

Report of the Trustees and
Consolidated Financial Statements for the Year Ended 31 December 2021
for
The Ethnic Inclusion Foundation

Torr Waterfield Limited
Statutory Auditor
Park House
37 Clarence Street
Leicester
Leicestershire
LE1 3RW

The Ethnic Inclusion Foundation

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for the Year Ended 31 December 2021

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The Ethnic Inclusion Foundation
Report of the Trustees
for the Year Ended 31 December 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. 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 of the EIF group are to promote any charitable purpose in the advancement of social justice policies in the UK, particularly for the Ethnic Minorities and any disadvantaged communities at one level and, on the other hand, continue to invest in social enterprise projects for the upliftment of the communities through art and sports and generally improving life style standards, where applicable with the help of advancing social technologies. The Charity owns community assets which are operated as social enterprises and any surplus is used towards public benefit in line with its charitable objectives.

EIF delivers its aims through delivery partners the Peepul Centre and Peepul Enterprises Ltd and on smaller scale for the very disadvantaged communities through Peepul Delhi Trust. EIF delivers its surplus funds for the benefit of the communities being served by its delivery partners, on practical projects, while it continues with its top level strategic work at EIF.

Report of the Trustees
for the Year Ended 31 December 2021

OBJECTIVES AND ACTIVITIES

Significant activities

EIF manages its business community investment property in order to generate sufficient funds to support its charity works and meet the group's objectives. EIF carried out projects of social justice and community empowerment with its communities outreach.

EIF runs the East London Centre (ELC) for conferences and meetings at affordable rates for primarily the Ethnic Minority organisations with a charitable ethic e.g., Churches, Foster Care organisations, Police and Security training, Yoga and wellbeing clinics etc.

EIF commissioned a research report on the mental wellbeing health inadequacies pertaining to the South Asian communities in particular, which our partners 'Careif' produced their recommendations on. The delivery of the projects emanating from these recommendations is being handled by our subsidiary Peepul Centre.

Peepul Centre is a national focal point in the Belgrave area of Leicester demonstrably bringing together people from all social, economic and cultural backgrounds. It is a model for a community centre of excellence, delivering high class services in performing arts, dance and music, fitness and sports including for differently abled individuals, children's nursery facilities, catering and weddings and conference facilities, and generally improving life styles as a social enterprise with charitable aims. The concept is to build and support a vibrant self-sustaining community through innovation, entrepreneurship and partnership working.

The Peepul Centre continued to prepare and deliver free meals for the vulnerable and NHS staff during 2021 and the theatre space was used to facilitate the Covid vaccinations run by the NHS throughout the year to April 2022.

During 2021 EIF continued developing its charitable projects in India under Peepul Delhi (a Regd. Trust). Due to Covid, Peepul Delhi continued making and distributing free meals to the Day Labourer communities in the area in 2021 but re-started its sanitary napkins, LED bulbs, sewing and beauty parlour training projects on a low key basis. Now in 2022 Peepul Delhi has started another project to provide vocational computer training.

The EIF group raises its revenue from its own social enterprise activities including property rentals and thus its performance as a successful business is of primary importance.

The Board and Senior Management have developed the India project, as reported above, impacting a substantial number of women through health projects and disadvantaged communities with other products.

Similarly, EIF has funded its group companies Peepul Centre and Peepul Enterprises Ltd for community upliftment in the Leicester area through their activities in fitness, arts and children's nursery and various other community based projects.

During 2021 Peepul Centre Leicester and Peepul Delhi continued to provide free meals to the local communities. Peepul Centre helped facilitate the NHS Covid vaccination programme throughout 2021 and up to April 2022.

The Trustees have conducted a comprehensive review of the stated objectives of the Charity and its operations for clearly defined public benefit in accordance with the guidelines published by the Charity Commission.

In our EIF group structure, a number of community organisations have benefitted from the meeting-space, arts and music events and considerable partnership events with statutory bodies such as the NHS and Leicester City Council.

The Peepul Centre our subsidiary and delivery partner meets the need for a high quality meeting and conference space - in addition to weddings, social occasions and corporate events - the idea is to place the venue as a "Celebration Place" - celebrating all the events in the life of the community and the individuals that make up the community - a positive focus, bringing out the best of the diverse community. In addition, the Peepul Centre has a purpose-built theatre of 314 tiered seats to help make a positive impact on the upliftment of the local Belgrave area and wider communities.

The Ethnic Inclusion Foundation
Report of the Trustees
for the Year Ended 31 December 2021

OBJECTIVES AND ACTIVITIES – continued

Peepul Delhi is having a wide impact on disadvantaged communities in a Delhi locality, particularly on women's health and vocational training and now with a new project of computer training courses.

During 2021 Peepul Centre Leicester and Peepul Delhi have provided free cooked meals to local communities and in addition the Peepul Centre Leicester has facilitated its theatre space for the NHS vaccinations.

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Difference made to beneficiaries

EIF sponsored a report on the minority health wellbeing with our charity partner Careif who produced a report which was edited by our Trustee for health and the recommendations in that report are now being test piloted through projects to be carried out with the communities through our delivery subsidiary the Peepul Centre.

Peepul Centre continued to provide hot free meals to the local vulnerable people and NHS staff, which amounted to over 100,000 cooked meals in our kitchen and also Peepul Centre facilitated its spaces for the NHS vaccinations.

Peepul Delhi also continued to serve 400 free hot meals a week to the local disadvantaged communities suffering under Covid restrictions. These meals were prepared and served daily to the day labourer communities in the local area.

The significant charitable activities undertaken in the year.

Significantly the EIF charity's activity was its work on the EIF's minority mental health report with several recommendations to be worked through until enough evidence and professional know-how in partnership with Careif can be built to help establish a culturally specific institution in the future.

The communities continue to benefit from the issues around inequalities that still play in the lives of ethnic minorities. At national level EIF raises and discusses these issues with appropriate authorities. The social enterprise activities outlined above help the general wellbeing of communities in Leicester under Peepul Centre Charity, and similarly in India under the Peepul Delhi Charity.

Fundraising activities

The performance of material fundraising activities during the year

EIF fundraising is through its management of a commercial property hiring out rental spaces and conference facilities, whilst keeping costs to a minimum to help increase surpluses to be spent on projects for public benefit. The projects are primarily delivered through our group subsidiaries which also raise funds through social enterprise activities and other project funding means.

EIF surplus funds are authorised by the Board to be spent only on projects which will make significant changes to the public with a view to their education, health and sustainability.

Investment performance

EIF raises funds through its investment income with maximising performance which is reviewed regularly and at least quarterly. Investment performance has been sound and satisfactory during the year with a fuller recovery post the pandemic.

The Ethnic Inclusion Foundation
Report of the Trustees
for the Year Ended 31 December 2021

FINANCIAL REVIEW

Financial position

The Consolidated Statement of Financial Activities shows net expenditure of £102,253 (2020 – net income of £368,975).

Income included rents received for the use of the Peepul Centre as the Covid Vaccination Hub of £540,000 (2020 - £20,000), commercial rents of £710,604 (2020 - £1,166,223), grant income for the delivery of charitable projects, income from delivering charitable activities and trading income through the subsidiary Peepul Enterprises Limited. Other grant income was also received from the government to support the Charity through the Covid-19 pandemic. Total income for the year amounted to £2,167,423 (2020 - £2,293,774).

Total expenditure for the year was £2,269,676 (2020 - £1,924,799).

The Group's property in London was independently valued at £15m on an existing use basis in 2019, which is reflected in the Accounts. The Leicester property is subject to covenants by the Government agencies for its use as an asset for community activities only, which the Trustees are committed to be carrying on doing.

Reserves policy

As at 31 December 2021 the group had total reserves of £17,307,110 (2020 - £17,409,363), £63,376 of which was held in restricted reserves (2020 - £114,427).

Unrestricted funds includes £7,944,959 (2020 - £7,944,959) held in a fair value reserve which arose on the valuation of investment property.

After making allowances for restricted funds held and funds of £19,512,131 (2020 - £19,553,409) that can only be realised by disposing of tangible fixed assets and investment property, the group had negative residual reserves as at 31 December 2021 of £2,268,397 (2020 - £2,258,473).

The reserves policy of EIF is to maintain £150,000 of cash reserves, which we keep under constant review. The cash at bank as at 31 December 2021 was £668,694 (2020 - £408,813).

Going concern

The Board of Trustees has assessed the going concern of the group in detail and is confident that the group will have adequate resources to continue in operational existence for the foreseeable future.

Investment policy and objectives

The Charity continues to invest in social enterprise operations of Peepul Enterprise for community's upliftment while efficiently managing the social enterprise activities to produce a return for the charity in future for other charitable works.

The Charity is investing annually a smaller sum in India to make products for the disadvantaged communities from social technologies available mainly in India. The India project has also now started two vocational training projects for disadvantaged women. The Board has dropped the idea of purchasing premises in India for Peepul Delhi Trust due to not being familiar with their legislation and practices but will continue to fund projects in the subcontinent for disadvantage communities. Peepul Kathmandu will be funded on a project basis also.

The Ethnic Inclusion Foundation
Report of the Trustees
for the Year Ended 31 December 2021

FUTURE PLANS

EIF, with the help of its specialist Trustee advising on health matters, has now embarked on a major Health project and has produced a report on the minority's wellbeing. Further pilot studies will be run at Peepul Centre to gather evidence and help develop culturally sensitive solutions for the South Asian communities and to that end a NHS Crisis cafe has already started in July 2022 at EIF's delivery subsidiary Peepul Centre.

The Charity through its group companies has continued to provide free cooked free meals in Leicester and in Delhi to the local vulnerable communities up to June 2021, whilst also the NHS has been using the Peepul Centre spaces for vaccinations for the entire year.

The EIF and Careif report requires a number of projects to be carried out in the future to gain sufficient evidence for a proposal to establish a minority culturally sensitive mental health institution.

EIF has a specialist skilled Board of Trustees and the new projects started in 2022 will make a significant difference to fulfilling charity's aims and objectives but these projects have a long lead time to mature fruition of their purpose.

Peepul Centre's aims are to develop its performing arts area with the help of Arts Council England and during 2021/22 we are completing a Research and Development project with that aim in mind.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its Memorandum and Articles of Association, and constitutes a charitable company, limited by guarantee.

Recruitment and appointment of new trustees

Trustees training and recruitment remains an ongoing process. Governance has been strengthened with the appointment of a highly skilled professional team with business and regulatory expertise. One of the Trustees assumes the operational role of running the business as its managing director as the Charity is basically a social enterprise, generating its own revenue through business. Thus, the business has to run well with minimal trading risk to the Directors under company law, who are also the Trustees under Charity Law. To ensure good governance, however, the only Trustee who as Managing Director (MD) is paid a salary is Anil Bhanot who ensures that the business is run efficiently and to ensure all the Directors are protected under company law.

Any public funds received within the EIF Peepul Group are budgeted separately for a full rigorous check by all the Trustees and are spent in line with their approval, whilst one Trustee, independent of the MD, is made responsible to oversee any public funds spending.

Each of the Group Companies has at least one different Trustee on its Board for checks and balances over either of the Group Companies and Charities. However, since the charity is essentially a social enterprise generating primarily its own revenue the skill sets to run businesses is of paramount importance to the success of running this particular Charity Group. Thus, the Trustees are suitably qualified to suit the needs across the EIF Peepul social enterprise charities group.

The Board of Trustees carries out an annual review of Governance. The aim is to assess the general effectiveness of the Board and also to identify any changes in process. The Board meets regularly to review the composition of the Trustees and to act on any upcoming vacancies. Trustee vacancies are advertised as necessary. New Trustees are given full induction with all disclosures to date so they can make informed decisions from early on.

None of the members of the group have any beneficial interest in the group and all of the members of the group guarantee to contribute £10 in the event of a winding up.

Any person or corporation desiring to become a trustee of the charity may submit an application in writing to the Board signed by him or her on its behalf for admission in a form approved by the trustees, and every such application shall be considered by each of the existing trustees to be voted upon in the Board where on 2/3rds majority in favour of the appointment is elected. No reason for refusal to admit an application is given.

The Ethnic Inclusion Foundation
Report of the Trustees
for the Year Ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Organisational structure

EIF is the sole parent charity of Peepul Centre Charity which owns 100% its trading arm Peepul Enterprises Ltd. EIF also established Peepul Delhi to look after the disadvantaged communities there but with a small budget. Each Charity is distinct but complimentary in its charitable aims and objectives and for its distinct part each charity has a non-identical Board of Trustees with different specialisms, though there may be some overlaps of objectives but divided by strategy and delivery among the group charities.

The EIF Charity raises its revenue through its own investment property rental activities and social enterprises activities, and therefore this first aspect of the charity is to run the social enterprise business efficiently, in order to create a surplus to be spent on charitable projects. EIF group's social enterprises business is run by one of its directors as the managing director who is also a trustee. This approach ensures minimising any trading risk to other directors who are equally liable to the business and creditors under Company Law.

Then along with the non-executive directors who are also trustees an independent checks and balances approach is exercised overall on the Charity. The non-executive directors/trustees are non-remunerative and comprise at least 2/3rd's of the Board. The Charity's Constitution stipulates that at least 50% of the Trustees must be non-remunerative.

Peepul Centre Charity needs to be developed for arts and wellbeing for which public funding requirement is the key. Thus, Peepul Centre itself is now structured with the Governance verses the Executive split model so that no Trustee will be paid to maintain and oversee any public funding spend purely through the Executive for public benefit. This is different from the other social enterprise activities run by the directors where director management is required hands on.

Related parties

The EIF employs Anil Bhanot, a Trustee, as Managing Director to run the social enterprise and receives remuneration. No other Trustee is paid a remuneration at EIF. Mr Bhanot is also the managing director of Peepul Enterprises Ltd and Surinder Syan, a Trustee, is its legal director. However, at Peepul Centre the Charity no Trustee holds any executive director position to ensure a complete split between the Governance and the Executive.

Mr Anil Bhanot is the shareholder of Online Accountancy Services Ltd which provides accountancy services to the Charity. However, Mani Thapa FCCA a director of Online Accountancy Services Ltd who carries out the work on management accounts, payroll and taxation, and Companies House, Charities Commission and HMRC Returns as well as producing the annual charity accounts, which are then checked and reviewed by the independent Auditors. Online Accountancy Services Ltd provide services at less than the market rates and the fees for Book-keeping and Accountancy are disclosed as charged in the Profit and Loss Account.

The Charity employs a Financial Controller who is responsible for all bank transactions and reconciliations which segregates the accountancy duties with Online Accountancy Services Ltd to ensure proper financial checks and balances and in particular the bank is the responsibility of the Financial Controller. The Financial Controller works with Online Accountancy Services staff at the Head Office in London for 50% of the time and for the other 50% of his time he is responsible for financial and management responsibilities at the Peepul Enterprises Limited in Leicester.

The EIF Peepul Group's head office is at the Bhanot & Co. accountancy practice premises owned by Anil Bhanot, for which no rent is charged to the Charities group. The Trustees and the management teams meet at the head office as well as the operating offices of the charities in the group.

The Ethnic Inclusion Foundation
Report of the Trustees
for the Year Ended 31 December 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03758674 (England and Wales)

Registered Charity number

1077002

Registered office

126 - 128 Uxbridge Road
Ealing
London
W13 8QS

Principal address

Boardman House
64 Broadway
London
E15 1NT

Trustees

S S Syan	Director
D K Joshi	Director
Dr S Bhanot	Director
A K Bhanot	Director

The company has an Indemnity Insurance policy in place for all of the Trustees (Directors).

Company Secretary

Online Accountancy Services Limited

Auditors

Torr Waterfield Limited
Statutory Auditor
Park House
37 Clarence Street
Leicester
Leicestershire
LE1 3RW

Bankers

Metro Bank Plc
1 The Mall
London
W5 2PL

CHANGE OF NAME

The charitable company passed a special resolution on 28 September 2021 changing its name from The Ethnic Minority Foundation to The Ethnic Inclusion Foundation.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Ethnic Inclusion Foundation for the purposes of company law) 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).

Report of the Trustees
for the Year Ended 31 December 2021

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Torr Waterfield Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ACCOUNTS FILING DELAYS

The charity and its subsidiaries changed auditors in June 2022 due to the health and well-being of the previous auditor. In October 2022 the incoming auditors informed us of their decision to give a 'no-disclaimer' report as they had not been able to get information from the outgoing auditor on opening balances. However, it took some time for the outgoing auditor to retrieve the files after which he gave the information by mid-December 2022. We were led to believe that the audit would be then finished by the end of December 2022 but with their key audit staff being on leave in December 2022 and busy on other work in January 2023 they resumed their work in February 2023 to finish by early March 2023. The audit was done extensively by email during 2022 with a short half-day visit to the Peepul Centre premises in February 2023. The delay in the filing of financial statements is not expected to recur in subsequent periods.

DISCLAIMER OF OPINION

Peepul Delhi was registered in India in 2017. The trustees are of the opinion that this is a stand-alone entity, funded and supported by EIF group, but not within the group structure, which has been the case since 2009 with a previously similar Trust registered under the name of EMF India. However, owing to the overlap in trustees and control, the auditors' interpretation of s24.18 and s24.21 is that the entity requires consolidation in the financial statements of the group. Owing to the distance between the UK and the overseas entities and the availability of records, testing of balances has not been possible for the current or prior year but the funds transferred to the entity were verified as shown in note 10 to the accounts. Whilst we believe the impact of any inclusion of the overseas entities would be minimal in relation to the group accounts, it would not be practicable to perform audit testing on these entities to substantiate this.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 15 March 2023 and signed on its behalf by:

A K Bhanot - Trustee

Report of the Independent Auditors to the Members of
The Ethnic Inclusion Foundation

Disclaimer of opinion

We were engaged to audit the financial statements of The Ethnic Inclusion Foundation (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), consolidated and parent charitable company balance sheets, consolidated cash flow statement and notes to the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the group and parent charitable company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

We were not appointed as auditor of the group until after 31 December 2020. We were unable to audit the opening balances as at 1 January 2021 and were unable to use alternative means to obtain sufficient and appropriate evidence to support the opening balances. As such, we were unable to conclude that the opening balances do not contain misstatements that materially affect the group's financial statements for the year ended 31 December 2021.

In addition, the group includes two foreign subsidiaries, Peepul Centre Delhi and Peepul Centre Kathmandu, which have not been included in the group's financial statements for the year ended 31 December 2020 and 2021. Consequently, we have not performed any audit work in relation to these subsidiaries. As a result of this, we were unable to conclude on the impact of the exclusion of these two subsidiaries on the group's financial statements for the year ended 31 December 2021.

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.

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to conclude as to whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. Consequently, we have been unable to conclude as to whether this gives rise to a material misstatement in the financial statements themselves.

Opinions on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- The information given in the Report of the Directors prepared for the purposes of company law, which is included in the Report of the Trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Report of the Directors included within the Report of the Trustees has been prepared in accordance with applicable legal requirements

Report of the Independent Auditors to the Members of
The Ethnic Inclusion Foundation

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Report of the Directors included within the Report of the Trustees.

Arising solely from the limitation of our work referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether adequate and proper accounting records have been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7-8, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
The Ethnic Inclusion Foundation

Our responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the group's and parent charitable company's financial statements in accordance with International Standards on Auditing (UK) and to issue a Report of the Auditors.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the group and parent charitable company 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 the provisions available for small entities, in the circumstances set out in Note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

The capability to detect irregularities is based on the auditor identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, and then designing and performing audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

a) Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, the following approach was taken:

- Understanding the nature of the industry and sector, control environment and business performance;
- Consideration of the results of our enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- Understanding the company's policies and procedures on compliance with laws and regulations and management of fraud risk, including documentation of instances of non-compliance of laws and regulations and instances of actual, suspected or alleged fraud;
- Consideration of matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Understanding the legal and regulatory frameworks that the company operates in through enquiry of management and those charged with governance and understanding the company's industry and sector. The key laws and regulations that were considered to have an effect on material amounts and disclosures in the financial statements included the Companies Act and tax legislation.

b) Audit response to risks identified

Based on this understanding, the following audit procedures were designed and performed to respond to the risks identified.

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations described as having a direct effect on the financial statement;
- Enquiring of management, those charged with governance and, where applicable, the company's solicitors concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Reviewing minutes of meetings of those charged with governance and, where applicable, correspondence with regulators;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.
- Communication of potential fraud risks to all engagement team members and remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report of the Independent Auditors to the Members of
The Ethnic Inclusion Foundation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Morris FCA (Senior Statutory Auditor)
for and on behalf of Torr Waterfield Limited
Statutory Auditor
Park House
37 Clarence Street
Leicester
Leicestershire
LE1 3RW

Date: 15 March 2023

The Ethnic Inclusion Foundation

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2021

		Unrestricted funds	Restricted fund	31.12.21 Total funds	31.12.20 Total funds as restated £
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	460	97,326	97,786	309,659
Charitable activities					
Provision of facilities to the community	5	849,674	-	849,674	90,162
Provision of childcare		290,290	-	290,290	199,549
Provision of leisure facilities		48,429	-	48,429	42,296
Provision of meals		-	-	-	42,502
Provision of theatre performances		-	-	-	8,726
Other trading income	3	22,058	-	22,058	39,501
Investment income	4	710,604	-	710,604	1,166,223
Other income	6	148,582	-	148,582	395,156
Total		<u>2,070,097</u>	<u>97,326</u>	<u>2,167,423</u>	<u>2,293,774</u>
EXPENDITURE ON					
Raising funds	7	984,324	-	984,324	942,894
Charitable activities					
Provision of childcare	8	337,377	-	337,377	277,211
Provision of leisure facilities		185,054	-	185,054	156,861
Provision of facilities to the community		345,235	-	345,235	81,039
Provision of meals		3,050	100,000	103,050	122,437
Provision of theatre performances		245,259	48,377	293,636	316,676
Relief of sickness		1,000	-	1,000	5,000
Relief of poverty		20,000	-	20,000	22,681
Total		<u>2,121,299</u>	<u>148,377</u>	<u>2,269,676</u>	<u>1,924,799</u>
NET INCOME/(EXPENDITURE)		(51,202)	(51,051)	(102,253)	368,975
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		16,412,863	-	16,412,863	16,173,615
Prior year adjustment	16	882,073	114,427	996,500	866,773
As restated		<u>17,294,936</u>	<u>114,427</u>	<u>17,409,363</u>	<u>17,040,388</u>
TOTAL FUNDS CARRIED FORWARD		<u>17,243,734</u>	<u>63,376</u>	<u>17,307,110</u>	<u>17,409,363</u>

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

The Ethnic Inclusion Foundation

Consolidated Balance Sheet
31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds as restated £
FIXED ASSETS					
Tangible assets	17	3,412,131	-	3,412,131	3,453,409
Investments					
Investment property	19	<u>16,100,000</u>	<u>-</u>	<u>16,100,000</u>	<u>16,100,000</u>
		19,512,131	-	19,512,131	19,553,409
CURRENT ASSETS					
Stock	20	6,580	-	6,580	6,715
Debtors	21	60,882	4,900	65,782	234,286
Cash at bank		<u>610,218</u>	<u>58,476</u>	<u>668,694</u>	<u>408,813</u>
		677,680	63,376	741,056	649,814
CREDITORS					
Amounts falling due within one year	22	<u>(753,659)</u>	<u>-</u>	<u>(753,659)</u>	<u>(494,726)</u>
NET CURRENT ASSETS		<u>(75,979)</u>	<u>63,376</u>	<u>(12,603)</u>	<u>155,088</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,436,152	63,376	19,499,528	19,708,497
CREDITORS					
Amounts falling due after more than one year		<u>(2,192,418)</u>	<u>-</u>	<u>(2,192,418)</u>	<u>(2,299,134)</u>
NET ASSETS		<u>17,243,734</u>	<u>63,376</u>	<u>17,307,110</u>	<u>17,409,363</u>
FUNDS	26				
Unrestricted funds:					
General fund				9,298,775	9,349,977
Fair value reserve				<u>7,944,959</u>	<u>7,944,959</u>
				17,243,734	17,294,936
Restricted funds				<u>63,376</u>	<u>114,427</u>
TOTAL FUNDS				<u>17,307,110</u>	<u>17,409,363</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 March 2023 and were signed on its behalf by:

A K Bhanot - Trustee

The notes form part of these financial statements

The Ethnic Inclusion Foundation

Company Balance Sheet
31 December 2021

	Notes	Unrestricted funds £	Restricted fund £	31.12.21 Total funds £	31.12.20 Total funds as restated £
FIXED ASSETS					
Tangible assets	17	58,533	-	58,533	73,166
Investment property	19	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>	<u>15,000,000</u>
		15,058,533	-	15,058,533	15,073,166
CURRENT ASSETS					
Debtors	21	58,725	-	58,725	146,156
Cash at bank and in hand		<u>342,572</u>	<u>-</u>	<u>342,572</u>	<u>305,911</u>
		401,297	-	401,297	452,067
CREDITORS					
Amounts falling due within one year	22	(452,919)	-	(452,919)	(317,744)
		<u>(51,622)</u>	<u>-</u>	<u>(51,622)</u>	<u>134,323</u>
NET CURRENT ASSETS					
		15,006,911	-	15,006,911	15,207,489
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	23	(2,156,586)	-	(2,156,586)	(2,253,301)
		<u>12,850,325</u>	<u>-</u>	<u>12,850,325</u>	<u>12,954,188</u>
NET ASSETS					
FUNDS	26				
Unrestricted funds:					
General fund				5,711,366	5,815,229
Fair value reserve				<u>7,138,959</u>	<u>7,138,959</u>
				<u>12,850,325</u>	<u>12,954,188</u>
Restricted funds				<u>-</u>	<u>-</u>
TOTAL FUNDS				<u>12,850,325</u>	<u>12,954,188</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 March 2023 and were signed on its behalf by:

A K Bhanot - Trustee

The notes form part of these financial statements

The Ethnic Inclusion Foundation

Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

	Notes	31.12.21 £	31.12.20 as restated £
Cash flows from operating activities			
Cash generated from operations	1	483,822	256,293
Interest paid		<u>(72,372)</u>	<u>(78,691)</u>
Net cash provided by operating activities		<u>411,450</u>	<u>177,602</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(63,618)	(19,623)
Interest received		<u>528</u>	<u>272</u>
Net cash provided by/(used in) investing activities		<u>(63,090)</u>	<u>(19,351)</u>
Cash flows from financing activities			
New loans in year		-	50,001
Loan repayments in year		<u>(88,479)</u>	<u>(80,514)</u>
Net cash used in financing activities		<u>(88,479)</u>	<u>(30,513)</u>
Change in cash and cash equivalents in the reporting period		<u>259,881</u>	<u>127,738</u>
Cash and cash equivalents at the beginning of the reporting period		<u>408,813</u>	<u>281,075</u>
Cash and cash equivalents at the end of the reporting period		<u><u>668,694</u></u>	<u><u>408,813</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.21	31.12.20 as restated
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(102,253)	368,975
Adjustments for:		
Depreciation charges	104,898	96,779
Interest received	(528)	(272)
Interest paid	72,372	78,691
Decrease in stocks	135	120
Decrease/(increase) in debtors	168,504	(182,787)
Increase/(decrease) in creditors	<u>240,694</u>	<u>(105,213)</u>
Net cash provided by operations	<u><u>483,822</u></u>	<u><u>256,293</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	<u>408,813</u>	<u>259,881</u>	<u>668,694</u>
	<u>408,813</u>	<u>259,881</u>	<u>668,694</u>
Debt			
Debts falling due within 1 year	(88,517)	(18,237)	(106,754)
Debts falling due after 1 year	<u>(2,299,134)</u>	<u>106,716</u>	<u>(2,192,418)</u>
	<u>(2,387,651)</u>	<u>88,479</u>	<u>(2,299,172)</u>
Total	<u><u>(1,978,838)</u></u>	<u><u>348,360</u></u>	<u><u>(1,630,478)</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiary (the 'Group') as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The Ethnic Inclusion Foundation (EIF) has the power to appoint and remove the members of the board of Peepul Centre which controls the entity's financial and operating policies. Peepul Centre's purposes are similar to those of EIF therefore the arrangement benefits the parent by contributing to its charitable aims and objectives. As EIF has control of Peepul Centre, it also controls its wholly owned subsidiary, Peepul Enterprises Limited.

Statutory information

The Ethnic Inclusion Foundation is a private company, limited by guarantee, registered in England Wales. The charitable company's registered numbers and registered office address can be found in the Trustees' Report.

The presentational currency of the financial statements is the Pound Sterling (£).

Critical accounting judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current accounting estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

ii) Investment property

Investment properties are valued periodically using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only be reliably tested in the market itself. Other inputs into the valuation are the annual rent per square metre and the capitalisation rate. The location, use and age of the property are also significant factors which are taken into consideration when determining the value of the property.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES – continued

Critical accounting judgements and key sources of estimation uncertainty – continued

iii) Stocks

In determining stock provisions, future demand and selling price is evaluated and appropriate provisions are made to reflect the risk of obsolescence and impairment in carrying value. The provisioning policy is in place to ensure that the carrying value of stock recognised in the financial statements is the lower of cost and estimated selling price, in accordance with the stated accounting policy.

iv) Classification of mixed-use property

In determining the proportions of the mixed-use property classified between tangible fixed assets and investment property, the Charity and the Group uses an estimate of the floor area that is occupied for earning rentals on a commercial basis compared to the total floor area of the freehold property and this portion is accounted for as investment property. The residual floor space is used either for delivering charitable activities or for general administrative purposes and is classified as a tangible fixed asset.

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.

Income from exchange transactions is income received by the charity for goods or services supplied

Income from non-exchange transactions is income received from a donor without providing equal value in exchange and includes donations, grants and legacies.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

Membership income is recognised in the period to which the membership relates.

Rental income from investment properties is recognised in the period to which it relates.

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES – continued

Allocation and apportionment of costs

Direct costs that are specifically related to an activity are allocated to that activity. Support costs are apportioned between activities. All support costs incurred by the parent charitable company, The Ethnic Inclusion Foundation, are considered to be attributable to investment management costs. The support costs incurred by subsidiaries are apportioned between activities in accordance with the floor area occupied by each activity.

Tangible fixed assets

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

Freehold property	- 2% on cost and includes land not being depreciated
Fixtures and fittings	- 20% and 25% on reducing balance and 20% on cost
Computer equipment	- 33% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Taxation

The charity is exempt from corporation 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Donated goods

Donated goods are recognised at their fair value at the date of donation, unless it is impractical to measure reliably their fair value.

If it is impractical to measure the fair value of goods donated for resale or if the costs of valuation outweigh the benefit to users of the accounts and the charity of this information, the donated goods must then be recognised when they are sold.

Donated services and facilities are measured and included in the accounts on the basis of the value of the gift to the charity, being the amount the charity would pay in the open market for an alternative item that would provide the equivalent benefit to the charity.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Volunteers

In accordance with the SORP, the contribution of volunteers is not measured and accounted for within income of the charity, however the Trustees value the significant contribution made to the activities of the charity by unpaid volunteers.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective rate of interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Going concern

After reviewing the charity's forecasts and projections, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing the financial statements.

Government grants

Government grants receivable are recognised in accordance with the performance model.

2. DONATIONS AND LEGACIES - GROUP

	31.12.21	31.12.20 as restated
	£	£
Donations	460	4,147
Grants	<u>97,326</u>	<u>305,512</u>
	<u>97,786</u>	<u>309,659</u>

Grants received, included in the above, are as follows:

	31.12.21	31.12.20 as restated
	£	£
Arts Council England - Cultural Recovery Fund	94,826	179,268
Leicester & Rutland Fund	-	14,019
Community Lottery	-	9,225
LCC	-	3,000
Barclays Community Fund	-	100,000
Leicestershire & Rutland Sport	<u>2,500</u>	<u>-</u>
	<u>97,326</u>	<u>305,512</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

3. OTHER TRADING ACTIVITIES - GROUP

	31.12.21	31.12.20 as restated
	£	£
Restaurant and bar income	12,272	39,501
Misc. trading	<u>9,786</u>	<u>-</u>
	<u><u>22,058</u></u>	<u><u>39,501</u></u>

4. INVESTMENT INCOME - GROUP

	31.12.21	31.12.20 as restated
	£	£
Rents received	710,076	1,165,951
Deposit account interest	<u>528</u>	<u>272</u>
	<u><u>710,604</u></u>	<u><u>1,166,223</u></u>

5. INCOME FROM CHARITABLE ACTIVITIES - GROUP

		31.12.21	31.12.20 as restated
	Activity	£	£
Grants	Provision of meals	-	42,502
Covid Vaccination	Provision of facilities to the community	816,835	20,000
Rents received	Provision of facilities to the community	32,839	70,162
Childcare fees	Provision of childcare	110,625	82,426
NEG Funding	Provision of childcare	179,665	117,123
Gym membership	Provision of leisure facilities	39,713	32,315
Other gym income	Provision of leisure facilities	8,716	9,981
Theatre income	Provision of theatre performances	<u>-</u>	<u>8,726</u>
		<u><u>1,188,393</u></u>	<u><u>383,235</u></u>

Grants received, included in the above, are as follows:

	31.12.21	31.12.20 as restated
	£	£
DEFRA	<u>-</u>	<u>42,502</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

6. OTHER INCOME - GROUP

	31.12.21	31.12.20 as restated
	£	£
Covid-19 Grant	<u>148,582</u>	<u>395,156</u>

Included in other income is Covid-19 related grants received that are not dependent on the entity being a Charity.

7. RAISING FUNDS - GROUP

Raising donations and legacies

	31.12.21	31.12.20 as restated
	£	£
Consultancy	-	500
Just giving charges	<u>123</u>	<u>586</u>
	<u>123</u>	<u>1,086</u>

Other trading activities

	31.12.21	31.12.20 as restated
	£	£
Purchases	26,984	34,569
Staff costs	62,755	87,293
Bad debts	11,863	-
Support costs (Note 11)	<u>164,100</u>	<u>135,067</u>
	<u>265,702</u>	<u>256,929</u>

Investment management costs

	31.12.21	31.12.20 as restated
	£	£
Staff costs	173,113	145,773
Bad debts	69,868	85,796
Cleaning	27,726	25,658
Administrative expenses	32,641	35,260
Commission and management fees	31,272	-
Property repairs	39,894	44,676
Property rates, light and heat	128,414	123,368
Interest payable and similar charges	71,916	78,691
Support costs (Note 11)	<u>143,655</u>	<u>145,657</u>
	<u>718,499</u>	<u>684,879</u>
Aggregate amounts	<u>984,324</u>	<u>942,894</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

8. CHARITABLE ACTIVITIES COSTS - GROUP

	Direct Costs (see note 9) £	Grant funding of activities (see note 10) £	Support costs (see note 11) £	Totals £
Provision of childcare	222,510	-	114,867	337,377
Provision of leisure facilities	68,056	-	116,998	185,054
Provision of facilities to the community	246,776	-	98,459	345,235
Provision of meals	103,050	-	-	103,050
Provision of theatre performances	129,537	-	164,099	293,636
Relief of sickness	-	1,000	-	1,000
Relief of poverty	-	20,000	-	20,000
	<u>769,929</u>	<u>21,000</u>	<u>494,423</u>	<u>1,285,352</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES – GROUP

	31.12.21 £	31.12.20 as restated £
Staff costs	373,029	435,184
Food purchases	89,624	65,746
Theatre costs	33,762	29,270
Consultancy	400	-
Childcare costs	10,723	5,551
Covid vaccination expenses	246,376	-
Equipment hire	12,895	12,242
Gym purchases	700	130
Depreciation	2,420	-
	<u>769,929</u>	<u>548,123</u>

10. GRANTS PAYABLE - GROUP

	31.12.21 £	31.12.20 as restated £
Relief of sickness	1,000	5,000
Relief of poverty	20,000	22,681
	<u>21,000</u>	<u>27,681</u>

The total grants paid to institutions during the year was as follows:

	31.12.21 £	31.12.20 as restated £
Peepul Delhi	20,000	21,139
Mental Health	1,000	-
Choice International	-	4,500
Peepul Kathmandu	-	1,542
Integration Project	-	500
	<u>21,000</u>	<u>27,681</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

11. SUPPORT COSTS - GROUP

	Management £	Finance £	Premises £
Other trading activities	32,237	1,918	94,716
Investment management costs	97,002	885	447
Provision of childcare	22,565	1,342	66,299
Provision of leisure facilities	22,565	1,342	66,299
Provision of facilities to the community	19,342	1,150	56,829
Provision of theatre performances	<u>32,237</u>	<u>1,918</u>	<u>94,715</u>
	<u>225,948</u>	<u>8,555</u>	<u>379,305</u>

	Administration £	Governance costs £	Totals £
Other trading activities	16,563	18,666	164,100
Investment management costs	6,996	38,325	143,655
Provision of childcare	11,595	13,066	114,867
Provision of leisure facilities	11,595	15,197	116,998
Provision of facilities to the community	9,939	11,199	98,459
Provision of theatre performances	<u>16,563</u>	<u>18,666</u>	<u>164,099</u>
	<u>73,251</u>	<u>115,119</u>	<u>802,178</u>

All support costs incurred by the parent company only are allocated to investment management costs.

Support costs incurred by subsidiary companies are allocated on the following basis;

Activity	Basis of allocation
Management	Floor area occupied by charitable activity
Finance	Floor area occupied by charitable activity
Premises	Floor area occupied by charitable activity
Administration	Floor area occupied by charitable activity
Governance costs	Floor area occupied by charitable activity

The proportion of floor area allocated to each activity has been estimated as;

	31.12.21	31.12.20
Other trading activities	25%	25%
Provision of childcare	17.5%	17.5%
Provision of leisure facilities	17.5%	17.5%
Provision of facilities to the community	15%	15%
Provision of theatre performances	25%	25%

12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.21 £	31.12.20 as restated £
Auditors' remuneration	15,500	12,500
Depreciation - owned assets	<u>104,898</u>	<u>96,779</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

13. TRUSTEES' / DIRECTORS' REMUNERATION AND BENEFITS - GROUP

	31.12.21	31.12.20 as restated
	£	£
Trustees' / Directors' salaries	98,700	69,560
Trustees' / Directors' social security	10,355	-
Trustees' / Directors' pension contributions	<u>1,203</u>	<u>-</u>
	<u>110,258</u>	<u>69,560</u>

A K Bhanot received remuneration of £46,350 from the Charity and a further £46,350 from the Charity's trading subsidiary, Peepul Enterprises Limited, for his role as Managing Director.

S S Syan received remuneration of £6,000 from the Charity's trading subsidiary, Peepul Enterprises Limited, for his role as Legal Director.

Total remuneration received by the Trustees / Directors from the Charity and its related entities was £98,700.

Trustees' / Directors' expenses

There were no trustees' / directors' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

14. STAFF COSTS - GROUP

	31.12.21	31.12.20 as restated
	£	£
Wages and salaries	792,259	847,752
Social security costs	55,158	49,188
Other pension costs	<u>14,493</u>	<u>12,724</u>
	<u>861,910</u>	<u>909,664</u>

Total remuneration in relation to Key Management Personnel, included within the figures above, amounts to £160,500.

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20 as restated
Directors	8	6
Administration	<u>38</u>	<u>42</u>
	<u>46</u>	<u>48</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.12.21	31.12.20 as restated
£60,001 - £70,000	<u>1</u>	<u>-</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds as restated £
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	195,232	114,427	309,659
Charitable activities			
Provision of facilities to the community	90,162	-	90,162
Provision of childcare	199,549	-	199,549
Provision of leisure facilities	42,296	-	42,296
Provision of meals	42,502	-	42,502
Provision of theatre performances	8,726	-	8,726
Other trading income	39,501	-	39,501
Investment income	1,166,223	-	1,166,223
Other income	395,156	-	395,156
Total	<u>2,179,347</u>	<u>114,427</u>	<u>2,293,774</u>
EXPENDITURE ON			
Raising funds	942,894	-	942,894
Charitable activities			
Provision of childcare	277,211	-	277,211
Provision of leisure facilities	156,861	-	156,861
Provision of facilities to the community	81,039	-	81,039
Provision of meals	122,437	-	122,437
Provision of theatre performances	316,676	-	316,676
Relief of sickness	5,000	-	5,000
Relief of poverty	22,681	-	22,681
Total	<u>1,924,799</u>	<u>-</u>	<u>1,924,799</u>
NET INCOME	254,548	114,427	368,975
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	16,173,615	-	16,173,615
Prior year adjustment	866,773	-	866,773
As restated	<u>17,040,388</u>	<u>-</u>	<u>17,040,388</u>
TOTAL FUNDS CARRIED FORWARD	<u>17,294,936</u>	<u>114,427</u>	<u>17,409,363</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

16. PRIOR YEAR ADJUSTMENT

Grant income of £114,437 was awarded during the year ended 31 December 2020 but wasn't included in the financial statements.

Grant income of £4,800 had been recognised in the year ended 31 December 2020 when the Charity wasn't entitled to the income.

Depreciation of £5,600 per annum had been charged in error on the land element of freehold property.

Rental income of £1,500 had not been deferred as at 31 December 2020 when it related to the financial year ended 31 December 2021.

Rental income of £18,427 had not been deferred as at 31 December 2019 and 31 December 2020 when it related to a period in the following financial period.

Income of £20,000 for the Covid Vaccination centre was received in January 2021 but was for the period 18 December 2020 - 31 December 2020 and therefore should have been accrued for at 31 December 2020.

A provision of £10,000 was required as at 31 December 2020 for a legal claim against the charity but this wasn't reflected in the balance sheet.

Investment property had previously been accounted for within tangible fixed assets under the cost model. The comparatives have been restated to account for this as investment property at fair value and remove the depreciation previously charged.

The above adjustments have increased reserves by £866,773 as at 31 December 2019 and increased reserves by £996,500 as at 31 December 2020.

17. TANGIBLE FIXED ASSETS – COMPANY

	Fixtures and fittings £
COST	
At 1 January 2021 and 31 December 2021	<u>186,324</u>
DEPRECIATION	
At 1 January 2021	113,158
Charge for year	<u>14,633</u>
At 31 December 2021	<u>127,791</u>
NET BOOK VALUE	
At 31 December 2021	<u><u>58,533</u></u>
At 31 December 2020	<u><u>73,166</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

17. TANGIBLE FIXED ASSETS - GROUP

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2021	3,924,876	595,477	-	4,520,353
Additions	<u>32,000</u>	<u>18,386</u>	<u>13,232</u>	<u>63,618</u>
At 31 December 2021	<u>3,956,876</u>	<u>613,863</u>	<u>13,232</u>	<u>4,583,971</u>
DEPRECIATION				
At 1 January 2021	567,458	499,486	-	1,066,944
Charge for year	<u>79,418</u>	<u>23,405</u>	<u>2,073</u>	<u>104,896</u>
At 31 December 2021	<u>646,876</u>	<u>522,891</u>	<u>2,073</u>	<u>1,171,840</u>
NET BOOK VALUE				
At 31 December 2021	<u>3,310,000</u>	<u>90,972</u>	<u>11,159</u>	<u>3,412,131</u>
At 31 December 2020	<u>3,357,418</u>	<u>95,991</u>	<u>-</u>	<u>3,453,409</u>

Included in cost or valuation of land and buildings is freehold land of £280,000 which is not depreciated.

18. FIXED ASSET INVESTMENTS

Peepul Centre

Company number: 03964213

Charity registration number: 1092389

Registered office: 126-128 Uxbridge Road, London, W13 8QS

Nature of business: Charity

Means of control: The Ethnic Inclusion Foundation (EIF) has the power to appoint and remove the members of the board of Peepul Centre which controls the entity's financial and operating policies. Peepul Centre's purposes are similar to those of EIF therefore the arrangement benefits the parent by contributing to its charitable aims and objectives.

	31.12.21	31.12.20 as restated
Aggregate capital and reserves	4,943,147	5,039,822
Income	247,357	461,159
Expenditure	344,032	264,699
Net income / (expenditure)	(96,675)	196,460

Peepul Enterprises Limited

Company number: 05178708

Registered office: 7 Orchardson Avenue, Leicester, LE4 6DP

Nature of business: Social enterprise

	% holding	31.12.21	31.12.20 as restated
Class of share:			
Ordinary	100		
Aggregate capital and reserves		(486,362)	(584,643)
Turnover		1,210,452	379,469
Expenditure		1,112,171	565,133
Profit / (loss)		98,281	(185,664)

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

19. INVESTMENT PROPERTY - COMPANY

£

FAIR VALUE

At 1 January 2021

and 31 December 2021

15,000,000

NET BOOK VALUE

At 31 December 2021

15,000,000

At 31 December 2020

15,000,000

The directors consider the fair value of the investment property to be £15,000,000 as at 31 December 2021.

The investment property was last valued by an independent, professionally qualified valuer in the financial year ended 31 December 2019.

19. INVESTMENT PROPERTY - GROUP

£

FAIR VALUE

At 1 January 2021

and 31 December 2021

16,100,000

NET BOOK VALUE

At 31 December 2021

16,100,000

At 31 December 2020

16,100,000

The directors consider the fair value of the investment property to be £16,100,000 as at 31 December 2021.

One of the investment properties was last valued by an independent, professionally qualified valuer in the financial year ended 31 December 2019.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

20. STOCKS - GROUP

	31.12.21	31.12.20 as restated
	£	£
Stocks	<u>6,580</u>	<u>6,715</u>

All stocks held relate to the groups trading activities.

21. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	31.12.21	31.12.20 as restated
	£	£
Trade debtors	33,862	73,426
Amounts owed by group undertakings	4,988	72,364
Other debtors	1,422	366
Prepayments and accrued income	<u>18,453</u>	<u>-</u>
	<u>58,725</u>	<u>146,156</u>

21. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	31.12.21	31.12.20 as restated
	£	£
Trade debtors	37,546	99,493
Other debtors	8,067	114,793
Prepayments and accrued income	<u>20,169</u>	<u>20,000</u>
	<u>65,782</u>	<u>234,286</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	31.12.21	31.12.20 as restated
	£	£
Bank loans and overdrafts (see note 24)	96,754	84,350
Trade creditors	56,817	61,505
VAT	13,067	15,117
Other creditors	211,450	91,605
Accruals and deferred income	<u>74,831</u>	<u>65,167</u>
	<u>452,919</u>	<u>317,744</u>

Accruals and deferred income includes deferred income of £70,076 (2020 - £65,167) relating to rental income for future periods.

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	31.12.21	31.12.20 as restated
	£	£
Bank loans and overdrafts (see note 24)	106,754	88,517
Trade creditors	136,124	145,490
Social security and other taxes	-	14,491
VAT	59,531	23,868
Other creditors	226,414	136,893
Accruals and deferred income	<u>224,836</u>	<u>85,467</u>
	<u>753,659</u>	<u>494,726</u>

Accruals and deferred income includes deferred income of £110,448 (2020 - £71,467). This comprises £35,572 (2020 - £nil) of NEG funding received in advance for childcare services for a term following the year end, £4,800 (2020 - £4,800) of grant income received where performance related conditions were not met as at 31 December 2021, and £70,076 (2020 - £66,667) of rental income received in advance of the period to which it relates.

23. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - COMPANY

	31.12.21	31.12.20 as restated
	£	£
Bank loans (see note 24)	<u>2,156,586</u>	<u>2,253,301</u>

23. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - GROUP

	31.12.21	31.12.20 as restated
	£	£
Bank loans (see note 24)	<u>2,192,418</u>	<u>2,299,134</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

24. LOANS - COMPANY

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20 as restated
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>96,754</u>	<u>84,350</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>202,022</u>	<u>96,754</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>560,093</u>	<u>575,417</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years	1,394,471	1,581,130

24. LOANS – GROUP

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20 as restated
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>106,754</u>	<u>88,517</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>212,021</u>	<u>106,753</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>585,926</u>	<u>605,417</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years	1,394,471	1,586,964

25. SECURED DEBTS – COMPANY AND GROUP

The following secured debts are included within creditors:

	31.12.21	31.12.20 as restated
	£	£
Bank loans	<u>2,253,340</u>	<u>2,337,651</u>

The bank loan is secured on investment property.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

26. MOVEMENT IN FUNDS - COMPANY

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	At 31.12.21 £
Unrestricted funds				
General fund	5,833,656	(18,427)	(103,863)	5,711,366
Fair value reserve	<u>7,138,959</u>	<u>-</u>	<u>-</u>	<u>7,138,959</u>
	<u>12,972,615</u>	<u>(18,427)</u>	<u>(103,863)</u>	<u>12,850,325</u>
TOTAL FUNDS	<u><u>12,972,615</u></u>	<u><u>(18,427)</u></u>	<u><u>(103,863)</u></u>	<u><u>12,850,325</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	633,614	(737,477)	(103,863)
TOTAL FUNDS	<u><u>633,614</u></u>	<u><u>(737,477)</u></u>	<u><u>(103,863)</u></u>

Comparatives for movement in funds

	At 1.1.20 £	Prior year adjustment £	Net movement in funds £	At 31.12.20 £
Unrestricted funds				
General fund	5,475,473	(18,427)	358,183	5,815,229
Fair value reserve	<u>7,138,959</u>	<u>-</u>	<u>-</u>	<u>7,138,959</u>
	<u>12,614,432</u>	<u>(18,427)</u>	<u>358,183</u>	<u>12,954,188</u>
TOTAL FUNDS	<u><u>12,614,432</u></u>	<u><u>(18,427)</u></u>	<u><u>358,183</u></u>	<u><u>12,954,188</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

26. MOVEMENT IN FUNDS – COMPANY - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,111,199	(753,016)	358,183
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,111,199</u>	<u>(753,016)</u>	<u>358,183</u>

26. MOVEMENT IN FUNDS - GROUP

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	At 31.12.21 £
Unrestricted funds				
General fund	9,273,904	76,073	(51,202)	9,298,775
Fair value reserve	<u>7,138,959</u>	<u>806,000</u>	<u>-</u>	<u>7,944,959</u>
	16,412,863	882,073	(51,202)	17,243,734
Restricted funds				
Meals and Wellbeing Programme	-	100,000	(100,000)	-
Health and Wellbeing sessions	-	-	2,500	2,500
Theatre re-opening project	<u>-</u>	<u>14,427</u>	<u>46,449</u>	<u>60,876</u>
	<u>-</u>	<u>114,427</u>	<u>(51,051)</u>	<u>63,376</u>
TOTAL FUNDS	<u>16,412,863</u>	<u>996,500</u>	<u>(102,253)</u>	<u>17,307,110</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,070,097	(2,121,299)	(51,202)
Restricted funds			
Meals and Wellbeing Programme	-	(100,000)	(100,000)
Health and Wellbeing sessions	2,500	-	2,500
Theatre re-opening project	<u>94,826</u>	<u>(48,377)</u>	<u>46,449</u>
	<u>97,326</u>	<u>(148,377)</u>	<u>(51,051)</u>
TOTAL FUNDS	<u>2,167,423</u>	<u>(2,269,676)</u>	<u>(102,253)</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

26. MOVEMENT IN FUNDS – GROUP – continued

Comparatives for movement in funds

	At 1.1.20 £	Prior year adjustment £	Net movement in funds £	At 31.12.20 £
Unrestricted funds				
General fund	9,034,656	60,773	254,548	9,349,977
Fair value reserve	<u>7,138,959</u>	<u>806,000</u>	<u>-</u>	<u>7,944,959</u>
	16,173,615	866,773	254,548	17,294,936
Restricted funds				
Meals and Wellbeing Programme	-	-	100,000	100,000
Theatre re-opening project	<u>-</u>	<u>-</u>	<u>14,427</u>	<u>14,427</u>
	<u>-</u>	<u>-</u>	<u>114,427</u>	<u>114,427</u>
TOTAL FUNDS	<u>16,173,615</u>	<u>866,773</u>	<u>368,975</u>	<u>17,409,363</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,179,347	(1,924,799)	254,548
Restricted funds			
Meals and Wellbeing Programme	100,000	-	100,000
Theatre re-opening project	<u>14,427</u>	<u>-</u>	<u>14,427</u>
	<u>114,427</u>	<u>-</u>	<u>114,427</u>
TOTAL FUNDS	<u>2,293,774</u>	<u>(1,924,799)</u>	<u>368,975</u>

Meal and wellbeing programme

Grants of £100,000 were awarded in 2020 to allow the centre to support both vulnerable individuals and key-workers in Leicester, with a particular focus on the local Belgrave area, throughout the Covid-19 pandemic. This was fully expended in the year ended 31 December 2021.

Health and wellbeing sessions

A grant of £2,500 was received during the year so we could raise awareness of Diabetes and support people with their health and wellbeing. This was fully expended in the year ended 31 December 2021.

Theatre re-opening project

Multiple grants were awarded during the year to develop and improve the performances on offer at the theatre.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

27. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Trustee, Director and Chairman, A Bhanot is a director and shareholder of Online Accountancy Services Ltd which provides bookkeeping and accountancy services to the charity and its subsidiaries. The bookkeeping fee charged to the subsidiaries was £24,000 for the year. Accountancy fees of £4,000, £3,000 and £5,500 were charged to Peepul Enterprises Limited, Peepul Centre and The Ethnic Inclusion Foundation, respectively.

As at 31 December 2021, Peepul Enterprises Limited owed A Bhanot £2,406 (2020: £14,906).