

Charity Registration No. 1143043

Company Registration No. 07517633 (England and Wales)



HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Thampippillai Manmatharajah Mr Navaratnam Shanmuganathan Mr Ponniah Kailayapathivagan Mr Sundarampillai Sivachandran Mr Anthonipillai Kantharuban Mr Kanagasabapathy Mathisoody Mr Kabilan Ganeshamoorthy Mr Jeevah Haran	(Appointed 1 March 2021) (Appointed 1 March 2021)
Secretary	Mr Thampippillai Manmatharajah	
Charity number	1143043	
Company number	07517633	
Registered office	61-65 Church Lane Edmonton London N9 9PZ	
Auditor	Moore Northern Home Counties Limited Nicholas House River Front Enfield Middlesex EN1 3FG	
Bankers	Barclays Bank plc The Enfield Group 20 The Town Enfield Middlesex EN2 6LY HSBC Bank plc 17 The Broadway Southgate London N14 6PP	

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

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HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objects are specifically restricted to the following:

To advance the Hindu Religion in particular but not exclusively by the establishment and management of the Nagapooshani Ambaal Temple; and the advancement of education in the Tamil Language, Culture and Art. To further its objects, the Charity may:

- Organise events and to arrange activities to raise funds for progress / promotion of Nagapooshani Ambaal Temple and objectives of the Trust;
- Establish Nursery and Hindu Religious and Educational Institutions for the benefits of the Hindu Community;
- Raise funds, invite and receive contributions from person or persons by way of subscriptions and otherwise provided that the Trust shall not undertake trading activities in raising funds for the said objects; and
- Invest the monies of the Trust not immediately required for the said objectives in or upon such investment, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law.

The Trustees have considered the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the Charity's aims and objectives and in planning its future activities.

Public benefit

The Charity has achieved the public benefit objectives by meeting the spiritual requirements of the congregation. This was achieved by holding the daily poojas, arti and discourses. All key festival and religious dates are observed and celebrated by the devotees.

Volunteers

The Charity depends heavily upon the continuing support of devotees. We also thank all volunteers for their hard work during the year, particularly those working within the areas of Prashad preparations, various educational activities, car park duties, cleaning, organised special events, decorations, and other religious activities and pray that they continue to serve the Trust in the future.

Although volunteer contribution is integral to the contribution of the Charity, It is difficult to quantify the number of voluntary hours served by the devotees.

Achievements and performance

The Trustees are pleased to report on this year in which the Charity fulfilled its objectives. All funds received during the year have been applied in meeting the Charity's charitable objectives.

Any surpluses arising from donations and other income are held for the general benefit of the Charity's operations.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Impact of Covid on the Charity

The Covid-19 pandemic will have a significant impact on the 2020/21 accounting period. Due to national government restrictions imposed due to Covid-19, the temple was forced to close its doors between April 20 and June 20. This has resulted in a significant impact on income with devotees not being able to attend the Poojas and programme bookings such as Weddings and other festivals not being able to take place.

Further government restrictions imposed from November 2020 onwards has further impacted the facilities and services the temple has been able to offer to the wider community. The temple continues to support those in need during these challenging times. The temple has also broadcasted all daily programmes live on Facebook and YouTube.

Financial review

The Statement of Financial Activities (SOFA) shows net income and expenditure for the year. The SOFA also shows the financial activity of the Charity distinguishing between restricted and unrestricted activities.

At 31 December 2020, the Charity had net assets of approximately £3 million (2019 - £2.8 million).

Income

The Trustees were pleased with the level of income during the year.

Income decreased from the previous year with a net income for the year at £167,026 (2019 - £223,647). This decrease is due to a decline in Abisekam and Archanai contributions.

Reserves policy and going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As a place of worship, we are totally reliant on donations, therefore in the absence or restricted number of worshippers as well as prolong period of restrictions on mass gatherings will significantly reduce the income. Taking all these factors into account, next year's income is based on the expectation of the government guidelines. No doubt, our core expenses will also reflect proportionally however, having prepared a forecast for this period the trustees have noted that even though income has reduced compared to pre Covid level, costs have also fallen due to restrictions and cutting costs wherever possible. The charity has also received two payment holidays for the bank loan that is included in the liabilities of the charity, this has reduced payments to interest only between June - November 2020 and March 2021 – August 2021.

These are unprecedented times and therefore difficult to assess the full impact of the pandemic. Hindu Tamil Cultural Association (Enfield) may have to increase the cash reserve beyond the current level.

An increase in unrestricted reserves of £167,026 (2019 - £223,647) indicates that there are no material risks to the organisation's ability to operate as a going concern. As a result, the accounts have been prepared on a going concern basis.

The Trustees have confirmed that, after careful review of the reserves policy, the most appropriate measure of reserves for the Charity is by reference to the Charity's liquidity position. As at 31 December 2020, in considering the adequacy of the reserves, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have continued to adopt the going concern basis concept in preparing the financial statements.

The Trustees consider the key measure of sustainability for the Charity to be current and future liquidity cover, rather than the surplus or deficit accounting position. As a consequence, the Trustees have set appropriate reserves policies relating to liquidity based on the relationship between readily realisable assets, on-going level of donations received, and the cash requirements associated with sustaining the Charity's operations for a year.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

In establishing this policy, the Board of Trustees conducts an annual review of the level of unrestricted reserves in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items.

This enables an estimate to be made of the level of reserves that are sufficient:

- to allow time for re-organisation in the event of a downturn in income or asset values;
- to protect ongoing work programme; and
- to allow the Charity to meet its objectives.

Risks and issues considered by the Board of Trustees in making this judgement on the level of unrestricted reserves include:

- likelihood of a downturn in income streams;
- year of time required to re-establish income streams;
- year of time required to downsize the Charity operations;
- whether there is adequate control over budgets; and
- requirements for a reasonable level of working capital.

The Trustees are of the view that with minimum annual income of £500k, maintaining cash reserves of at least £50k will provide sufficient resources in the event of adverse conditions. The Trustees have also assessed other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

In the event of the Charity facing difficult financial circumstances, this would allow it to continue operations during a year of managed adjustment to these new circumstances.

The Trustees review the Charity's reserves policy annually and are satisfied with this level of cash reserves at the end of 2020 and are confident that the cash reserves will continue to increase in subsequent years.

Investments policy

The Trustees' investment powers allow the Trustees to invest surplus funds to generate income with which to fund future activities.

The Trustees' investment policy is to aim for safety, commensurate with immediate and planned spending requirements and given the current uncertainties in the financial markets, the Trustees consider it appropriate to be holding funds in deposit accounts where they achieve a steady return.

Risk management

The Trustees have an informal risk management strategy which comprises:

- Ongoing review of the risks the Charity may face;
- Establishment of systems and procedures to mitigate those risks; and
- Implementation of procedures designed to minimise any potential impact on the Charity should those risks materialize.

The Board of Trustees is responsible for the management of the risks faced by the Trust. Consideration of such risks is made on an informal ongoing basis and controls to mitigate such risks are reviewed on an ongoing informal basis. A review and assessment of these controls is undertaken on an annual basis.

Through the above, the Trustees are satisfied that major risks identified are subsequently mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The activities of the Charity are dependent on its ability to raise funds from donations and other lending. The key risk for 2020 therefore is the Charity's ability to secure ongoing funding to support the repayment of bank loans that were used for the purpose of building the temple to date. The Trustees consider this risk to be low as its donors are diverse and very supportive. The charitable expenditure is largely discretionary and can be reduced to mitigate a substantial reduction in income.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

The Trust is a company limited by guarantee. None of the Trustees had any beneficial interest in the company during the year. The Hindu Tamil Cultural Association (Enfield) was incorporated on 4th February 2011. It is registered as a charity with the Charity Commission.

The Trust is a Registered Charity under the Laws of England and Wales, which is overseen by the Charity Commission. The Trustees are responsible for the activities of the Trust and the day to day management.

There are currently eight members each giving a guarantee to contribute a sum, not exceeding £1, to the company should it be wound up. The governing document is the Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Thampippillai Manmatharajah

Mr Navaratnam Shanmuganathan

Mr Ponniah Kailayapathivagan

Mr Sundarampillai Sivachandran

Mr Anthonipillai Kantharuban

Mr Kanagasabapathy Mathisoody

Mr Murugesu Arumugam

(Resigned 30 January 2021)

Dr Kathiravellupillai Sivasinmyanathan

(Resigned 28 February 2021)

Mr Kabilan Ganeshamoorthy

(Appointed 1 March 2021)

Mr Jeevah Haran

(Appointed 1 March 2021)

Appointment of Trustees

The appointment of Trustees is governed by the Articles of Association. The number of Trustees must consist of at least six members.

The election of office bearers shall be carried out by the members in a meeting by the Trustees in December. All the members of the executive committee shall be elected by the Trustees at this meeting.

The by-election of a member of the committee of the Trust in place of the one who expires or is being disqualified or otherwise cease to be a member of the committee shall be held by the Trustees and the remaining members of the Trust shall use their best discretion in adapting the provisions for such by election.

Organisational structure and decision making

Each Trustee has assumed responsibility for monitoring activities in specific operational areas and chairing groups consisting of staff and volunteers. The Trustees report the activities of these operational areas to the Board of Trustees. All Trustees give their time voluntarily and receive no benefits from the Charity.

Decision making duties are carried out by the executive committee which shall be elected by the Trustees their monthly meeting. Other ad-hoc decisions are taken by the Executive committee members (Trustees) with executive positions.

Induction and training of new Trustees

As part of their induction program, new Trustees are made aware of their responsibilities. This includes an introduction to the objectives, scope and policies of the Charity, the Charity Commission information on Trustees' responsibilities and a copy of the Constitution. Additional training is available to keep up with all new regulations concerning the Charity's activities.

Remuneration policy for key management personnel

The key management personnel of the Charity are the Trustees, who are not remunerated.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2020***

Related party relationships

Details of related parties are included in the notes to the financial statements.

Auditor

Moore Northern Home Counties Limited were reappointed as the charitable company's auditors during the year. A resolution will be proposed at the Annual General Meeting that Dr Kathiravellupillai Sivasinmyananthan will be authorised to engage auditors for the Charity for the ensuing year.

Disclosure of information to auditor

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

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

Mr Ponniah Kailayapathivagan

Trustee

Dated: 23 September 2021

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also the directors of Hindu Tamil Cultural Association (Enfield) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

Opinion

We have audited the financial statements of Hindu Tamil Cultural Association (Enfield) (the 'Charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Francis Corbishley (Senior Statutory Auditor)

for and on behalf of Moore Northern Home Counties Limited

24 September 2021

Chartered Accountants

Statutory Auditor

Nicholas House
River Front
Enfield
Middlesex
EN1 3FG

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	2	434,445	102,210	536,655	283,774	170,157	453,931
Charitable activities	3	152,102	-	152,102	408,441	-	408,441
Other trading activities	4	14,889	-	14,889	37,449	-	37,449
Investments	5	73,100	-	73,100	54,290	-	54,290
Total income		674,536	102,210	776,746	783,954	170,157	954,111
Expenditure on:							
Raising funds	6	141	-	141	-	-	-
Charitable activities	7	536,911	14,537	551,448	652,714	23,149	675,863
Other expenditure	10	26,232	31,899	58,131	24,913	29,688	54,601
Total expenditure		563,284	46,436	609,720	677,627	52,837	730,464
Net incoming resources before transfers		111,252	55,774	167,026	106,327	117,320	223,647
Transfers between funds		55,774	(55,774)	-	117,320	(117,320)	-
Net income for the year/ Net movement in funds		167,026	-	167,026	223,647	-	223,647
Fund balances at 1 January 2020		2,771,927	16,904	2,788,831	2,548,278	16,904	2,565,182
Fund balances at 31 December 2020		2,938,953	16,904	2,955,857	2,771,925	16,904	2,788,829

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(564,029)		97,370
Investing activities					
Purchase of tangible fixed assets		-		(10,165)	
Purchase of investment property		(625,718)		-	
Interest received		73,100		54,290	
Net cash (used in)/generated from investing activities			(552,618)		44,125
Financing activities					
Proceeds of new bank loans		-		145,596	
Repayment of bank loans		1,153,015		(262,737)	
Net cash generated from/(used in) financing activities			1,153,015		(117,141)
Net increase in cash and cash equivalents			36,368		24,354
Cash and cash equivalents at beginning of year			29,674		5,320
Cash and cash equivalents at end of year			66,042		29,674

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	3,144,722		3,206,628	
Investment properties	13	2,339,567		1,713,849	
		<u>5,484,289</u>		<u>4,920,477</u>	
Current assets					
Debtors	14	874		10,169	
Cash at bank and in hand		66,042		29,674	
		<u>66,916</u>		<u>39,843</u>	
Creditors: amounts falling due within one year	15	<u>(229,019)</u>		<u>(899,147)</u>	
Net current liabilities			(162,103)		(859,304)
Total assets less current liabilities			<u>5,322,186</u>		<u>4,061,173</u>
Creditors: amounts falling due after more than one year	16		(2,366,329)		(1,272,344)
Net assets			<u><u>2,955,857</u></u>		<u><u>2,788,829</u></u>
Income funds					
Restricted funds	19	16,904		16,904	
Unrestricted funds		2,938,953		2,771,925	
		<u>2,955,857</u>		<u>2,788,829</u>	

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

The financial statements were approved by the Trustees on 23 September 2021

Mr Ponniah Kailayapathivagan
Trustee

Company Registration No. 07517633

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Hindu Tamil Cultural Association (Enfield) is a private company limited by guarantee incorporated in England and Wales. The registered office is 61-65 Church Lane, Edmonton, London, N9 9PZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

While Covid-19 has had an impact on the Charity, the Trustees believe it has not impacted on the going concern position of the Charity. The Charity has net current liabilities but has been able to continue to meet its liabilities as they fall due and manage its cash flow position sufficiently to allow it to continue to operate.

1.3 Charitable funds

Unrestricted funds are donations and other income received or generated for the charitable purposes. These funds are available for use towards meeting the objectives of the Charity.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

1.4 Income

Income from donations and grants, including capital grants, is included when these are receivable, except as follows:

- When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in restricted funds when receivable.
- Gifts in kind are valued by the amount stated on the receipt if provided by the donor. Where no receipt is available, the items are valued by multiplying the weight with the prevailing price on the respective precious metal or commodity exchange in London at the respective wholesale price of each, plus a fixed value for labour per gram.
- Where tax has been deducted at source, income is grossed up where a claim for the tax repayment has been made. The tax recoverable is shown as a debtor

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Income from investments is included in the Statement of Financial Activities in the period it is receivable and deferred or accrued accordingly.

1.5 Expenditure

The policy for including items within the relevant activity categories of expenditure is that expenditure is charged to the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered and is classified as follows:

Costs of generating funds

The costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable activities

- Activities in furtherance of the Charity's objectives and aims.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.
- Governance costs shall include all expenditure directly related to the administration of the Charity including expenditure incurred in the management of the Charity's assets, organisational administration and compliance with charitable and statutory requirements.

Allocation of costs within types of expenditure

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are:

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Temple buildings	2% straight line
Computers	25% straight line
Equipment	20% straight line
Motor vehicles	25% straight line

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

1.7 Investment properties

Investment properties are included in the Balance sheet at their fair value in accordance with Financial Reporting Standard 102 and are not depreciated. Gains are recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Taxation

The company has been confirmed to be exempt from Corporation Tax, as having charitable status, upon any surpluses arising from its activities as long as those surpluses are held for the purpose of the company's objects.

All the activities are outside the scope of VAT and input tax on purchases is not recoverable and therefore is charged against the category of expenditure for which it was incurred.

1.11 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transition value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

2 Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2019 £	Total 2019 £
Till collection	15,051	-	15,051	25,919	25,919
General donation received	353,558	-	353,558	257,855	257,855
General donation received (children's welfare - restricted)	-	31,899	31,899	-	29,688
Government grants	65,836	-	63,836	-	-
Building fund donations - restricted	-	70,311	70,311	-	140,469
	<u>434,445</u>	<u>102,210</u>	<u>536,655</u>	<u>283,774</u>	<u>453,931</u>

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Income from charitable activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Abisekam & Archanai contribution	152,102	408,441

4 Income from other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Miscellaneous income	14,313	36,180
Activities for generating funds	576	1,269
Other trading activities	14,889	37,449

5 Income from investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Rental income	73,100	54,290

6 Expenditure on raising funds

	Unrestricted funds 2020 £	Total 2019 £
Other activities for generating funds costs	141	-
	141	-

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Expenditure on charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Staff costs	161,259	-	161,259	129,200	-	129,200
Depreciation and impairment	61,905	-	61,905	64,041	-	64,041
Announcements and adverts	3,510	-	3,510	3,910	-	3,910
Abisekam and related expenses	108,915	-	108,915	276,009	-	276,009
Water rates	3,962	-	3,962	3,434	-	3,434
General rates	9,411	-	9,411	5,404	-	5,404
Premises insurance	3,786	3,785	7,571	4,407	4,407	8,814
Light and heat	15,024	3,756	18,780	28,725	7,181	35,906
Printing, stationery and postage	878	877	1,755	1,401	1,400	2,801
Telephone	610	1,832	2,442	536	1,608	2,144
Computer supplies	3,958	990	4,948	6,483	1,621	8,104
Repairs and renewals	25,885	-	25,885	26,111	-	26,111
Cleaning	6,845	-	6,845	12,499	5,999	18,498
Security and alarm	1,425	2,851	4,276	8,259	-	8,259
Motor vehicle and travelling expenses	5,657	-	5,657	3,730	933	4,663
Office expenses	1,785	446	2,231	-	-	-
	<u>414,815</u>	<u>14,537</u>	<u>429,352</u>	<u>574,149</u>	<u>23,149</u>	<u>597,298</u>
Share of governance costs (see note 8)	122,096	-	122,096	78,565	-	78,565
	<u>536,911</u>	<u>14,537</u>	<u>551,448</u>	<u>652,714</u>	<u>23,149</u>	<u>675,863</u>

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support and governance costs

	Support costs	Governance costs	Total 2020	Support costs	Governance costs	Total 2019
	£	£	£	£	£	£
Audit and accountancy fees	-	2,701	2,701	-	9,600	9,600
Professional fees	-	14,048	14,048	-	9,980	9,980
Bank charges	-	18,720	18,720	-	4,422	4,422
Bank loan interest	-	86,627	86,627	-	54,563	54,563
	-	122,096	122,096	-	78,565	78,565
Allocated to:						
Charitable activities	-	122,096	122,096	-	78,565	78,565

Governance costs includes payments to the auditors of £7,200 (2019- £8,400) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

10 Other expenditure

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019
	£	£	£	£	£
General donations - Asia	5,344	31,899	37,243	22,418	52,106
General donations - UK	20,888	-	20,888	2,495	2,495
	26,232	31,899	58,131	24,913	54,601

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Priests	5	5
Administration	6	6
	<u>11</u>	<u>11</u>

Employment costs

	2020 £	2019 £
Wages and salaries	152,193	124,725
Social security costs	9,066	4,475
	<u>161,259</u>	<u>129,200</u>

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

12 Tangible fixed assets

	Temple buildings £	Computers, equipment and motor vehicles £	Jewellery £	Total £
Cost				
At 1 January 2020	2,884,974	41,126	429,449	3,355,549
At 31 December 2020	<u>2,884,974</u>	<u>41,126</u>	<u>429,449</u>	<u>3,355,549</u>
Depreciation and impairment				
At 1 January 2020	115,400	33,521	-	148,921
Depreciation charged in the year	57,700	4,206	-	61,906
At 31 December 2020	<u>173,100</u>	<u>37,727</u>	<u>-</u>	<u>210,827</u>
Carrying amount				
At 31 December 2020	<u>2,711,874</u>	<u>3,399</u>	<u>429,449</u>	<u>3,144,722</u>
At 31 December 2019	<u>2,769,574</u>	<u>7,605</u>	<u>429,449</u>	<u>3,206,628</u>

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Investment property

	2020 £
Fair value	
At 1 January 2020	1,713,849
Additions through external acquisition	625,718
	<hr/>
At 31 December 2020	2,339,567
	<hr/> <hr/>

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	-	9,669
Prepayments and accrued income	874	500
	<hr/>	<hr/>
	874	10,169
	<hr/> <hr/>	<hr/> <hr/>

15 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Secured loan	17	187,463	128,433
Other taxation and social security		7,475	1,818
Other creditors		16,401	751,216
Accruals and deferred income		17,680	17,680
		<hr/>	<hr/>
		229,019	899,147
		<hr/> <hr/>	<hr/> <hr/>

16 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Secured loan	17	2,366,329	1,272,344
		<hr/> <hr/>	<hr/> <hr/>

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Loans and overdrafts

	2020 £	2019 £
Secured loan	2,553,792	1,400,777
Payable within one year	187,463	128,433
Payable after one year	2,366,329	1,272,344
Amounts included above which fall due after five years:		
Payable by instalments	1,525,218	796,805

The loans are secured against the properties owned by the Charity.

18 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	3,144,722	-	3,144,722	3,206,628	-	3,206,628
Investment properties	2,339,567	-	2,339,567	1,713,849	-	1,713,849
Current assets/ (liabilities)	(179,007)	16,904	(162,103)	(876,208)	16,904	(859,304)
Long term liabilities	(2,366,329)	-	(2,366,329)	(1,272,344)	-	(1,272,344)
	2,938,953	16,904	2,955,857	2,771,925	16,904	2,788,829

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019	Movement in funds			Balance at 1 January 2020	Movement in funds			Balance at 31 December 2020
		Income	Expenditure	Transfers		Income	Expenditure	Transfers	
	£	£	£	£	£	£	£	£	£
Construction of the temple	-	140,469	(23,149)	(117,320)	-	70,311	(14,537)	(55,774)	-
Children's homes	16,904	29,688	(29,688)	-	16,904	31,899	(31,899)	-	16,904
	<u>16,904</u>	<u>170,157</u>	<u>(52,837)</u>	<u>(117,320)</u>	<u>16,904</u>	<u>102,210</u>	<u>(46,436)</u>	<u>(55,774)</u>	<u>16,904</u>

Construction of the temple

This fund represents donations that have been received in order to repay borrowings related to the building of the temple. The entire balance was transferred to unrestricted funds as the temple has already been completed.

Children's homes

The children's homes fund represents donations that have been received specifically for children's homes in Sri Lanka.

HINDU TAMIL CULTURAL ASSOCIATION (ENFIELD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Related party transactions

Interest-free loans amounting to £nil (2019: £nil) were received from various Trustees. The amounts owed to Trustees at the year-end were as follows:

	2020 £	2019 £
Mr Manmatharajah	-	10,500
Mr Arumugam	-	63,000
Mr Mathisoodu	-	15,000
Dr Sivasinmyanathan	-	41,000
Ponniah Kailayapathivagan	-	6,000
Mr Kantharuban	-	69,500
	<u>-</u>	<u>205,000</u>

21 Cash generated from operations

	2020 £	2019 £
Surplus for the year	167,029	223,647
Adjustments for:		
Investment income recognised in statement of financial activities	(73,100)	(54,290)
Depreciation and impairment of tangible fixed assets	61,905	64,041
Movements in working capital:		
Decrease in debtors	9,295	4,268
(Decrease) in creditors	(729,158)	(140,296)
Cash (absorbed by)/generated from operations	<u>(564,029)</u>	<u>97,370</u>

22 Analysis of changes in net (debt)/funds

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	29,674	36,368	66,042
Loans falling due within one year	(128,433)	(59,030)	(187,463)
Loans falling due after more than one year	(1,272,344)	(1,093,985)	(2,366,329)
	<u>(1,371,103)</u>	<u>(1,116,647)</u>	<u>(2,487,750)</u>