

CHARITY REGISTRATION NUMBER: 1017903

Gurunanak Charitable Trust
Unaudited Financial Statements
For the Year Ended
5 April 2021

BEEVER AND STRUTHERS

Chartered accountants
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Gurunanak Charitable Trust

Financial Statements

Year Ended 5 April 2021

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Gurunanak Charitable Trust

Trustees' Annual Report

Year Ended 5 April 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 5 April 2021.

Structure, Governance and Management

The trust was established by trust deed in February 1993 by Jaswinder Singh Kohli and others. The day to day management of the trust was performed by Mr R S Kakad, who resigned as a trustee on 1 April 2020. The Charitable Trust is registered under number 1017903.

Trustees

The trustees who served during the year were:-

Mr N.S Kohli
Mr H.S Kohli
Mr J.S Kohli
Mr R S Kakad (resigned 1 April 2020)
Mr B Singh (appointed 1 April 2020)

All the trustees named above served for the whole of the year, and all have long experience of being a charity trustee. Details of remuneration and reimbursement of expenses are disclosed in note 10 to the accounts.

When new trustees are appointed they are given a formal induction to the work of the trust and provided with the information they need to fulfill their roles, which includes information about the role of trustees and charity law. New trustees are nominated by members of the board of trustees and appointed where they have the necessary skills to contribute to the charity's management and development.

Each trustee takes responsibility for monitoring the trust's activities. Mr J S Kohli has specific responsibility for controlling the charitable work overseas, and Mr R S Kakad, who resigned on 1 April 2020 was responsible for the day-to-day management of fund raising activities in the United Kingdom. He was replaced by Mr B Singh, who was appointed as a trustee on 1 April 2020.

Objectives and Activities

The trust assists recognised charities, religious projects and helps needy individuals by way of trustees promoting the charity.

The charity trustees confirm that due regard has been paid to the public benefit guidance published by the Charity Commission.

Gurunanak Charitable Trust

Trustees' Annual Report *(continued)*

Year Ended 5 April 2021

Achievements and Performance

The trustees have reviewed the performance of the charity for the year to 5 April 2021 and are pleased that they have met the objectives set at the beginning of the year.

During the year, the trust received £819,378 (2020 - £913,832) and has paid £643,034 (2020 - £951,976) to recognised charities and needy persons, and on charitable goods and services.

The charity had reserves of £40,128 at the end of the year (2020 - 82,292). All the reserves are unrestricted.

Financial Review

In reviewing the reserves requirement, the trustees have decided that the charity only needs to hold a small amount of reserves as running costs are considered to be low. The trustees do not commit to funding projects unless the reserves are available to them.

Reference and Administrative Details

Registered charity name	Gurunanak Charitable Trust
Charity registration number	1017903
Principal office	12 Sherborne Street Manchester M1 1FE

The Trustees

Mr J S Kohli
Mr H S Chadha
Mr N S Kohli
Mr B Singh (Appointed 1 April
2020)

Independent Examiner	Caroline Monk BA FCA St. George's House 215 - 219 Chester Road Manchester M15 4JE
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The trustees' annual report was approved on 13 Jan '22 and signed on behalf of the board of trustees by:



Mr J S Kohli
Trustee



Mr B Singh
Trustee



Mr N S Kohli
Trustee

Gurunanak Charitable Trust

Independent Examiner's Report to the Trustees of Gurunanak Charitable Trust

Year Ended 5 April 2021

I report to the trustees on my examination of the financial statements of Gurunanak Charitable Trust ('the charity') for the year ended 5 April 2021.

Responsibilities and Basis of Report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Caroline Monk BA FCA
Independent Examiner

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

14 January 2022

Gurunanak Charitable Trust

Statement of Financial Activities

Year Ended 5 April 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	819,378	819,378	913,832
Total income		<u>819,378</u>	<u>819,378</u>	<u>913,832</u>
Expenditure				
Expenditure on charitable activities	5,6	647,233	647,233	955,996
Total expenditure		<u>647,233</u>	<u>647,233</u>	<u>955,996</u>
Net income/(expenditure) and net movement in funds		<u>172,145</u>	<u>172,145</u>	<u>(42,164)</u>
Reconciliation of funds				
Total funds brought forward		40,128	40,128	82,292
Total funds carried forward		<u>212,273</u>	<u>212,273</u>	<u>40,128</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 12 form part of these financial statements.

Gurunanak Charitable Trust

Statement of Financial Position


5 April 2021

	Note	2021 £	2020 £
Current assets			
Cash at bank and in hand		216,473	44,148
Creditors: amounts falling due within one year	12	<u>4,200</u>	<u>4,020</u>
Net current assets		<u>212,273</u>	<u>40,128</u>
Total assets less current liabilities		<u>212,273</u>	<u>40,128</u>
Net assets		<u>212,273</u>	<u>40,128</u>
Funds of the charity			
Unrestricted funds		<u>212,273</u>	<u>40,128</u>
Total charity funds	13	<u>212,273</u>	<u>40,128</u>

These financial statements were approved by the board of trustees and authorised for issue on 13 Jan '22, and are signed on behalf of the board by:



Mr J S Kohli
Trustee



Mr B Singh
Trustee



Mr N S Kohli
Trustee

The notes on pages 7 to 12 form part of these financial statements.

Gurunanak Charitable Trust

Statement of Cash Flows

Year Ended 5 April 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	172,145	(42,164)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	—	1,774
Accrued expenses	180	12,386
Cash generated from operations	<u>172,325</u>	<u>(28,004)</u>
Net cash from/(used in) operating activities	<u>172,325</u>	<u>(28,004)</u>
Net increase/(decrease) in cash and cash equivalents	172,325	(28,004)
Cash and cash equivalents at beginning of year	44,148	72,152
Cash and cash equivalents at end of year	<u>216,473</u>	<u>44,148</u>

The notes on pages 7 to 12 form part of these financial statements.

Gurunanak Charitable Trust

Notes to the Financial Statements

Year Ended 5 April 2021

1. General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 12 Sherborne Street, Manchester, M3 1FE.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The charity, like all others, has been impacted by the global COVID-19 pandemic. This not only impacts on the level of donations it anticipates to be received in the current financial year, but also on the projects the charity is supporting, primarily the India Foundation. The charity has no commitments in terms of the extent of donations it makes to support the India Foundation, and as such will only provide support to the extent it has available funding.

Provisions

Provisions are recognised when an obligation exists at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be estimated reliably. No such provisions are recognised at the reporting date or in the comparative figures.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with FRS 102 SORP requires the use of certain critical accounting estimates. It can also require management to exercise its judgement in the process of applying the charities accounting policies. The charity is not considered to have any complex accounting estimates or judgements at this time.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Gurunanak Charitable Trust

Notes to the Financial Statements *(continued)*

Year Ended 5 April 2021

3. Accounting Policies *(continued)*

Incoming Resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Resources Expended

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. 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 necessary to support them.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles	-	25% straight line
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Gurunanak Charitable Trust

Notes to the Financial Statements *(continued)*

Year Ended 5 April 2021

3. Accounting Policies *(continued)*

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

4. Donations and Legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	819,378	819,378	913,832	913,832

5. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations and expenses incurred supporting charitable causes	643,033	643,033	951,976	951,976
Support costs	4,200	4,200	4,020	4,020
	<u>647,233</u>	<u>647,233</u>	<u>955,996</u>	<u>955,996</u>

Gurunanak Charitable Trust

Notes to the Financial Statements *(continued)*

Year Ended 5 April 2021

6. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Donations and expenses incurred supporting charitable causes	643,033	–	643,033	951,976
Governance costs	–	4,200	4,200	4,020
	<u>643,033</u>	<u>4,200</u>	<u>647,233</u>	<u>955,996</u>

7. Net Income/(Expenditure)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	–	1,774

8. Independent Examination Fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,800	1,770
Other financial services	2,400	2,250
	<u>4,200</u>	<u>4,020</u>

9. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

The average head count of employees during the year was Nil (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

10. Trustee Remuneration and Expenses

- no remuneration or other benefit were received by the trustees

Trustees' travel expenses were reimbursed during the year amounting to £1,145 (2020: £13,243).

Gurunanak Charitable Trust

Notes to the Financial Statements *(continued)*

Year Ended 5 April 2021

11. Tangible Fixed Assets

	Motor vehicles £
Cost	
At 6 April 2020 and 5 April 2021	<u>7,694</u>
Depreciation	
At 6 April 2020 and 5 April 2021	<u>7,694</u>
Carrying amount	
At 5 April 2021	<u>—</u>
At 5 April 2020	<u>—</u>

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>4,200</u>	<u>4,020</u>

13. Analysis of Charitable Funds

Unrestricted funds

	At 6 April 2020 £	Income £	Expenditure £	At 5 April 2021 £
General funds	<u>40,128</u>	<u>819,378</u>	<u>(647,233)</u>	<u>212,273</u>

	At 6 April 2019 £	Income £	Expenditure £	At 5 April 2020 £
General funds	<u>82,292</u>	<u>913,832</u>	<u>(955,996)</u>	<u>40,128</u>

Gurunanak Charitable Trust

Notes to the Financial Statements *(continued)*

Year Ended 5 April 2021

14. Analysis of Net Assets Between Funds

	Unrestricted Funds	Total Funds
	£	2021 £
Current assets	44,148	44,148
Creditors less than 1 year	(4,020)	(4,020)
Net assets	40,128	40,128

	Unrestricted Funds	Total Funds
	£	2020 £
Tangible fixed assets	—	—
Current assets	59,002	59,002
Creditors less than 1 year	(4,020)	(4,020)
Net assets	54,982	54,982

15. Analysis of Changes in Net Debt

	At 6 Apr 2020	Cash flows	At 5 Apr 2021
	£	£	£
Cash at bank and in hand	44,148	177,710	221,858

16. Related Parties

The following parties are related to, and have entered into transactions with, the Gurunanak Charitable Trust during the current or prior year:

Mr J S Kohli

During the year the trust received donations of £12,849 (2020: £23,529) from Mr J S Kohli. There were no amounts outstanding to or from Mr Kohli at the year end.

Further donations amounting to £21,000 (2020 - £100,000) were received from the Kohli family.

Europasonic Limited

In addition, the trust received donations of £5,000 (2020: £5,000) from Europasonic Limited where Mr H.S. Chadha is a director. There were no amounts outstanding to or from Europasonic at the year end.

Mr B Singh

During the year the trust received donations of £Nil (2020 - £500) from Mr B Singh. There were no amounts outstanding to or from Mr B Singh at the year end.