Accountants & Registered Auditors  
1417/1419, London Road, Norbury, London, SW16 4AH**

# **SIVAYOGAM**

**(Charity Registered No.1050398)**

## **TRUSTEES REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

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# SIVAYOGAM

(Charity No. 1050398)

## TRUSTEES AND ADVISORS

### FOUNDER AND SPIRITUAL LEADER

*Sakthy Aanmeehach Chudaroli*

Mr Nagendram Seevaratnam, ACA, ACMA

### INDEPENDENT AUDITORS

Adrian & Co

Registered Auditors & Chartered Certified Accountants

1417/1419, London Road

Norbury, London SW16 4AH

### TEMPLE OMBUDSMAN

Mr.V.R. Ramanathan, FlntSMM, CertPFS,CertCII(MP)  
(Founder, Saiva Munnetta Sangam (UK))

### SOLICITORS

R & C Property Lawyers LLP

10 Upper Tooting Road

Tooting Bec, London SW17 7PG

### BOARD OF TRUSTEES

Chair

Miss Ambihai Seevaratnam, Msc, FCCA, MBA

Secretary

Mr Nimalan Seevaratnam

Treasurer

Mr Sanmugarajah Tanarajah, FCCA

Member

Dr Saravanamuthu Jeyakanthan

### BANKERS

Barclays Bank PLC

Tooting Branch, Tooting

London SW17

Clydesdale Bank

35, Regent Street

London SW1Y 4ND

Metro Bank PLC

2-24 Farnham Road, Slough

SL1 3TA

**SIVAYOGAM**  
(Charity No. 1050398)

**ANNUAL REPORT OF THE BOARD OF TRUSTEES  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

The Trustees of Sivayogam Charity present their annual report and audited accounts for the year ended 31 March 2017. 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 Charities Act 2011, the charity's Deed 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 January 2015).

**The Objects of the Trust**

The charity operates under a Declaration of Trust, the governing document, which was registered with the Charity Commissioners in November 1995 under registration number 1050398. The objects of the Trust are, briefly, to advance the Hindu (Saiva) religion, to advance education in Hindu (Saiva) culture, to provide recreational facilities and relief of poverty, hardship and distress to the public and specifically the destitute children and elders in Sri Lanka.

**Registered Office:** 41, St Georges Ave., London NW9 0JT

**The Trustees**

The Declaration of Trust provides for at least three and not more than five trustees. The Trustees in office at the end of the year were Mr. Nimalan Seevaratnam from 06 February 2010, Mr. Sanmugarajah Tanarajah, FCCA from 03 December 2011, Miss Ambihai Seevaratnam, M.sc, FCCA, MBA from 16 June 2012 and Dr Saravanamuthu Jeyakanthan from 01 September 2012. The trustees are chosen based on their integrity, dedication and commitment to the advancement of the objectives of the charity. They are generally very well educated in Saiva religion and the Tamil culture and are deeply involved in the activities of the charity. Mr. Nagendram Seevaratnam, ACA, ACMA, the founder and Spiritual Leader, plays a key role in the day to day running of the trust acting as its Executive Officer. He receives no remuneration.

**Activities and Public Benefits**

- a) **Temple Activities** – During the year Sivayogam ran two temples; Arulmihi London Muththumari Amman Temple at 2A Elmwood Road, Croydon CR0 2SG and Arulmihi London Natarajar Temple at 3C Ranelagh Road, Wembley, HA0 4TW. We celebrated every Hindu (Saiva) festival at the two Temples.
- b) **Arulmihi London Muththumari Amman temple** that was in a leasehold property in Tooting was moved to a temporary premise at 2A, Elmwood Road, Croydon, CR0 2SG. We have now moved to a large freehold property at 128 Aurelia Road, Croydon CR0 on 6<sup>th</sup> February 2017. The agreed purchase price is £2,000,000. A deposit of £500,000 was paid out of donations received from devotees towards the purchase of the property. The balance of £1,500,00 has to be paid before 15 February 2019, as per the agreement. Mortgage towards the settlement has almost been agreed to, subject to the consent of the council for the change of use to a place of worship which is expected in or around February 2018.

Trustees are confident that major share of the cost of redesign and development, in order to make the premises suitable for pursuing its ambitious objectives, will be received from the devotees and from other charitable activities. Also short term interest free loans from devotees are anticipated to be made available whenever there is a cash flow shortfall. We hope to complete the building of the new temple within a year. But the rest of the development, for other

## **SIVAYOGAM**

(Charity No. 1050398)

facilities, may go on for two or more years depending on the income from the temple and donations from the congregation.

- c) **Arulmihu London Natarajar Temple** is in a freehold property which was purchased in the year 2005 and the Temple is housed in a small hall. Planning consent for a proper Hindu Saiva Temple was received in May 2011 and foundation was laid in February 2012. The construction was scheduled to commence in April 2013 but was postponed due to the current financial situation.
- d) **Fund for the Eelam Orphans, Widows and Destitutes:** The trustees continued to fund London Sivayogam Orphanage (Annai Illam) in Mannar, London Sivayogam Girls Home in Batticaloa and Sivayoga Samajam Swamy Gengatharanandha Children's Home, Trincomalee. These are being fully financed by Sivayogam. In addition, we also provided funds towards the upkeep of 35 children during the year to 31 March 2017, out of about one hundred and fifty, who are in the orphanage run by the Hindu Board of Education. Due to inadequate funds Sivayogam's contribution was reduced since October 2013.
- e) **Sivayogam Elders' Home, Thirukketheeswaram, Sri Lanka:** During the year funds were sent to look after seven elders at the Elder's home. The building can accommodate a maximum of 40 and the intake will depend on the financial support from the congregation. We believe that the financial situation of the charity will improve as the development of property for the Muththumari Amman temple progress, when more contributions could be made for this purpose.
- f) **External factor that affects the activities of Sivayogam:** The Genocide of the Tamils in Sri Lanka by the Sri Lankan Government reached its climax in May 2009 and continued unabated. This has an adverse effect in the operation of Sivayogam as more than ninety per cent of the congregation is from Sri Lanka and close relatives of almost all of them were killed, disappeared or raped by the armed forces during the later years. This has caused apathy among the members of the congregation and only time can heal. This is a hard blow to the charity itself. There is heavy demand for humanitarian assistance which the charity is unable to meet at present. The trustees are helpless and do not foresee any improvement in the finances to facilitate this demand until the development of the property for Muththumari Amman Temple is completed.

### **Finance**

The total income of the charity during the year to 31 March 2017 was £414,597 (2016: £387,023) which is substantially lower than what it was before we were evicted without notice, from 180-186, Upper Tooting Road, where the main Temple was situated. We could not find an alternative suitable premise until February 2017. However, we are happy that we were able to manage without making a loss. We are also pleased that the congregation has donated £31,810 during the year ended 31 March 2017 towards the orphanages in Sri Lanka.

**Building Fund:** Funds accumulated for the purchase of a premise for Muththumari Amman temple was £629,185 of which £500,000 has been paid as deposit for the premises at Aurelian Road. Further £66,533 has also been spent on renovation of the new premises.

### **Risk Management**

The Board of Trustees has conducted its own review of the major risks to which the charity is exposed and established systems to mitigate those risks. The main risk is non-availability of qualified priests and religious workers in UK or EU. We are trying to manage by recruiting retired and less qualified priests.

**SIVAYOGAM**  
(Charity No. 1050398)

**Reserves policy**

The Board of Trustees established a reserve policy to carry a minimum reserve equivalent of three months of its operational budget. This has been difficult to achieve in the recent years, as the community, being disappointed and hurt, is reluctant to continue its support due to the relocation of the Amman Temple. However, the trustees have tried to hold a reserve of at least £25,000 at the end of each month in the unrestricted funds while ensuring that all running expenditure was met during the period.

**Donation making policy**

No changes were made to the policy that was in practice. During the year the charity made donations totaling £31,810 towards the upkeep of the Children orphanages and Elders' Home in Sri Lanka. No donations were made during the year towards other institutions or other purposes.

**Statement of Trustees' Responsibilities:**

The trustees are responsible for preparing the Trustees' Annual 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 & 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 period. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

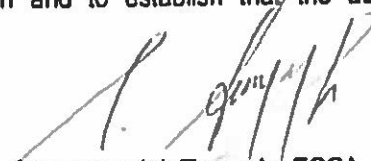
The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

In so far as the trustees are aware:

- > there is no relevant audit information of which the auditor is unaware; and
- > the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



Nimalan Seevaratnam  
Secretary



Sanmugarajah Tanaraja, FCCA  
Treasurer

On behalf of the Trustees



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIVAYOGAM**

### **Opinion**

We have audited the financial statements of Sivayogam for the year ended 31 March 2017 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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**

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 charity's ability to continue to adopt the going concern basis of accounting for a 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 Annual report of the Board of Trustees 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. 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.

#### **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 Act 2011 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 5, 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.

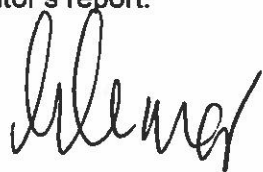
In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

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



A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.<sup>5</sup>



**GNANAPRAGSAM KUMAR**  
Statutory Auditor

**ADRIAN & CO.**

9 December 2017

Adrian & Co., Chartered Certified Accountants & Statutory Auditor is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**SIVAYOGAM**

(Charity No. 1050398)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2017****INCOME AND EXPENDITURE**

<b><u>Income</u></b>	<b>NOTES</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2017 Total Funds</b>	<b>2016 Total Funds</b>
		£	£	£	
Donations	2	289,415	13,177	302,592	304,201
Other income	3	9,038		9,038	8,586
Charitable activities	4	-	102,968	102,968	74,237
<b>Total Income</b>		<b>298,452</b>	<b>116,145</b>	<b>414,597</b>	<b>387,023</b>
<b><u>Expenditure</u></b>					
Expenditure on charitable activities	5 & 6	264,096	31,159	295,255	231,455
<b>Total Resources Expended</b>		<b>264,096</b>	<b>31,159</b>	<b>295,255</b>	<b>231,455</b>
<b>Net movements in funds</b>		<b>34,356</b>	<b>84,986</b>	<b>119,342</b>	<b>155,568</b>
<b><u>Reconciliation of Funds</u></b>					
Total funds brought forward		633,538	718,009	1,351,547	1,195,978
Funds-restatement	12 & 14	312,513		312,513	
Transfers	15	121,836	- 121,836	-	-
<b>Total funds carried forward</b>		<b>1,102,244</b>	<b>681,158</b>	<b>1,783,402</b>	<b>1,351,547</b>

**SIVAYOGAM**  
(Charity No. 1050398)

**BALANCE SHEET AS AT 31 MARCH 2017**

	NOTES	2017 £	2016 £
<b><u>Fixed Assets</u></b>			
Tangible Assets	7	<u>1,355,176</u>	<u>1,024,261</u>
<b><u>Current Assets</u></b>			
Sundry debtors & Prepayments		50,732	40,282
Restricted Fund		<u>527,000</u>	<u>27,000</u>
Unrestricted Fund	8	<u>577,732</u>	<u>67,282</u>
Cash at Bank and in hand			
Restricted Fund		102,625	706,009
Unrestricted Fund		<u>174,727</u>	<u>59,835</u>
		<u>277,352</u>	<u>765,844</u>
<b>Total Current Assets</b>		<u>855,084</u>	<u>833,126</u>
<b><u>Liabilities</u></b>			
Amounts falling due within one year	9	<u>(18,000)</u>	<u>(19,268)</u>
<b>Net Current Assets</b>		837,084	813,858
<b>Total Assets Less Current Liabilities</b>	11	<u>2,192,260</u>	<u>1,838,119</u>
<b><u>Liabilities</u></b>			
Amounts falling due after more than one year	10	408,858	486,571
<b>Net Assets</b>		<u>1,783,402</u>	<u>1,351,547</u>
<b><u>Funds</u></b>			
Unrestricted Funds	12	1,102,244	633,538
Restricted Funds	13	<u>681,158</u>	<u>718,009</u>
<b>Total Funds</b>		<u>1,783,402</u>	<u>1,351,547</u>

These Financial Statements were approved by the Board of Trustees at their meeting of held on 09.12.2017

  
SANMUGARAJAH TANARAJAH  
TREASURER

  
AMBIHAI SEEVARATNAM  
CHAIR

The notes on Pages 11 to 18 form part of Financial Statements

**SIVAYOGAM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1) Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation**

The financial statements have been prepared in accordance with 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 2015).

Sivayogam meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. Accordingly, the building value was restated at cost and reverse the revaluation recognised in previous year. No other restatements were required.

**c) Preparation of the accounts on a going concern basis**

The Trustees consider that there are no material uncertainties concerning the charities' ability to continue as a going concern.

**d) Fund accounting & purpose of funds**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Unrestricted Funds** are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity. Unrestricted funds include a revaluation reserve deficit representing the restatement of freehold property at market value.

**Restricted Funds** are funds which can only be used for particular restricted purpose within the objects of the charity. The restriction also arises when specified by the donor or when funds are raised for particular restricted purposes. The main purposes of the fund are to purchase a freehold property for Amman and build a new temple for Natarajar and to contribute towards the upkeep of the children and elderly in the Orphanages in Sri Lanka.

**SIVAYOGAM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**e) Incoming Resources:**

All incoming resources are included in the statement of financial activities when the charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies are applied to particular categories of income.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in the accounts.

Clothing and other items donated which are sold during the year are included as incoming resources within activities for generating funds. Assets which have been donated to the charity are treated as intangible income in the incoming resources and recognised as tangible fixed assets in the Balance Sheet at the current market value.

**f) Resources Expended**

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.

All expenditure is inclusive of irrecoverable VAT.

**Cost of generating funds**

Expenditure is recognised on an accrual basis when a liability is incurred. Cost of generating funds comprise the costs associated with attracting voluntary income and in the delivery of its activities and services for its beneficiaries. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource.

**Grants and donations**

Eelam, Widows & Orphans: This fund was generated mainly to assist the Widows, Elders, Orphans, destitute & to provide relief to the poor in Eelam (Sri Lanka). The bulk of the donations received are through bank standing orders from devotees towards the maintenance of children in Orphanages in Eelam, either run and funded directly by Sivayogam or maintained by an independent organisation through Sivayogam.

**Direct charitable Expenditure** comprises of directly attributable to the main activities and objects of the Charity. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource.

**Management and Administration Expenditure** includes all expenditure not directly related to the charitable activity. This includes costs of running office premises and administrative staff salaries.

**Governance Costs:** Include costs of the preparation and examination of statutory accounts, the costs of the trustee meetings and cost of any legal advice to trustees on governance & constitutional matters.

**SIVAYOGAM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**g) Tangible fixed assets and depreciation**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property - 1% on cost

Furniture, Fixtures & equipment 25% on written down value

Motor car 25%

**Statues and Shrine Sundries.**

Depreciation is not charged on the Statues and shrine as the Trustees have reviewed the useful economic life of the statues & shrine held at the Temple and consider it to be many hundreds of years and therefore have not charged depreciation.

Annual impairment reviews are undertaken by the Trustees and any necessary adjustments are reflected in the accounts. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted, if appropriate.

**h) Debtors**

Trade and other debtors are recognised at the settlement amount.

**i) Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**j) Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, or when it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt.

**k) Direct taxation**

As a registered charity, the charity is generally exempt from income tax and capital gains tax & VAT as a registered charity.



**SIVAYOGAM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**l) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**m) Critical accounting estimates and areas of judgment**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the charity's key sources of estimation uncertainty:

***Tangible fixed assets***

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In reassessing the assets' lives, factors such as technological innovation and maintenance programmes are taken into account.

***Accruals***

The charity makes an estimate of accruals at the year end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

# SIVAYOGAM

(Charity No. 1050398)

## 2 VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	2017 Total Funds	2016 Total Funds
Free Will Offerings	12,398	13,177	25,575	25,302
Temple Services	168,729		168,729	174,160
Donations	97,838		97,838	94,437
Gift Aid (Tax Claim)	10,450		10,450	10,301
	<b>289,415</b>	<b>13,177</b>	<b>302,592</b>	<b>304,201</b>

## 3 ACTIVITIES FOR GENERATING FUND

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Sale of Goods	9,038		9,038	8,586
	<b>9,038</b>		<b>9,038</b>	<b>8,586</b>

## 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Donations		102,968	102,968	74,237
	<b>-</b>	<b>102,968</b>	<b>102,968</b>	<b>74,237</b>

## 5 CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Rent & Service Charge	24,206		24,206	31,350
Rates & Water	4,978		4,978	4,066
Light & Heat	12,153		12,153	11,284
Repairs & Renewals	8,101		8,101	6,727
Health & Safety	5,473		5,473	4,258
Telephone & Insurance	5,363		5,363	4,754
Printing, Postage, Stationery & Publicity	4,826		4,826	5,386
Pooja Items ( For Temple Services)	50,827		50,827	39,284
Salaries & N.I	61,484		61,484	52,821
Travelling & Transport	4,428		4,428	7,206
Legal & Professional Fees	6,644	-	6,644	-
Interest on Loans & Mortgage	6,230		6,230	7,929
Grants & Donations	651	31,159	31,810	32,182
Sundry Expences	883		883	840
Depreciation	50,068		50,068	8,786
	<b>246,313</b>	<b>31,159</b>	<b>277,472</b>	<b>216,872</b>

## 6 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Wages	12,000		12,000	9,048
Audit Fee	3,000		3,000	2,500
Rent & Service Charge	1,274		1,274	1,650
Rates & Water	262		262	214
Light & Heat	640		640	594
Telephone & Insurance	282		282	250
Printing, Postage, etc	254		254	283
Depreciation	71		71	44
<b>Total</b>	<b>17,783</b>	<b>-</b>	<b>17,783</b>	<b>14,583</b>
	<b>264,096</b>	<b>31,159</b>	<b>295,255</b>	<b>231,455</b>

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## 7 TANGIBLE FIXED ASSETS

	Freehold Property and Improve- ments £	Fixtures Furnitures and Improve- ments £	Motor Car £	Statues and Shrine sundries at cost £	2017 Total £
<b>Cost</b>					
At 01 April 2016	865,222	144,806	13,379	247,035	1,270,443
FRS -102- transitional adjustment	312,513				312,513
					-
<b>Additions</b>		66,533		2,008	68,541
<b>At 31 March 2017</b>	<b>1,177,735</b>	<b>211,340</b>	<b>13,379</b>	<b>249,043</b>	<b>1,651,497</b>
<b>Depreciation</b>					
At 01 April 2016	91,026	142,325	12,831	-	246,182
					-
Charge for the Year	32,743	17,259	137	-	50,139
<b>At 31 March 2017</b>	<b>123,769</b>	<b>159,584</b>	<b>12,968</b>	<b>-</b>	<b>296,321</b>
<b>Net Book Value</b>					
<b>At 31 March 2017</b>	<b>1,053,966</b>	<b>51,756</b>	<b>411</b>	<b>249,043</b>	<b>1,355,176</b>
					-
<b>At 31 March 2016</b>	<b>774,196</b>	<b>2,481</b>	<b>548</b>	<b>247,035</b>	<b>1,024,261</b>

The freehold property was resated at historical cost at £ 1,177,735 - see Note 12 & 16.

## 8 CURRENT ASSETS

	2017	2016
Car Insurance & Tax	1,623	1,623
Gift aid receivable from Inland Revenue	49,110	38,660
Sundry debtors & Prepayments	27,000	27,000
Deposit for new building	500,000	-
	<b>577,732</b>	<b>67,282</b>

Deposit of £500,000 was paid as part payment for the new premises at Aurelian Raod.

## 9 LIABILITIES

	2017	2016
<b>Amounts falling due within one year</b>		
Accruals	3,000	4,268
Interest free loan from devotees	15,000	15,000
	<b>18,000</b>	<b>19,268</b>

## 10 LIABILITIES

	2017	2016
<b>Amounts falling due after more than one year</b>		
Bank Loan for Freehold Property	408,858	486,571
	<b>408,858</b>	<b>555,538</b>

**Bank Loan:** A loan of £900,000 was obtained from Clydesdale Bank for the purchase of properties at 3C, 11, and 13B Ranelagh Road, Wembley, Middlesex HA0 4TW, repayable in 15 years from April 2006, and is secured against these properties.

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## 11 FUNDS

Analysis of Net Assets by Fund	Unrestricted Funds	Restricted Funds Building Fund	Restricted Funds Eelam Project	2017 Total Funds	2016 Total Funds
Tangible Assets	1,042,663	-			
Reversal of impairment value in 2008	<u>312,513</u>			1,355,176	1,024,261
Current Assets	158,926	693,159	2,999	855,084	833,126
Current Liabilities	( 3,000 )	( 15,000 )		( 18,000 )	( 19,268 )
	<u>1,511,102</u>	<u>678,159</u>	<u>2,999</u>	<u>2,192,260</u>	<u>1,838,118</u>

## 12 UNRESTRICTED FUNDS

	2017	2016
Unrestricted Funds	1,198,589	1,120,109
Reversal of impairment value in 2008	<u>312,513</u>	-
	1,511,102	-
Loans for Freehold Property	( 408,858 )	( 486,571 )
	<u>1,102,244</u>	<u>633,539</u>

## 13 RESTRICTED FUNDS

	2017	2016
Expansion Scheme	678,159	714,925
Eelam Orphans, Widows, and Destitute Project	2,999	3,083
	<u>681,159</u>	<u>718,009</u>

## 14 FREEHOLD PROPERTY

	2016	2016
Value of the free hold property at cost	1,177,735	1,177,735
Deprecation	( 123,769 )	( 91,026 )
	1,053,966	1,086,709
Impairment value in 2008	( 312,513 )	( 312,513 )
FRS102 transitional adjustment		
Reversal of impairment value in 2008	312,513	
Net book value as per accounts	<u>1,053,966</u>	<u>774,196</u>

At the request of the bank the freehold property at Wembley was professionally valued by Cluttons on 25 August 2016 under D1 Building basis for Temples at £500,000. However, the trustees are of the opinion that the market value of the property at 31 March 2017 is not materially different from the historical cost of the building. Also the trustees believe that the charity's potential of the building has not diminished whatsoever. Hence the Trustees has adopted the FRS102 transitional adjustment to restate the property at historical cost. Accordingly the brought forward impairment value of £312,513 has been reversed during the year.

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## 15 TRANSFER BETWEEN FUNDS

2017

Donations received towards Orphanages from unrestricted accounts	10,638
Donations made towards Orphanages from unrestricted accounts	-10,638
Transfers made to Tooting Muththumari Amman Account for Works	132,474
Transfers made from Restricted Accounts	-132,474
Net transfer from restricted to unrestricted accounts	<u>0</u>

## 16 EMPLOYEES' REMUNERATION

### 16.1 Staff costs

	2017	2016
Gross wages, salaries and benefits in kind	73,484	61,490
Employer's National Insurance Costs	1,413	379
Total	<u>74,897</u>	<u>61,869</u>

### 16.2 Average number of employees in the year

The part of the charity in which the employees work	2017	2016
Charitable Activities	6	6
Governance	1	1
Others		
Total	<u>7</u>	<u>7</u>

## 17 TRUSTEES' REMUNERATION AND EXPENSES

Neither wages nor reimbursement of expenses have been made or are due to be made to any of the trustees in respect of the period.

## 18 LOANS

No amounts are being owed to or from charity's trustees or other related parties by the charity at the year end, except for the interest free loan of £10,000 was given by a related party to the charity.

## 19 RELATED PARTY TRANSACTIONS

There have been no related party transactions during the year or in previous year, except for the loan as stated in note 18.

## 20 TAXATION

As a charity, Sivayogam is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.