



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

**(Charity Registered No.1050398)**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2018**

**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 2018**

<b>CONTENTS</b>	<b>PAGE</b>
<b>Trustees &amp; Advisors</b>	<b>2</b>
<b>Trustees' Report</b>	<b>3 - 7</b>
<b>Report of the Auditors</b>	<b>8 - 10</b>
<b>Statement of Financial Activities</b>	<b>11</b>
<b>Balance Sheet</b>	<b>12</b>
<b>Notes to Financial Statements</b>	<b>13 - 18</b>

# 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, FInstSMM, 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 (resigned on January 2018)

Mr Arunasalam Gananathan (appointed on January 2018)

### 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 2018**

The Trustees of Sivayogam Charity present their annual report and audited accounts for the year ended 31 March 2018. 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 Mr Arunasalam Gananathan, LLB(Hons), MBA, from 12 January 2018. 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** – Sivayogam runs two temples; Arulmihi London Muththumari Amman Temple at 128, Aurelia Road, Croydon CR0 3BF and Arulmihi London Natarajar Temple at 3C Ranelagh Road, Wembley, HA0 4TW. We celebrate every Hindu (Saiva) festival at the two Temples.
- b) **Arulmihi London Muththumari Amman temple** that was in a leasehold property at Upper Tooting Road, Tooting SW17 7EJ for sixteen years was moved to a temporary premise at 2A, Elmwood Road, Croydon, CR0 2SG in June 2012 and then to a large freehold property at 128 Aurelia Road, Croydon CR0 3BF on 6<sup>th</sup> February 2017, purchased at a cost of £2.0m. The property includes a car park and is larger than what the trustees require to achieve their aims and objectives.
- c) **Financing:** A sum of £0.5m, out of donations received from devotees and Temple Receipts over the years, was paid as deposit towards the purchase and arrangements have been made to pay the balance of £1.5m before the end of January 2019 by mortgaging two properties, the one in Wembley and the other in Croydon. Lloyds Bank Plc has agreed to provide £1.5m subject to valuation of the two properties. One of the trustees has arranged a personal loan of £250,000 to pay off the balance on the existing mortgage on the Wembley property with

## **SIVAYOGAM**

(Charity No. 1050398)

Clydesdale bank to release the property for the intended mortgage with Lloyds bank. The loan is repayable in fifteen years

**d) Redesign and Construction of the New Temple:**

Darnton B3 was appointed as the Architect and a team of professionals, a senior Civil Engineer, a senior Structural Engineer, a Director of Buildings with a London Borough Council and a few members of the community, is engaged on a voluntary basis, in the design and construction of the project.

The new building could be described as of three sections, the center one being the Temple. On its right-wing ground floor is a dining hall for the devotees, a modern kitchen approved by the borough council, and number of rooms for storage and other uses of the Temple including toilets etc. On its upper floor is accommodation for seven priests/religious workers, and an exhibition hall. On its left-wing are two reception halls, one on the ground and the other on the upper floor with necessary facilities. The existing roof is to be replaced to suit the new building.

The consent of the Borough Council for the change of use to a place of worship and alterations to the structure of the building and its roof have been obtained. The trustees are grateful to the London Borough of Croydon for the kindness, understanding and co-operation extended to them by its staff.

**e) Funding:** Trustees are confident that major share of the cost of redesign and development, to make the existing building suitable for pursuing its ambitious objectives, shall be met from donations from the devotees and temple receipts. Short term interest free loans from devotees too are available whenever cash flow demands.

**f) Accommodation for seven priests/religious workers** have already been completed. A sum of £ 128,735 has been spent up to end date on the design and development of the building including the accommodation provided for seven priests/Religious workers. We hope to complete the building of the new Temple within a year. But the rest of the development, mainly the two reception halls and other facilities, may go on for two or more years depending on the income from the temple and donations from the congregation. There is a possibility of receiving donations of about £1.0m from overseas devotees. In case it materializes, the entire building should be completed before March 2020 and the consecration ceremony could be on an auspicious day in April 2020 or thereafter. The estimated total cost of redesign and construction is £2m. Cash at Bank on 30 November 2018 is about £220,000. We trust we could find the required funds. We have planned to run a Charity Shop at the premises for additional receipts.

**g) Future Plan:** In addition to the services provided by the two temples, and other services that were provided while we were in Tooting for sixteen years, such as classes in Indian Dance, Indian Music (Vocal, Violin, Veena, Miruthangam (drum), Tamil Language etc., we propose to have classes for English Language, Yoga, Tuition for students up to class 9, Religious Knowledge, Computer studies, etc. It is designed to charge a nominal fee for these services.

**Leisure Centers for (a) Elders and (b) Youth.** Two small halls are provided for this purpose in the building under construction. Elders shall be provided with a meal and tea.

**SIVAYOGAM**  
(Charity No. 1050398)

- h) **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 and unexpected the need to purchase a freehold property for the other temple.
- i) **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.
- j) **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.
- k) **Revocation of Sponsor Licence by the Home Office:** The licence issued to bring Priests/Religious Workers from Sri Lanka and India was cancelled for flimsy/wrong reasons and four Religious workers were asked to leave the country unless they could find jobs with other licence holders. We were told that we had no right of appeal. The courts upheld its decision on the same ground, the ground we never thought would appear in a country governed by democratic form of government. We could find only one Priest within the UK and Europe. Since then we had to cancel over 80% of our services. Consequently, we lost our devotees and our revenue. A few temples in UK are facing similar situation. We have now made an application for the licence and are expecting to recruit from Sri Lanka and India within the next two months
- l) **Appeal for Life-term members:** The trustees decided to hand over to the devotees the day to day running of the two temples after the construction work is completed. Accordingly, devotees associated with the activities of the temples are eligible to apply for life-term membership. Those desirous may apply with a full membership fee of £500 and 108 of them shall form the "Thiruppanich Sabai". The "Sabai" will elect a committee of seven members to form an executive committee for a term of three years to be responsible for the running of the day to day affairs and shall be responsible to the Executive Officer who is responsible to the Trustees.

**Finance**

The total income of the charity during the year to 31 March 2018 was £403,016 which is substantially lower than what it was before we were evicted without notice, from 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 deficit. We



## **SIVAYOGAM**

(Charity No. 1050398)

are also pleased that the congregation has donated £29,729 during the year ended 31 March 2018 towards the orphanages in Sri Lanka.

**Building Fund:** Funds accumulated for the purchase of a premise for Muththumari Amman as at 30 November 2018 is £202,994, after paying the deposit of £500,000 and towards construction of a Temple for Nadarajar in Wembley is £32,632

### **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..

### **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 a reserve at least £25,000 held at the end 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 £29,729 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.

**SIVAYOGAM**  
(Charity No. 1050398)

**Statement of Trustees' Responsibilities:**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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 UK 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 to operate.

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 charity's 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  
Trustee



Sanmugarajah Tanaraja  
Trustee

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 2018 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 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 trustees' 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. 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 (Accounts and Reports) Regulations 2008 require 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 7 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**

We have been appointed as auditor under section 145 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.

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.

#### **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.



Gnanapragasam Kumar FCCA, (Senior Statutory Auditor)

Adrian & CO  
Chartered Certified Accountants  
Statutory Auditors

1417-1419 London Road  
SW16 4AH

11 January 2019

Adrian & Co., Chartered Certified Accountants & Statutory Auditor is eligible to act 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.

# SIVAYOGAM

(Charity No. 1050398)

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

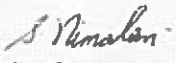
	NOTES	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds
<b>Income</b>					
<b>Incoming resources</b>					
Donations and legacies	2	319,180	7,114	326,294	302,592
Charitable activities	3	-	70,892	70,892	102,968
Other income	4	5,830	-	5,830	9,037
<b>Total Income</b>		<b>325,010</b>	<b>78,006</b>	<b>403,016</b>	<b>414,597</b>
<b>Resources expended</b>					
Charitable activities	5 & 6	304,554	29,729	334,283	295,255
<b>Total expenses</b>		<b>304,554</b>	<b>29,729</b>	<b>334,283</b>	<b>295,255</b>
<b>Net income / (expenditure)</b>		<b>20,456</b>	<b>48,277</b>	<b>68,733</b>	<b>119,342</b>
Transfers between funds		-	-	-	-
<b>Net Movements in funds</b>		<b>20,456</b>	<b>48,277</b>	<b>68,733</b>	<b>119,342</b>
<b>Reconciliation of Funds</b>					
Total funds brought forward		1,102,244	681,158	1,783,402	1,664,060
<b>Total funds carried forward</b>		<b>1,122,700</b>	<b>729,435</b>	<b>1,852,135</b>	<b>1,783,402</b>

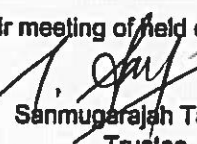
**SIVAYOGAM**  
(Charity No. 1050398)

**BALANCE SHEET AS AT 31 MARCH 2018**

	NOTES	2018 £	2,017 £
<b><u>Fixed Assets</u></b>			
<b>Tangible Assets</b>	7	<u>1,401,797</u>	<u>1,355,176</u>
<b><u>Current Assets</u></b>			
Debtors	8	565,571	577,732
Cash at Bank and in hand		<u>247,055</u>	<u>277,352</u>
<b>Total Current Assets</b>		<u>812,626</u>	<u>855,084</u>
Creditors: amounts falling due within one year	9	<u>41,000</u>	<u>18,000</u>
<b>Net Current Assets</b>		<u>771,626</u>	<u>837,084</u>
<b>Total Assets Less Current Liabilities</b>		<u>2,173,423</u>	<u>837,084</u>
Amounts falling due after more than one year	10	321,288	408,858
<b>Total Net Assets</b>		<u><u>1,852,135</u></u>	<u><u>428,226</u></u>
<b><u>Funds</u></b>			
Unrestricted Funds	12	1,122,700	1,102,244
Restricted Funds	12	<u>729,435</u>	<u>681,158</u>
<b>Total Funds</b>		<u><u>1,852,135</u></u>	<u><u>1,783,402</u></u>

These Financial Statements were approved by the Board of Trustees at their meeting of held on 10.01.2019

  
Nimalan Seevaratnam  
Trustee

  
Sanmugarajah Tanaraja  
Trustee

The notes on Pages 13 to 20 form part of Financial Statements

**SIVAYOGAM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**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 2018**

**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 2018**

**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 - 2% 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.

**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.

**SIVAYOGAM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**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:

# SIVAYOGAM

(Charity No. 1050398)

## 2 VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	2018 Total Funds	2017 Total Funds
Free Will Offerings	16,418	7,114	23,532	25,575
Temple Services	163,598		163,598	168,729
Donations	135,224		135,224	97,838
Gift Aid (Tax Claim)	3,940		3,940	10,450
	<b>319,180</b>	<b>7,114</b>	<b>326,294</b>	<b>302,592</b>

## 3 ACTIVITIES FOR GENERATING FUND

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Donations	-	70,892	70,892	102,968
	<b>-</b>	<b>70,892</b>	<b>70,892</b>	<b>102,968</b>

## 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Donations	5,830	-	5,830	9,037
	<b>5,830</b>	<b>-</b>	<b>5,830</b>	<b>9,037</b>

Sale of Goods	5,830		5,830	9,038
---------------	-------	--	-------	-------

## 5 CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Rent & Service Charge	38,475		38,475	24,206
Rates & Water	11,637		11,637	4,978
Light & Heat	7,497		7,497	12,153
Repairs & Renewals	7,163		7,163	8,101
Health & Safety	4,669		4,669	5,473
Telephone & Insurance	5,710		5,710	5,363
Printing, Postage, Stationery & Publicity	6,499		6,499	4,826
Pooja Items ( for Temple Services)	48,785		48,785	50,827
Salaries & N.I	75,175		75,175	61,484
Travelling & Transport	3,451		3,451	4,428
Legal & Professional Fees	27,620		27,620	6,644
Interest on Loans & Mortgage	4,906		4,906	6,230
Grants & Donations	1,340	29,729	31,069	31,810
Sundry Expences	1,072		1,072	883
Depreciation	41,514		41,514	50,068
	<b>285,513</b>	<b>29,729</b>	<b>315,242</b>	<b>277,474</b>

## 6 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
45862.44				
Wages	12,000		12,000	12,000
Audit Fee	3,000		3,000	3,000
Rent & Service Charge	2,025		2,025	1,274
Rates & Water	612		612	262
Light & Heat	395		395	640
Telephone & Insurance	301		301	282
Printing, Postage, etc	342		342	252
Depreciation	366		366	71
Total	<b>19,041</b>	<b>-</b>	<b>19,041</b>	<b>17,781</b>
Total Charitable activities	<b>304,554</b>	<b>29,729</b>	<b>334,283</b>	<b>295,255</b>

# SIVAYOGAM

(Charity No. 1050398)

## 7 TANGIBLE FIXED ASSETS

	Freehold Property and Improvements £	Fixtures Furnitures and Improvements £	Motor Car £	Statues and Shrine sundries at cost £	2018 Total £
<b>Cost</b>					
At 01 April 2017	1,177,735	211,339	13,379	249,043	1,651,496
Additions		88,502			88,502
At 31 March 2018	<u>1,177,735</u>	<u>299,841</u>	<u>13,379</u>	<u>249,043</u>	<u>1,739,998</u>
<b>Depreciation</b>					
At 01 April 2017	123,769	159,584	12,968	-	296,321
Charge for the Year	5,554	36,223	103	-	41,880
At 31 March 2017	<u>129,323</u>	<u>195,807</u>	<u>13,071</u>	<u>-</u>	<u>338,201</u>
<b>Net Book Value</b>					
At 31 March 2017	<u>1,048,412</u>	<u>104,034</u>	<u>308</u>	<u>249,043</u>	<u>1,401,797</u>
At 31 March 2016	<u>1,053,966</u>	<u>51,755</u>	<u>411</u>	<u>249,043</u>	<u>1,355,175</u>

## 8 DEBTORS

	2018	2017
Car Insurance & Tax	1,623	1,623
Gift aid receivable from Inland Revenue	34,567	49,109
Sundry debtors & Prepayments	29,381	27,000
Deposit for new building	500,000	500,000
	<u>565,571</u>	<u>577,732</u>

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

## 9 LIABILITIES

	2018	2017
<b>Amounts falling due within one year</b>		
Accruals	3,000	3,000
Interest free loan from devotees	38,000	15,000
	<u>41,000</u>	<u>18,000</u>

## 10 LIABILITIES

	2018	2017
<b>Amounts falling due after more than one year</b>		
Bank Loan for Freehold Property	<u>321,288</u>	<u>408,858</u>

**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.

# SIVAYOGAM

(Charity No. 1050398)

## 11 FUNDS

Analysis of Net Assets by Fund	Unrestricted Funds	Restricted Funds Building Fund	Restricted Funds Eelam Project	2018 Total Funds	2017 Total Funds
Tangible Assets	1,401,797	-	-	1,401,797	1,355,176
Current Assets	83,191	723,926	5,509	812,626	855,084
Current Liabilities	( 41,000 )			( 41,000 )	( 18,000 )
Liabilities over one year	( 321,288 )			( 321,288 )	( 408,858 )
	<b>1,122,700</b>	<b>723,926</b>	<b>5,509</b>	<b>1,852,135</b>	<b>1,783,402</b>

### Analysis of charitable funds

## 12 FUNDS: Analysis of movements

	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers	Funds 31 March 2018
<b>UNRESTRICTED FUNDS</b>					
General fund	1,102,244	325,010	( 304,554 )	-	1,122,700
<b>RESTRICTED FUNDS</b>					
Expansion Scheme	678,159	45,767	-	-	723,926
Eelam Orphans, Widows, and Destitute Project	2,999	32,239	( 29,729 )		5,509
	681,158	78,006	(29,729)	-	729,435
<b>Total funds</b>	<b>1,783,402</b>	<b>403,016</b>	<b>(334,283)</b>	<b>-</b>	<b>1,852,135</b>

### Expansion Scheme

This fund is recognised for the building of Muthumari Amman Temple of 128 Aurelia Road, Croydon CR0 3BF. Further details are provided in Trustees' report.

### Eelam Orphans, Widows, and Destitute Project

This fund is recognised for supporting for orphans , widows and destitutes. Further dtails are provided in Trustees' report.



# SIVAYOGAM

(Charity No. 1050398)

## 13 Staff cost

	2018	2017
Gross wages, salaries and benefits in kind	82,987	73,484
Employer's National Insurance Costs	4,458	1,413
Total	<u>87,445</u>	<u>74,897</u>

## 18.2 Average number of employees in the year

The part of the charity in which the employees work	2018	2017
Charitable Activities	4	6
Governance	1	1
Others		
Total	<u>5</u>	<u>7</u>

## 14 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 and in previous year.

## 15 LOANS

No amounts are being owed to or from charity's trustees or other related parties by the charity at the year end.

## 16 RELATED PARTY TRANSACTIONS

There have been no related party transactions during the year.

## 17 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.