

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022
FOR
GURDWARA GURU NANAK PARKASH

R Pau & Co Limited
Chartered Certified Accountants
& Statutory Auditors
12-16 Station Street East
Coventry
West Midlands
CV6 5FJ

GURDWARA GURU NANAK PARKASH

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FOR THE YEAR ENDED 31ST DECEMBER 2022

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GURDWARA GURU NANAK PARKASH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022

The trustees present their report with the financial statements of the charity for the year ended 31st December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives detailed in the governing document are:

To promote the Sikh religion in the area of benefit by the following means and by such other means as the committee shall think fit: -

- (a) The maintenance of a place of worship
- (b) The celebration of Sikh religious festivals
- (c) The conduct of baptism, marriage and funeral rites in accordance with Sikh religious observance
- (d) The establishment of a library containing books in Punjabi and English on Sikh religion, history and culture
- (e) The instruction of children and adults in Sikh religious principles and promoting the application of those principles generally to relationships within and outside the Sikh community.

Each year the trustees review the activities of the Gurdwara in order to ensure that they continue to reflect the objectives set out in the governing document. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and, in particular, its supplementary guidance on the advancement of religion for the public benefit.

It is the trustee's opinion that the operation of the Gurdwara in its present form is for the public benefit under the principles set out in the Charity Commission guidance. The Gurdwara is open 365 days of the year to Sikhs and non-Sikhs alike and is free to all. We provide regular public services, blessings and ceremonies. We provide cultural and educational classes to promote the Sikh religion and the Punjabi language. In addition, the Gurdwara offers a regular meeting place for elderly people in the local community and caters to their physical and spiritual needs.

Volunteers

The charity is grateful for the unstinting efforts of its volunteers who are involved in service provision and running the Gurdwara. Without this effort the Gurdwara could not function. The Gurdwara requires over 64,797 hours of volunteer's efforts in this year to carry its obligations. It is difficult to attribute an economic value to this contribution that the volunteers make of their time, but it is crucial to the basic function of the Charity. The executive committee ensures that best value is derived from the efforts of the volunteers.

GURDWARA GURU NANAK PARKASH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Gurdwara fulfilled its objectives this year by:

(a) The maintenance of a place of worship

The Gurdwara provided personnel and a place to worship for Sikhs and non-Sikhs alike. Religious services for the congregation were conducted.

(b) The celebration of Sikh religious festivals

The Gurdwara celebrates public religious festivals.

(c) The conduct of baptism, marriage and funeral rites in accordance with Sikh religious observance

Baptisms, marriages and funeral rites were conducted during the year.

(d) The establishment of a library containing books in Punjabi and English on Sikh religion, history and culture

The Gurdwara provides a library of books on Sikh religion, history and culture in Punjabi and English.

(e) The instruction of children and adults in Sikh religious principles and promoting the application of those principles generally to relationships within and outside the Sikh community.

Instructions and discourses were conducted regularly, on religious principles. The Priests carry out and co-ordinate much of that work. In addition, lessons in Punjabi are given regularly.

We are, therefore, happy to report that we have achieved our objectives this year. These activities provide a public benefit to those who worship at our Gurdwara and the local community.

The primary measure of success or failure of these activities is the number of people making use of the Gurdwara and the services it provides. Attendances have recovered strongly from the lows experienced during the pandemic.

Issues outstanding from last year's report

We must continue to make efforts to resolve the dispute with the planning department regarding the construction of 15 flats as one of the conditions of purchase so that the Salvation Army site can be used as a functional car park.

We must continue to generate funds to pay off the loans taken out in order to purchase the Salvation Army site.

We intend to arrange for dental consultations to be given at the temple for members of the congregation.

We plan to refurbish the ladies toilets and later the mens toilets.

More generally, as the pandemic eases further and comes to an end, full operations will be resumed.

Issues arising this year

Representations continue to be made to the planning department in effort to resolve the dispute regarding the construction of 15 flats as a condition of purchase so that the site can be used as a functional car park. Matters have progressed but more work needs to be done.

The bank loan taken out to purchase the Salvation Army site has been paid off.

Dental consultations began in this year.

Refurbishment of the ladies toilets took place. The mens toilets will be refurbished next year.

Normal operations have been resumed following the pandemic.

Security cameras in and around the temple have been refurbished and replaced.

GURDWARA GURU NANAK PARKASH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022

Future issues

We must continue to make efforts to resolve the dispute with the planning department regarding the construction of 15 flats as one of the conditions of purchase so that the Salvation Army site can be used as a functional car park.

We plan to refurbish the mens toilets.

FINANCIAL REVIEW

Reserves policy

Funds are collected through voluntary donations to finance the Charity's activities and it is this income that funds the work of the charity.

The net incoming resources for the year amounted to £266,370 and this was attributable to general reserves, which now stand at £4,924,565.

With regard to those general reserves, a policy has been established whereby the unrestricted funds not committed or invested in tangible fixed assets, (the free reserves), held by the Gurdwara should be between 12 and 18 months of the annual resources expended which equates to £300,000 to £450,000 in general funds. It is felt that, at this level, it would be possible to continue the current activities of the Gurdwara in the event of a significant drop in donations. This would then give sufficient time to consider how the funding would be replaced or the activities changed.

Overall, in this year, liabilities have decreased, and reserves have increased. Free reserves have not reached the target range mentioned above.

In this year the free reserves have not reached these target levels because they were being applied to the bank loan taken out to fund the purchase of the new land at the Salvation Army site.

For the foreseeable future net incoming resources will continue to be accumulated, (subject to the expenditure on capital projects planned and the repayment of loans).

The primary funding source is donations from the Gurdwara congregation. The funds from this source are used to provide the congregation with a well maintained Gurdwara and other resources in order to achieve the objectives of the charity.

Donations received reduced this year primarily because of the pandemic. Expenses decreased, primarily due to the reduction in activities carried out by the Charity because of the pandemic. We expect gross donations received to improve in this coming year as the pandemic recedes. Attendances remain good subject to the covid restrictions.

The committee is satisfied with these results overall and we will endeavour to maintain, and improve upon, this level of income into the future.

FUTURE PLANS

With regard to future strategy, the Charity plans to continue the activities outlined above subject to satisfactory funding arrangements, (primarily donations).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity was established in 1980 after the adoption of a constitution dated 10th August 1979. The governing document was amended by a scheme proposed by the charity commission in July 1993 and this was amended by another charity commission scheme in March 1998.

GURDWARA GURU NANAK PARKASH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

There are five holding trustees who are appointed by the executive committee once every five years. They are responsible for administering the Land and Buildings of the Charity in accordance with the lawful directions of the committee. They are also responsible for arranging for the election of the executive committee by the membership. Although there is no express provision in the constitution, it is established practise that the holding trustees sign the annual financial statements

There are no persons, external to the charity, which are entitled to appoint trustees.

The executive committee is elected every two years by the membership and is responsible for the general management and control of the charity as well as the day to day running of the Gurdwara. As such they are regarded as the trustees of the charity under the Charities Act. New Committee members are briefed in their duties by the outgoing Committee members.

The executive committee meets monthly to consider the proper running of the charity and its activities. In addition, from time to time, short term sub-committees are created and then directed by the Committee to deal with specific matters. Those sub-committees report back to the Committee which then considers their recommendations.

There are no related parties.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

509504

Principal address

71 - 81 Harnall Lane West
Coventry
West Midlands
CV1 4FB

Trustees

Mr B S Khatra
Mr H S Pangli
Mr S S Dehil
Mr V P Singh
Mr J S Bhambra

Auditors

R Pau & Co Limited
Chartered Certified Accountants
& Statutory Auditors
12-16 Station Street East
Coventry
West Midlands
CV6 5FJ

Bankers

HSBC Bank Plc
442 Foleshill Road
Coventry
CV6 5AL

GURDWARA GURU NANAK PARKASH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Executive committee

The executive committee retains control of the day-to-day management of the Charity.

| | |
|-----------------------------|---------------------------|
| President | Mr Sukhraj Singh Athwal |
| Vice President | Mr Rajinder Singh Manak |
| General Secretary | Mr Inderpal Singh Sangha |
| Assistant General Secretary | Mr Gurbinder Singh |
| Treasurer | Mr Paramjeet Singh Kang |
| Assistant Treasurer | Mr Charanjit Singh Soomal |
| Stage Secretary | Mr Manivjot Singh Dhillon |
| Assistant Stage Secretary | Mr Sharanpal Singh |
| Education Secretary | Mr Ajitpal Singh |
| Maintenance Secretary | Mr Buta Singh Sanghera |
| Kitchen & Store Secretary | Mr Balbir Singh Dhama |
| Librarian | Mrs Kamjit Kaur Sandhu |
| Sports Secretary | Mr Ranvir Singh Somal |

Co-opted Committee Members

Dr Balraj Singh Kalirai
Mrs Santosh Kaur Liddev
Mr Iqbal Singh Sandhu
Mr Amarpal Singh
Mr Gurdeep Singh Shergill
Mr Ranjit Singh Bains
Mrs Balvir Kaur Nijjar
Mr Sukhjit Singh Dhillon

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

GURDWARA GURU NANAK PARKASH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of trustees on 6th April 2023 and signed on its behalf by:

Trustee 

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
GURDWARA GURU NANAK PARKASH

Opinion

We have audited the financial statements of Gurdwara Guru Nanak Parkash (the 'charity') for the year ended 31st December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 31st December 2022 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
GURDWARA GURU NANAK PARKASH

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
GURDWARA GURU NANAK PARKASH

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.

R Pau & Co Limited
Chartered Certified Accountants
& Statutory Auditors
12-16 Station Street East
Coventry
West Midlands
CV6 5FJ

6th April 2023

Nimh Pau FCA
R Pau & Co Limited
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GURDWARA GURU NANAK PARKASH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

| | | 2022 Unrestricted fund £ | 2021 Total funds £ |
|------------------------------------|-------|-----------------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | Notes | | |
| Donations and legacies | 2 | 705,046 | 552,869 |
| Investment income | 3 | 14,400 | 12,600 |
| Total | | <u>719,446</u> | <u>565,469</u> |
| | | | |
| EXPENDITURE ON | | | |
| Raising funds | 4 | 392,814 | 231,604 |
| Charitable activities | 5 | | |
| General | | 14,519 | 11,079 |
| Other | | 45,743 | 37,600 |
| Total | | <u>453,076</u> | <u>280,283</u> |
| | | | |
| NET INCOME | | 266,370 | 285,186 |
| | | | |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | 4,658,195 | 4,373,009 |
| | | | |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>4,924,565</u></u> | <u><u>4,658,195</u></u> |

The notes form part of these financial statements

GURDWARA GURU NANAK PARKASH

BALANCE SHEET
31ST DECEMBER 2022

| | | 2022 Unrestricted fund £ | 2021 Total funds £ |
|--|-------|-----------------------------------|-----------------------------|
| FIXED ASSETS | Notes | | |
| Tangible assets | 9 | 4,723,769 | 4,650,888 |
| CURRENT ASSETS | | | |
| Debtors | 10 | 79,025 | 62,403 |
| Cash at bank and in hand | | 139,152 | 107,804 |
| | | <u>218,177</u> | <u>170,207</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | (17,381) | (43,982) |
| | | <u>200,796</u> | <u>126,225</u> |
| NET CURRENT ASSETS | | | |
| | | 4,924,565 | 4,777,113 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | 4,924,565 | 4,777,113 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 12 | - | (118,918) |
| | | <u>4,924,565</u> | <u>4,658,195</u> |
| NET ASSETS | | | |
| | | 4,924,565 | 4,658,195 |
| FUNDS | 15 | | |
| Unrestricted funds | | 4,924,565 | 4,658,195 |
| TOTAL FUNDS | | <u>4,924,565</u> | <u>4,658,195</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 6th April 2023 and were signed on its behalf by:



Trustee



Trustee



Trustee

The notes form part of these financial statements

GURDWARA GURU NANAK PARKASH

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 308,542 | 306,209 |
| Interest paid | | (7,861) | (7,200) |
| Net cash provided by operating activities | | <u>300,681</u> | <u>299,009</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (118,624) | (122,546) |
| Net cash used in investing activities | | <u>(118,624)</u> | <u>(122,546)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (150,709) | (228,281) |
| Net cash used in financing activities | | <u>(150,709)</u> | <u>(228,281)</u> |
| Change in cash and cash equivalents in the reporting period | | | |
| Cash and cash equivalents at the beginning of the reporting period | | 31,348 | (51,818) |
| Cash and cash equivalents at the end of the reporting period | | <u>107,804</u> | <u>159,622</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>139,152</u> | <u>107,804</u> |

The notes form part of these financial statements

GURDWARA GURU NANAK PARKASH

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Net income for the reporting period (as per the Statement of Financial Activities) | 266,370 | 285,186 |
| Adjustments for: | | |
| Depreciation charges | 45,743 | 37,600 |
| Interest paid | 7,861 | 7,200 |
| Increase in debtors | (16,622) | (29,100) |
| Increase in creditors | 5,190 | 5,323 |
| Net cash provided by operations | <u>308,542</u> | <u>306,209</u> |

2. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

| | At 1/1/22 | Cash flow | At 31/12/22 |
|---------------------------------|------------------|----------------|----------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank and in hand | 107,804 | 31,348 | 139,152 |
| | <u>107,804</u> | <u>31,348</u> | <u>139,152</u> |
| Debt | | | |
| Debts falling due within 1 year | (31,791) | 31,791 | - |
| Debts falling due after 1 year | (118,918) | 118,918 | - |
| | <u>(150,709)</u> | <u>150,709</u> | <u>-</u> |
| Total | <u>(42,905)</u> | <u>182,057</u> | <u>139,152</u> |

The notes form part of these financial statements

GURDWARA GURU NANAK PARKASH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 10% Reducing Balance

Freehold property - Straight line over 99 years (car park only)

Long leasehold - Straight line over 99 years

Motor vehicles - 25% Reducing Balance

None of the freehold property stated on the balance sheet have been depreciated for the following reasons:-

i) The Temple is expected to remain a place of worship for generations to come (hundreds of years). The Temple will not suffer from any economic or technological obsolescence.

ii) The Temple is regularly maintained and repaired by its members in order to keep it in immaculate condition as a focal point of the Sikh community.

Any depreciation that would be charged would not be considered to have a material impact on the accounts.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

There are no restricted funds at present. Where necessary, there is further explanation of the nature and purpose of each fund in the note on funds.

GURDWARA GURU NANAK PARKASH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Loan and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donations and legacies

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the Income and the amount can be quantified with reasonable accuracy.

2. DONATIONS AND LEGACIES

| | 2022 | 2021 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Donations | 624,776 | 486,215 |
| Gift aid | 76,131 | 59,732 |
| Job retention scheme grants | - | 713 |
| Sundry income | 4,139 | 6,209 |
| | <u>705,046</u> | <u>552,869</u> |

3. INVESTMENT INCOME

| | 2022 | 2021 |
|----------------|---------------|---------------|
| | £ | £ |
| Rents received | <u>14,400</u> | <u>12,600</u> |

4. RAISING FUNDS

Raising donations and legacies

| | 2022 | 2021 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Staff costs | 89,486 | 56,367 |
| Rates and water | 4,706 | 4,128 |
| Insurance | 6,014 | 5,227 |
| Light and heat | 37,174 | 23,745 |
| Telephone | 1,843 | 1,843 |
| Printing and stationery | 4,737 | 4,838 |
| Sundries | 2,711 | 2,289 |
| Groceries | 103,682 | 37,038 |
| Publicity | 7,470 | 2,979 |
| Motor expenses | 1,922 | 2,797 |
| Repairs and renewals | 20,088 | 22,944 |
| Nagar Kirtan expenses | 15,665 | 5,501 |
| Donations | 41,212 | 26,804 |
| Coach trips | 9,750 | 2,450 |
| Teachers fees | 9,840 | 6,095 |
| | <u>356,300</u> | <u>205,045</u> |
| Carried forward | | |

GURDWARA GURU NANAK PARKASH

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022**

4. RAISING FUNDS - continued

Raising donations and legacies - continued

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|----------------|
| Brought forward | 356,300 | 205,045 |
| Education - books and publications | 741 | 304 |
| Fabric and materials | 1,736 | 765 |
| Professional fees | 34,037 | 25,490 |
| | <u>392,814</u> | <u>231,604</u> |

5. CHARITABLE ACTIVITIES COSTS

| | Support costs (see note 6) £ |
|---------|---------------------------------------|
| General | <u>14,519</u> |

6. SUPPORT COSTS

| | Finance £ | Governance costs £ | Totals £ |
|---------|---------------|--------------------------|---------------|
| General | <u>10,775</u> | <u>3,744</u> | <u>14,519</u> |

Support costs, included in the above, are as follows:

| | 2022 General £ | 2021 Total activities £ |
|------------------------|----------------------|----------------------------------|
| Bank charges | 2,914 | 135 |
| Bank loan interest | 7,861 | 7,200 |
| Auditors' remuneration | 3,744 | 3,744 |
| | <u>14,519</u> | <u>11,079</u> |

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2022 nor for the year ended 31st December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2022 nor for the year ended 31st December 2021.

GURDWARA GURU NANAK PARKASH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

8. STAFF COSTS

| | <u>2022</u> | <u>2021</u> |
|-------------------------|----------------|----------------|
| Gross Salaries | 87,322 | 55,348 |
| ER NIC | 538 | - |
| Staff pensions | 1,626 | 1,019 |
| | <u>£89,486</u> | <u>£56,367</u> |
| | | |
| Average number of staff | <u>14</u> | <u>12</u> |

No employee received emoluments of more than £60,000 during the year.

9. TANGIBLE FIXED ASSETS

| | Freehold land and buildings £ | Long leasehold £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|-----------------------|--|------------------------|----------------------------------|------------------------|------------------|
| COST | | | | | |
| At 1st January 2022 | 4,308,304 | 47,705 | 714,501 | 45,338 | 5,115,848 |
| Additions | - | - | 118,624 | - | 118,624 |
| At 31st December 2022 | <u>4,308,304</u> | <u>47,705</u> | <u>833,125</u> | <u>45,338</u> | <u>5,234,472</u> |
| | | | | | |
| DEPRECIATION | | | | | |
| At 1st January 2022 | 16,929 | 7,150 | 397,964 | 42,917 | 464,960 |
| Charge for year | 1,140 | 482 | 43,516 | 605 | 45,743 |
| At 31st December 2022 | <u>18,069</u> | <u>7,632</u> | <u>441,480</u> | <u>43,522</u> | <u>510,703</u> |
| | | | | | |
| NET BOOK VALUE | | | | | |
| At 31st December 2022 | <u>4,290,235</u> | <u>40,073</u> | <u>391,645</u> | <u>1,816</u> | <u>4,723,769</u> |
| At 31st December 2021 | <u>4,291,375</u> | <u>40,555</u> | <u>316,537</u> | <u>2,421</u> | <u>4,650,888</u> |

The above freehold can be split as follows:

| | £ |
|------------------------------------|-------------------|
| Gurdwara GNP Temple (Harnall Lane) | 2,887,661 |
| 99-103 Harnall Lane | 251,000 |
| Education Centre | 268,912 |
| 8 Church Street | 78,991 |
| 10 Church Street | 78,991 |
| Car Park Outside GNP Temple | 94,742 |
| 1 Lincoln Street | 629,938 |
| | <u>£4,290,235</u> |

GURDWARA GURU NANAK PARKASH

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|-------------|---------------|---------------|
| | £ | £ |
| Prepayments | 79,025 | 62,403 |
| | <u>79,025</u> | <u>62,403</u> |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts (see note 13) | - | 31,791 |
| PAYE and national insurance | 3,971 | 1,753 |
| Pensions | 797 | 886 |
| Accrued expenses | 12,613 | 9,552 |
| | <u>17,381</u> | <u>43,982</u> |

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 | 2021 |
|--------------------------|----------|----------------|
| | £ | £ |
| Bank loans (see note 13) | - | 118,918 |
| | <u>-</u> | <u>118,918</u> |

13. LOANS

An analysis of the maturity of loans is given below:

| | 2022 | 2021 |
|--|----------|----------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank loan | - | 31,791 |
| | <u>-</u> | <u>31,791</u> |
| Amounts falling between one and two years: | | |
| Bank loan | - | 118,918 |
| | <u>-</u> | <u>118,918</u> |

14. SECURED DEBTS

The loan is secured by a legal charge over the land and buildings that form the GNP Temple at Harnall Lane. The net book value of those land and buildings has been detailed in note 9.

15. MOVEMENT IN FUNDS

| | At 1/1/22 | Net movement in funds | At 31/12/22 |
|---------------------------|------------------|-----------------------|------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 4,658,195 | 266,370 | 4,924,565 |
| | <u>4,658,195</u> | <u>266,370</u> | <u>4,924,565</u> |
| TOTAL FUNDS | <u>4,658,195</u> | <u>266,370</u> | <u>4,924,565</u> |

GURDWARA GURU NANAK PARKASH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 719,446 | (453,076) | 266,370 |
| TOTAL FUNDS | <u>719,446</u> | <u>(453,076)</u> | <u>266,370</u> |

Comparatives for movement in funds

| | At 1/1/21 £ | Net movement in funds £ | At 31/12/21 £ |
|---------------------------|------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 4,373,009 | 285,186 | 4,658,195 |
| TOTAL FUNDS | <u>4,373,009</u> | <u>285,186</u> | <u>4,658,195</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 565,469 | (280,283) | 285,186 |
| TOTAL FUNDS | <u>565,469</u> | <u>(280,283)</u> | <u>285,186</u> |

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2022.

GURDWARA GURU NANAK PARKASH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

| | 2022 | 2021 |
|---------------------------------------|---------|---------|
| | £ | £ |
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 624,776 | 486,215 |
| Gift aid | 76,131 | 59,732 |
| Job retention scheme grants | - | 713 |
| Sundry income | 4,139 | 6,209 |
| | <hr/> | <hr/> |
| | 705,046 | 552,869 |
| Investment income | | |
| Rents received | 14,400 | 12,600 |
| | <hr/> | <hr/> |
| Total incoming resources | 719,446 | 565,469 |
| EXPENDITURE | | |
| Raising donations and legacies | | |
| Gross salaries and national insurance | 87,860 | 55,348 |
| Pensions | 1,626 | 1,019 |
| Rates and water | 4,706 | 4,128 |
| Insurance | 6,014 | 5,227 |
| Light and heat | 37,174 | 23,745 |
| Telephone | 1,843 | 1,843 |
| Printing and stationery | 4,737 | 4,838 |
| Sundries | 2,711 | 2,289 |
| Groceries | 103,682 | 37,038 |
| Publicity | 7,470 | 2,979 |
| Motor expenses | 1,922 | 2,797 |
| Repairs and renewals | 20,088 | 22,944 |
| Nagar Kirtan expenses | 15,665 | 5,501 |
| Donations | 41,212 | 26,804 |
| Coach trips | 9,750 | 2,450 |
| Teachers fees | 9,840 | 6,095 |
| Education - books and publications | 741 | 304 |
| Fabric and materials | 1,736 | 765 |
| Professional fees | 34,037 | 25,490 |
| | <hr/> | <hr/> |
| | 392,814 | 231,604 |
| Other | | |
| Freehold property | 1,140 | 1,140 |
| Long leasehold | 482 | 482 |
| Fixtures and fittings | 43,516 | 35,171 |
| Motor vehicles | 605 | 807 |
| | <hr/> | <hr/> |
| | 45,743 | 37,600 |

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GURDWARA GURU NANAK PARKASH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

| | 2022 | 2021 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Support costs | | |
| Finance | | |
| Bank charges | 2,914 | 135 |
| Bank loan interest | 7,861 | 7,200 |
| | <u>10,775</u> | <u>7,335</u> |
| Governance costs | | |
| Auditors' remuneration | 3,744 | 3,744 |
| | <u>453,076</u> | <u>280,283</u> |
| Total resources expended | | |
| | <u>266,370</u> | <u>285,186</u> |
| Net income | | |
| | <u>266,370</u> | <u>285,186</u> |

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