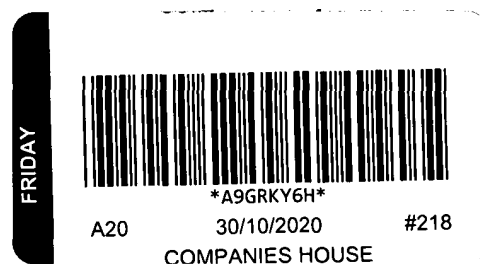


Company registration number: 07491521
Charity registration number: 1155152

Palan Foundation
Company Limited by Guarantee
Financial Statements
31 January 2020



AMEY KAMP LLP
Chartered Accountants
310 Harrow Road
Wembley
Middlesex
HA9 6LL

Palan Foundation
Company Limited by Guarantee
Financial Statements
Year ended 31 January 2020

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Palan Foundation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 January 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 January 2020.

Reference and administrative details

Registered charity name	Palan Foundation
Charity registration number	1155152
Company registration number	07491521
Principal office and registered office	156 Cromwell Road London SW7 4EF

The trustees

Mrs. K. Palan	
Mr. N. Palan	Chairman
Mr. M. Vashi	
Mr. M. Palan	
Ms. M. Palan	

Independent examiner	Mahendra Patel FCA 310 Harrow Road Wembley Middlesex HA9 6LL
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Bankers	Metro Bank Plc
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Palan Foundation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2020

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 13 January 2011 and registered as a charity on 13 December 2013.

The company was established under a memorandum of association which established the objects and powers of the charitable company and it is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity.

Grant making policy

The Foundation only make grants as a financial award to support charitable activities, usually to registered charities or charitable community groups, but sometimes to other bodies or to individuals provided that they are in line with our key objectives. Grant requests are normally received from our existing known sources that we have a continuous track record in working with, or the requests would come from sources that we have been able to meet personally and have seen their work in the past. Every grant before being released is assessed and the trustees would always meet the recipient's organisation or person to ensure that the ethos and objectives are fully met and understood.

Institutions receiving grants provide regular progress reports and projects are visited on numerous occasions by the trustees of the Foundation and their representatives. For sustainability of projects' achievements, the Foundation seeks to maintain rigorous monitoring and evaluation procedures

Objectives and activities

The charity was incorporated on 13 January 2011 and registered as a charity on 13 December 2013. The ethos of the charity is based on the Hindu philosophy of His Holiness Pramukh Swami Maharaj (1921-2016), who had inspired millions of people to serve with his life message of "In the joy of others lies our own".

The objects of the charity are:

To advance and promote the education of young people in order to develop charitable and social needs to benefit the community at large through educational, social and charitable ethos.

The work of the charity is focused in two geographical areas - United Kingdom and India. This year has been very exciting and trustees devoted a substantial amount of their time to promoting the activities of the charity, including a number of visits to India to identify local partners; oversee various activities; and gain first-hand experience of the operations.

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

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Palan Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 January 2020

Achievements and performance

The charity's main activities and beneficiaries are described below. All its charitable activities are undertaken for the public benefit. The charity achieves its objectives by making grants to organisations and supporting individuals with bursaries.

The trustees consider applications for funding from organisations in the UK and India and awards funding after consideration of the merit of the proposed activity, educational activities and impact on young people in particular.

Educational activities

Total Grants of £50,675 (2019: £1,138,895) were made during the year. Total of £8,630 (2019: £1,089,255) were paid to Swaminarayan Sanstha UK.

Scholarships were provided to Young People in UK and in India to further their education. All students go through a vigorous process of financial need verification. Grants range from 20% to 100% for studies in UK.

We continue our support for the residential Girls school in Randesan and Boys school in Sarangpur. Girls are showing an incredible improvement in their performance and seem to have overcome their disadvantaged beginnings and are embracing Education in line with the other girls.

Boys in Sarangpur now have additional support with part time teachers who are brought in from Delhi University and they are able to give these young minds a tremendous extra boost.

Interfaith activities

Total £160,238 (2019: £109,758) was spent to promote various interfaith activities. This includes total grant of £92,175 (2019: £61,460) paid to various institutions towards support of Interfaith activities.

This includes a payment of £40,800 (2019: £10,000) to Oxford College for Hindu Studies, for them to carry out digitalisation work in Nepal of very precious and antique material that was salvaged after the earthquake. £6,000 was given to Sai School at a contribution towards their Sunday School, this allowed them to teach youngsters very important work to include being able to speak in their own mother tongue, understanding their cultural roots and much more. A grant to Bhrama kumaris for £7500 was also made for similar purpose. Smaller grants were made to National Army Museum, Avanti School, BAPS Organisation all with an outcome of organising school trips for Young People to be able to broaden their knowledge of the History of Britain.

Understanding Heritage

Promoting Contribution of Indian Soldiers in World War 1 (WW1)

Total spent on this project during the year was £ Nil (2019: £69,484).

Palan Foundation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2020

Financial review

Palan Foundation is currently receiving donations from Golden Tours Limited (GTL) which are applied to the aims and objectives of Palan Foundation in accordance with the objects.

In the year ended 31 January 2020, GTL donated £Nil (2019: £3,000,000) to the charity.

Palan Foundation received funding from Department for Communities and Local Government for £Nil (2019: £47,500). All condition imposed on grant has been met.

At the end of the financial year, the charity held unrestricted reserves of £2,698,151 (2019: £2,968,721) which will meet the interim target set by the trustees.

Reserve policy

The trustees remain concerned about having a single source of revenue and have agreed to keep £2 million as reserves. An amount of £1,500,000 has been loaned on commercial terms to an undertaking in which the charity has a participating interest and a further £1,000,000 will be kept in liquid assets. This will give us the ability to continue our work in the event that our support from Golden Tours is no longer available.

Going concern

After making appropriate enquiries, 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 believe they continue to adopt the going concern basis in preparing the financial statements. With a good Reserve Policy in place we do not foresee any concerns as regards our ability to carry on with our work for the foreseeable future.

Investment policy

The charity utilises fixed term bank deposit account for surpluses. At 31 January 2020, the amount invested in fixed term deposit was £1,000,000 (2019: £500,000).

Palan Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 January 2019

Appointment of trustees

The charity is committed to ensuring governance arrangements that are robust to ensure that the charity is managed in accordance with the governing document and current legislation as well as adopting procedures of good practice and improve the effectiveness of the charity.

Trustees are appointed by the existing board for a period of five years.

Related parties

Palan Foundation receives regular donations from Golden Tours Limited. Mr N. Palan and Mr M. Palan are trustees of Palan Foundation and directors of Golden Tours Limited. Related parties are disclosed in note 23.

Principal Risks and uncertainties

The Trustees have assessed the major risks of grant utilisation provided to overseas institutions, and are satisfied that systems are in place to reduce and mitigate the exposure to risks by ensuring regular evaluation monitoring and follow up for all grants provided to institutions. Furthermore, the Trustees visit India regularly and are able to monitor these institutions.

There is a risk of having a single source of revenue which trustees have mitigated by having a robust Reserve Policy.

Plans for future periods

Plans for future periods

At the time of writing, the world has been hit by COVID 19 disease and we are all living in rather uncertain circumstances. Our main donor Golden Tours is going through difficult times and we do not envisage any further donations from them for the foreseeable future.

We are intending to continue supporting educational grants in UK so that the current two candidates can complete their PhD. In India we will continue supporting work of Young People but in a much more limited way. We had promised to support the building of a Community Centre in Paris which we are intending to assist as much as we can.

We will also continue to promote various Hindu festivals as a means of interfaith activity and also supporting the community during this very difficult period.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

Palan Foundation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2020

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 January 2020 is 5 (2018: 5). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 28/10/20 and signed on behalf of the board of trustees by:


Mr. N. Palan
Trustee

Palan Foundation
Company Limited by Guarantee
Independent Examiner's Report to the Trustees of Palan Foundation
Year ended 31 January 2020

I report to the trustees on my examination of the financial statements of Palan Foundation ('the charity') for the year ended 31 January 2020.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

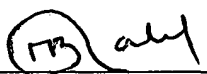
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.


Mahendra Patel FCA
Independent Examiner

310 Harrow Road
Wembley
Middlesex
HA9 6LL

Date:- 28/01/20

Palan Foundation
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 January 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	–	–	3,047,600
Investment income	6	60,156	60,156	31,807
Total income		<u>60,156</u>	<u>60,156</u>	<u>3,079,407</u>
Expenditure				
Expenditure on charitable activities	7,8	330,726	330,826	1,412,172
Total expenditure		<u>330,826</u>	<u>330,826</u>	<u>1,412,172</u>
Net (expenditure)/income and net movement in funds		<u>(270,570)</u>	<u>(270,670)</u>	<u>1,667,235</u>
Reconciliation of funds				
Total funds brought forward		2,968,721	2,968,721	1,301,486
Total funds carried forward		<u>2,698,151</u>	<u>2,698,051</u>	<u>2,968,721</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 11 to 22 form part of these financial statements.

Palan Foundation
Company Limited by Guarantee
Statement of Financial Position

31 January 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	15	1	1
Current assets			
Debtors	17	1,609,372	1,542,793
Cash at bank and in hand		1,148,361	1,445,592
		<u>2,757,733</u>	<u>2,988,385</u>
Creditors: amounts falling due within one year	18	<u>59,583</u>	<u>19,665</u>
Net current assets		<u>2,698,150</u>	<u>2,968,720</u>
Total assets less current liabilities		<u>2,698,151</u>	<u>2,968,721</u>
Net assets		<u>2,698,151</u>	<u>2,968,721</u>
Funds of the charity			
Unrestricted funds		<u>2,698,151</u>	<u>2,968,721</u>
Total charity funds	20	<u>2,698,151</u>	<u>2,968,721</u>


For the year ending 31 January 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 28/10/20. and are signed on behalf of the board by:


 Mr. N. Palan
 Trustee

The notes on pages 11 to 22 form part of these financial statements.

Palan Foundation
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 January 2020

	2020 £	2019 £
Cash flows from operating activities		
Net (expenditure)/income	(270,570)	1,667,235
<i>Adjustments for:</i>		
Other interest receivable and similar income	(60,156)	(31,807)
Interest payable and similar charges	227	101
Accrued expenses/(income)	5,782	(1,068)
<i>Changes in:</i>		
Trade and other debtors	(56,916)	(1,527,349)
Trade and other creditors	34,136	(11,368)
Cash generated from operations	(347,497)	95,744
Interest paid	(227)	(101)
Interest received	50,493	27,716
Net cash (used in)/from operating activities	<u>(297,231)</u>	<u>123,359</u>
Cash flows from investing activities		
Purchases of other investments	—	(1)
Net cash used in investing activities	<u>—</u>	<u>(1)</u>
Net (decrease)/increase in cash and cash equivalents	(297,231)	123,358
Cash and cash equivalents at beginning of year	<u>1,445,592</u>	<u>1,322,234</u>
Cash and cash equivalents at end of year	<u>1,148,361</u>	<u>1,445,592</u>

The notes on pages 11 to 22 form part of these financial statements.

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 January 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 156 Cromwell Road, London, SW7 4EF.

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 Companies Act 2006.

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

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. It is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are to be used for specific purpose as laid down by grant provider. Expenditure which meets these criteria is charged to the fund. Restricted funds were mainly for Heritage projects.

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2020

3. Accounting policies *(continued)*

Incoming resources

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31 January 2020

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

Expenditure on charitable activities

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.

Grant Payable

Expenditure on charitable activities includes grants made to further the purposes of the charity and the associated support costs. Grants payable are made to third parties in furtherance of the charity's objects. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Governance costs

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is allocated to Support costs.

Allocation of support costs

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource.

Support and governance costs are wholly re-allocated to the charitable activity at the ratio of expenditure on charitable activities which are as follows: -

Education: -	24% (2019: 86%)
Interfaith: -	76% (2019: 8%)
Heritage: -	0% (2019: 5%)

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2020

3. Accounting policies *(continued)*

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

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.

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2020

3. Accounting policies *(continued)*

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 31 January 2020

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Education	50,675	–	50,675
Interfaith	160,238	–	160,238
Heritage	–	–	–
Others	913	–	913
Support costs	119,000	–	119,000
	<u>330,826</u>	<u>–</u>	<u>330,826</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Education	1,138,985	–	1,138,985
Interfaith	109,758	–	109,758
Heritage	10,270	59,214	69,484
Others	–	–	–
Support costs	93,945	–	93,945
	<u>1,352,958</u>	<u>59,214</u>	<u>1,412,172</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Education	–	50,675	28,462	79,160	1,220,157
Interfaith	68,063	92,175	90,438	250,753	117,580
Heritage	–	–	–	–	74,435
Others	913	–	–	913	–
	<u>68,976</u>	<u>142,850</u>	<u>118,900</u>	<u>330,826</u>	<u>1,412,172</u>

9. Analysis of support costs

	Education £	Interfaith £	Total 2020 £	Total 2019 £
Staff costs	–	–	–	57,446
Premises	12,808	40,500	53,308	8,342
General office	162	511	673	200
Finance costs	55	172	227	101
Governance costs	1,007	3,193	4,200	8,400
Printing Postage and Stationery	618	1,953	2,571	260
Travel	793	2,506	3,299	7,947
Consultancy	11,678	36,928	48,606	11,249
Repair and maintenance	678	2,142	2,820	–
Advertising	768	2,428	3,196	–
	<u>28,567</u>	<u>90,333</u>	<u>118,900</u>	<u>93,945</u>

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2020

10. Analysis of grants

	2020 £	2019 £
Grants to institutions		
Grants to institutions: Education	8,630	1,093,889
Grants to institutions: Interfaith	<u>92,175</u>	<u>61,460</u>
	100,805	1,155,349
 Grants to individuals		
Grants to individuals: Education	<u>42,045</u>	<u>45,096</u>
	42,045	45,096
 Total grants	<u>142,850</u>	<u>1,200,445</u>

11. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,800</u>	<u>–</u>

12. Staff costs

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

	2020 £	2019 £
Wages and salaries	–	54,524
Social security costs	–	2,696
Employer contributions to pension plans	<u>–</u>	<u>226</u>
	<u>–</u>	<u>57,446</u>

The average head count of employees during the year was Nil (2019: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of staff	<u>–</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31 January 2020

13. Trustee remuneration and expenses

The key management personnel of the charity are the trustees.

One or more trustees has been paid remuneration or received other benefits from employment with the charity or a related entity. Milli Pari was appointed as administration manager under article 7 subclause 3(f) and 3(g) of article of association. Total remuneration of £nil (£2019: £53,559.76) was paid to her.

During the year total travel expenses of £17,948.33 (2019: £7,947.29) were reimbursed to trustees Mr. N Palan and Mrs K Palan.

14. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

15. Investments

	Other investments £
Cost or valuation	
At 1 February 2019	1
Additions	—
	<u>1</u>
At 31 January 2020	<u>1</u>
Impairment	
At 1 February 2019 and 31 January 2020	—
	<u>—</u>
Carrying amount	
At 31 January 2020	1
	<u>1</u>
At 31 January 2019	<u>1</u>

All investments shown above are held at valuation.

16. Investment entities

Subsidiaries and other investments

	Class of share	Percentage of shares held
Other significant holdings		
VP Property Investment Limited	Ordinary shares	50

VP Property Investment Limited is incorporated in England and Wales and its registered office address is 156 Cromwell road, London, SW7 4EF. Palan Foundation owns 1 ordinary shares with nominal value of 50p.

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2020

17. Debtors

	2020 £	2019 £
Amounts owed by undertakings in which the charity has a participating interest	1,571,947	1,527,204
Prepayments and accrued income	19,925	5,037
Other debtors	17,500	10,552
	<u>1,609,372</u>	<u>1,542,793</u>

The debtors above include the following amounts falling due after more than one year:

	2020 £	2019 £
Amounts owed by undertakings in which the charity has a participating interest	<u>1,571,947</u>	<u>1,527,204</u>

18. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	19,524	13,742
Other creditors	40,059	5,923
	<u>59,583</u>	<u>19,665</u>

19. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £Nil (2019: £226).

20. Analysis of charitable funds

Unrestricted funds

	At 1 February 20 19 £	Income £	Expenditure £	At 31 January 20 20 £
General funds	<u>2,968,721</u>	<u>60,156</u>	<u>(330,726)</u>	<u>2,698,151</u>

	At 1 February 20 18 £	Income £	Expenditure £	At 31 January 20 19 £
General funds	<u>1,289,772</u>	<u>3,031,907</u>	<u>(1,352,958)</u>	<u>2,968,721</u>

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2020

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Investments	1	1
Current assets	2,757,733	2,757,733
Creditors less than 1 year	(59,583)	(59,683)
Net assets	<u>2,698,151</u>	<u>2,698,051</u>

	Unrestricted Funds £	Total Funds 2019 £
Investments	1	1
Current assets	2,988,385	2,988,385
Creditors less than 1 year	(19,665)	(19,665)
Net assets	<u>2,968,721</u>	<u>2,968,721</u>

22. Analysis of changes in net debt

	At 1 Feb 2019 £	Cash flows £	At 31 Jan 2020 £
Cash at bank and in hand	<u>1,445,592</u>	<u>(297,231)</u>	<u>1,148,361</u>

23. Related parties

During the year the charity entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2020	2019	2020	2019
	£	£	£	£
Golden Tours Limited	37,651	46,041	40,059	5,829
VP Property Investment Limited	<u>44,743</u>	<u>1,527,204</u>	<u>1,571,947</u>	<u>1,527,204</u>

Palan Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31 January 2020

23. Related parties *(continued)*

Palan Foundation paid £37,651 (2019: £46,041) to Golden Tours Limited during the year for purchase of various educational tours, information technology support and rent for occupying premises. This transaction was on normal commercial terms. Included in other creditors is the amount due to Golden Tours Limited of £40,059 (2019: £5,829) at the balance sheet date.

Donations received during the year from Golden Tours Limited is £ Nil (2019: £3,000,000). Mr. N. Palan and Mr. M Palan, trustees of the charity, are also a director of Golden Tours Limited.

Included in other creditor is balance of £1,571,947 (2019: £1,527,204) due from VP Property Investment Limited (VPIL). Palan Foundation owns 50% of share capital of VPIL. Two of the trustees owns remaining 50% of share capital of VPIL. Interest is charged at 2.5% above base rate. A fixed repayment of Capital of £20,000 will commence quarterly from 31st December 2020 until 30th June 2028. The balance of the loan will be repaid in full on 31st July 2028.

Included in other debtors is rent deposit of £17,500 (2019: £ Nil) paid to VP Property Investment Limited.

Palan Foundation paid rent of £35,000 (2019: Nil) to VP Property Investment Limited for occupying premises at Murray House. The space occupied was solely for the purpose of advancing charitable goals and objectives.