

SHRI VALLABH NIDHI - UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

KLSA
Chartered Accountants

PKF
Member firm of PKF International Ltd

SHRI VALLABH NIDHI - UK

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	Narendra Thakrar Gorande Bhatt Mahendra Patel Rasika Patel Ashit Roy Thakkar Subahu Patel Ajay Jobanputra Pradeep Dhamecha Rajubhai Raichura
Charlty number	277833
Principal address	Shri Sanatan Hindu Mandir P.O. Box 700 Wembley HA0 4TA Shri Nathji Sanatan Hindu Mandir 159-161 Whipps Cross Road Leytonstone E11 1NP
Auditors	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
Bankers	Punjab National Bank (International) Ltd 188 Ealing Road Wembley Middlesex HA0 4QD
Website	www.svnuk.org

SHRI VALLABH NIDHI - UK

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SHRI VALLABH NIDHI - UK

GOVERNORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The Governors present their report and consolidated accounts for the year ended 30 June 2019.

The consolidated accounts have been prepared in accordance with the accounting policies set out in note 1 to the consolidated accounts and comply with the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their consolidated accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

Objectives and activities

The objects of the charity are to:

- (a) advance the Hindu religion in accordance with the teaching of Shri Vallabh and in furtherance thereof to provide and maintain a temple for public religious worship and other religious charitable purpose.
- (b) educate the public in the Hindu and English cultures and to that end to provide facilities for the teaching of Gujarati, Hindi, Sanskrit and English.
- (c) relieve poverty sickness and distress.
- (d) promote religious welfare of Hindus in and furtherance thereof to provide guidance and advice.

The Board of Governors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Board of Governors report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Board of Governors ensure the charity's aims, objectives remained focused on its stated purposes.

The Board of Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Board of Governors consider how planned activities will contribute to the aims and objectives that have been set. One of Shri Vallabh Nidhi - UK's principal aims and objectives is to advance the Hindu religion in accordance with the teaching of Shri Vallabh and in furtherance thereof to provide and maintain a temple for public religious worship, other religious charitable purpose so playing an important part in building a better society.

Volunteers and staff

The volunteers and staff are involved in general management and core activities of the Charity:

- Providing services in various departments including security, administration, congregation organisation, kitchen, audio/video/photography, media relations, public relations, youth activities, children activities, adult activities etc.
- Organising Hindu religion festivals

The Board of Governors would like to acknowledge the tremendous efforts of the volunteers, staff and the many supporters of the Charity for their kind and generous donations as well as their continued support in helping the Charity to achieve its objectives.

Achievements and performance

Financial review

The incoming resources and the outgoing resources have increased from the previous year, giving net incoming resources for the period of £282,828 (2018 - £226,692). At the period end, the net assets of the Charity are £13,592,544 (2018: £13,309,716).

The Board of Governors have taken a decision to treat all funds as unrestricted.

SHRI VALLABH NIDHI - UK

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between six to eight weeks expenditure. The Governors 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.

Risk management and internal control

Risk management

The Board of Governors is responsible for ensuring effective risk management, and that internal controls are in place to appropriately manage the risk exposure of the Charity, in particular, the Board of Governors has considered:

- the major risks to which the Charity is exposed;
- the potential impact and probability associated with each risk;
- existing internal controls and accountability for them;
- mitigating actions needed to reduce each risk to a level that the Governors considers to be acceptable.

All significant activities undertaken are subject to risk review as part of the initial project assessment and implementation. The Board of Governors reviews the major risks that the Charity faces on a regular basis and controls are established as appropriate.

Internal control

The Governors have overall responsibility for ensuring that the Charity has appropriate systems of internal controls across the Charity and its subsidiaries.

The key internal controls used by the Charity and its subsidiaries include:

- Formal agendas and minutes of all Board of Governors meetings
- Detailed budgetary presentation for approval by the Board of Governors
- Established organisational structure and lines of reporting
- Engagement of external professional advisors as and when necessary

Through the controls established for the running of the Charity, the Board of Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that the controls established can only provide reasonable but not absolute assurance that major risks have been adequately managed.

SHRI VALLABH NIDHI - UK

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Structure, governance and management

Shri Vallabh Nidhi - UK, Registered Charity No. 277833 was founded in 1979.

The charity is an unincorporated charity which is governed and operated within the requirement set out in its constitution.

The administration and control of the charity and its assets are vested in a Board of Governors. The Board consists of 9 members (2018: 9 members).

Principal activities

In accordance with the objects, the principal activity of the Charity is the running of the places of worship for Hindu Community in the UK. To this end the Charity runs two temples, one in Wembley, Middlesex and another in Whipps Cross Road, Leytonstone.

In addition, the Charity arranges periodic religious functions (Kathas and Saptas) and celebrates all the major festive days in the Hindu calendar.

Freehold properties

The Charity owns freehold properties in Wembley and Leytonstone. There is a temple on each of these freehold properties.

Governors

The Governors who served during the year were:

Narendra Thakrar

Gorande Bhatt

Mahendra Patel

Rasika Patel

Ashit Roy Thakkar

Subahu Patel

Ajay Jobanputra

Pradip Dhamecha

Rajubhai Raichura

(Appointed 10 August 2018)

Governors are appointed or removed by the Board of Governors. Potential new Governors are periodically identified by the Board of Governors. These individuals work alongside existing Governors for a period of three years before considering their appointment.

Key management personnel and remuneration policy

The key management personnel of the charity are the Governors who were not remunerated.

SHRI VALLABH NIDHI - UK

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Statement of Governors' responsibilities

The Governors are responsible for preparing the Governors' Report and the consolidated accounts 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 Governors to prepare consolidated accounts 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 consolidated accounts, the Governors 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 consolidated accounts; and
- prepare the consolidated accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors 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 consolidated accounts 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.

Auditor

KLSA LLP were re-appointed as the charity's auditors during the period and have expressed their willingness to continue in that capacity.

Disclosure of information to auditor

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Narendra Thakrar
Governor

Dated: 20 November 2019

SHRI VALLABH NIDHI - UK

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF SHRI VALLABH NIDHI - UK

Opinion

We have audited the consolidated accounts of Shri Vallabh Nidhi - UK (the 'charity') and its subsidiary (the 'company') for the year ended 30 June 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the consolidated accounts, 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 consolidated accounts:

- give a true and fair view of the state of the charity's affairs as at 30 June 2019 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Governors' use of the going concern basis of accounting in the preparation of the consolidated accounts is not appropriate; or
- the Governors have not disclosed in the consolidated accounts 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 consolidated accounts are authorised for issue.

Other Information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated accounts and our auditor's report thereon. Our opinion on the consolidated accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts 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 consolidated accounts 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.

SHRI VALLABH NIDHI - UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF SHRI VALLABH NIDHI - UK

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the consolidated accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Governors 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 Governors either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated accounts

We have been appointed as auditors 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 consolidated accounts 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 consolidated accounts.

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

Other matter

Your attention is drawn to the fact that the charity has prepared consolidated accounts 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)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the consolidated accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

SHRI VALLABH NIDHI - UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF SHRI VALLABH NIDHI - UK

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 auditors' 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.

KLSA LLP

KLSA LLP
Chartered Accountants
Statutory Auditor
Kalamu House
11 Coldbath Square
London
EC1R 5HL
20 November 2019

SHRI VALLABH NIDHI - UK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Unrestricted funds 2019 £	Unrestricted funds 2018 £
<u>Income from:</u>			
Donations	3	1,118,802	1,100,260
Total Income		<u>1,118,802</u>	<u>1,100,260</u>
<u>Expenditure on:</u>			
Raising funds	4	807,064	866,217
Charitable activities	5	28,910	7,351
Total resources expended		<u>835,974</u>	<u>873,568</u>
Net Income for the year/ Net movement in funds		282,828	226,692
Fund balances at 1 July 2018		<u>13,309,716</u>	<u>13,083,024</u>
Fund balances at 30 June 2019		<u>13,592,544</u>	<u>13,309,716</u>

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

All income and expenditure derive from continuing activities.

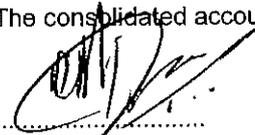
SHRI VALLABH NIDHI - UK

BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	Group		Charity	
		2019	2018	2019	2018
		£	£	£	£
Fixed assets					
Tangible assets	10&11	16,595,628	16,651,243	16,595,628	16,651,243
Investments	12	-	-	2	2
		<u>16,595,628</u>	<u>16,651,243</u>	<u>16,595,630</u>	<u>16,651,245</u>
Current assets					
Debtors	14	-	-	69,476	-
Cash at bank and in hand		105,744	77,376	28,050	77,167
		<u>105,744</u>	<u>77,376</u>	<u>97,526</u>	<u>77,167</u>
Creditors: amounts falling due within one year	15	<u>(3,108,853)</u>	<u>(3,418,928)</u>	<u>(3,100,612)</u>	<u>(3,418,696)</u>
Net current liabilities		(3,003,109)	(3,341,552)	(3,003,086)	(3,341,529)
Total assets less current liabilities		<u>13,592,519</u>	<u>13,309,691</u>	<u>13,592,544</u>	<u>13,309,716</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		12,742,437	12,459,609	12,742,462	12,459,634
Revaluation reserve		850,082	850,082	850,082	850,082
		<u>13,592,519</u>	<u>13,309,691</u>	<u>13,592,544</u>	<u>13,309,716</u>

The consolidated accounts were approved by the Governors on 20 November 2019.



 Narendra Thakrar
 Governor

SHRI VALLABH NIDHI - UK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019		2018	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	17		328,368		269,390
Investing activities					
Purchase of tangible fixed assets		-		(61,395)	
Interest received		-		-	
Net cash used in Investing activities			-		(61,395)
Financing activities					
Repayment of other loans		(300,000)		(150,000)	
Net cash used in financing activities			(300,000)		(150,000)
Net Increase/(decrease) in cash and cash equivalents			28,368		57,995
Cash and cash equivalents at beginning of year			77,376		19,172
Cash and cash equivalents at end of year			<u>105,744</u>		<u>77,167</u>
Relating to:					
Cash at bank and in hand			<u>105,744</u>		<u>77,167</u>

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Charity Information

Shri Vallabh Nidhi - UK is a charity registered in England and Wales. The registered office is Shree Sanatan Hindu Mandir, Ealing Road, Wembley, Middlesex HA0 4TA.

The Group consists of Shri Vallabh Nidhi – UK and its subsidiary.

1.1 Accounting convention

The consolidated accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their consolidated accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The consolidated accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

Basis of consolidation

The consolidated accounts incorporated Shri Vallabh Nidhi – UK and its subsidiary (i.e. where an entity is governed by voting rights, Shri Vallabh Nidhi – UK consolidates when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body).

All accounts are made up to 30 June 2019, where necessary, adjustments are made to the accounts of the subsidiary to bring the accounting policies used into line with those used by other member of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the asset transferred.

1.2 Going concern

In assessing the Charity's ability to continue as a going concern, the Board of Governors have considered the financial position and performance of the Charity. The charity is financed by donors, loans and banking facilities. The charity is therefore dependent upon its donors, loans and bankers for continued financial support. At the year end, the charity had a net current liability of £3.0 m (2018 - £3.3m).

The net current liability is primarily from a loan which subsequent to the year-end has been refinanced with a long term bank loan facility of £3.1m. This will enable the charity to manage the cash flow and expenses on an ongoing basis.

In accordance with their responsibilities, the trustees have considered the appropriateness of the going concern basis for the preparation of the financial statements. For this basis they have reviewed the financial and cash flow projections for the next 12 months from the date of the approval of the financial statements.

In addition, the trustees aren't aware of any unlikely event, conditions and business risks beyond this point that may cast a significant doubt on the charity's ability to continue as a going concern.

On the basis of this, the trustees have a reasonable expectation that the charity will 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. These financial statements are prepared on the going concern basis.

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies (Continued)

1.3 Charitable funds

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

1.4 Incoming resources

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

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

1.5 Resources expended

All expenditure is accounted for on an accruals basis.

Wherever possible, expenditure is allocated specifically to the relevant activities for which it is incurred. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources.

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:

Freehold land is not depreciated	
Freehold buildings	2% per annum
Fixtures, fittings & equipment	20% reducing balance method

The Board of Governors consider that the functional freehold buildings are maintained in such a state of repair that their residual values are at least equal to their net book value.

No depreciation is provided in respect of freehold land, temple in Wembley and jewellery.

An annual impairment review is made, in accordance with the requirements of Financial Reporting Standard numbers 11 and 15, to ensure that the recoverable amounts of the assets are not lower than their current values.

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

1.7 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 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.

1.12 Fund Accounting

Unrestricted funds comprise accumulated surpluses on general funds and these are available for use at the discretion of the Board of Governors in the furtherance of the general charitable objectives of the Charity.

1.13 Irrecoverable VAT

The Charity is not registered for VAT and its expenses are, therefore, inclusive of VAT which cannot be recovered.

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

2 Critical accounting estimates and judgements

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

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

3 Donations

	2019	2018
	£	£
Donations and gifts	1,118,802	1,100,260

4 Raising funds

	2019	2018
	£	£
<u>Cost of generating funds</u>		
Administration costs	356,966	417,878
Staff costs	330,252	277,487
Depreciation and impairment	55,615	55,648
Cost of generating funds	742,833	751,013
<u>Charitable activities</u>		
Religious activities	64,231	115,204
	807,064	866,217
<u>Analysis by fund</u>		
Unrestricted funds	807,064	866,217
	807,604	866,217

5 Charitable activities

	2019	2018
	£	£
Share of governance costs (see note 6)	28,910	7,351

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

6 Support costs	Support costs £	Governance costs £	2019 £	2018 £	Basis of allocation
Audit fees	-	3,951	3,951	3,300	Governance
Non-Audit fees	-	1,299	1,299	-	Governance
Legal and professional	-	23,660	23,660	4,051	Governance
	-	28,910	28,910	7,351	
Analysed between Charitable activities	-	28,910	28,910	7,351	

Governance costs includes Audit fees of £3,951 (2018- £3,300).

7 Governors

None of the Governors (or any persons connected with them) received any remuneration during the year.

Governors' expenses

There were no Governors' expenses paid for the year ended 30 June 2019 nor for the period ended 30 June 2018.

8 Employees

Number of employees

The average monthly number employees during the year was:

	2019 Number	2018 Number
Pujari	4	4
Admin staff	11	10
	15	14
Employment costs	2019 £	2018 £
Wages and salaries	317,664	264,899
Social security costs	12,588	12,588

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

9 Taxation

The charity is exempt from tax on its charitable activities.

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

10 Group tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 July 2018	17,330,450	213,707	17,544,157
At 30 June 2019	17,330,450	213,707	17,544,157
Depreciation and impairment			
At 1 July 2018	771,467	121,447	892,914
Depreciation charged in the year	55,486	129	55,615
At 30 June 2019	826,953	121,576	948,529
Carrying amount			
At 30 June 2019	16,503,497	92,131	16,595,628
At 30 June 2018	16,558,983	92,260	16,651,243

The Board of Governors are of the opinion that the market values of the freehold properties are not less than their book value at 30 June 2019.

11 Charly tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 July 2018	17,330,450	180,525	17,510,975
At 30 June 2019	17,330,450	180,525	17,510,975
Depreciation and impairment			
At 1 July 2018	771,467	88,265	859,732
Depreciation charged in the year	55,486	129	55,615
At 30 June 2019	826,953	88,394	915,347
Carrying amount			
At 30 June 2019	16,503,497	92,131	16,595,628
At 30 June 2019	16,558,983	92,260	16,651,243

The Board of Governors are of the opinion that the market values of the freehold properties are not less than their book value at 30 June 2019.

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

12 Fixed asset investments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Investment in subsidiary	-	-	2	2
	-	-	2	2

Shri Vallabh Nidhi - UK holds 100% share capital of Shrico Limited, a company incorporated in England & Wales.

13 Financial Instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Equity instruments measured at cost less impairment	2	2
Carrying amount of financial liabilities		
Measured at amortised cost	<u>3,108,853</u>	<u>3,418,696</u>

14 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Other debtors	-	-	69,476	-
	-	-	69,476	-

15 Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Amounts due to subsidiary undertakings	-	-	-	516
Taxation and social security	7,590	-	-	-
Trade creditors	6,770	26,285	6,770	26,285
Other creditors	3,090,243	3,389,395	3,090,243	3,389,395
Accruals and deferred income	4,250	3,248	3,600	2,500
	<u>3,108,853</u>	<u>3,418,928</u>	<u>3,100,613</u>	<u>3,418,696</u>

SHRI VALLABH NIDHI - UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

16 Related party transactions

None of the members of the Board of Governors that served during the period received any benefit nor were they party to any transactions that were entered in to by the Charity.

Other creditors includes a loan of £3.09m (2018: £3.3m) received from a connected company where one of the governor is key member of the management. The loan is short term loan, secured by first legal charge over the freehold property at Ealing Road, Wembley and bearing commercial rate of interest.

17 Cash generated from operations	2019 £	2018 £
Surplus for the year	282,828	226,692
Adjustments for:		
Investment income recognised in statement of financial activities	-	-
Depreciation and impairment of tangible fixed assets	55,615	55,648
Movements in working capital:		
(Increase)/decrease in debtors	-	-
(Decrease)/increase in creditors	(10,075)	(12,950)
Cash generated from operations	<u>328,368</u>	<u>269,390</u>