

GNANAM FOUNDATION

England & Wales · Charity number 1160782

Details

Status	Registered
Legal form	Charitable company
Company number	07473153
Registered	2015-03-09
Register	View on the Charity Commission register

Contact

Address	Walbrook Building 195 Marsh Wall London E14 9SG
Phone	02075366450
Email	PREM@LYCATEL.COM

Activities

Objects: THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT TO FURTHER ANY PURPOSE WHICH IS EXCLUSIVELY CHARITABLE UNDER THE LAW OF ENGLAND AND WALES (PROVIDED THAT THE CHARITY MAY NOT FURTHER ANY PURPOSES WHICH ARE NOT CHARITABLE IN ACCORDANCE WITH THE LAWS OF SCOTLAND AND NORTHERN IRELAND).

Activities: The charity makes grants to charities registered in the UK and to institutions carrying out projects consistent with its charitable purposes in Sri Lanka.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Sri Lanka
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,110,891	£1,090,844	£-1,703	0
2023-12-31	£421,500	£499,057	-	-
2022-12-31	£654,000	£665,148	£55,806	0
2021-12-31	£296,560	£343,403	-	-
2020-12-31	£472,000	£389,254	-	-

Trustees

Name	Role	Appointed
ALLIRAJAH SUBASKARAN	Chair	2014-06-04
AIADURAI SIVASAMY PREMANANTHAN		2011-06-08
Dr Ravikumar Muthukaluvan		2018-10-10

Accounts

Charity registration number 1160782

Company registration number 07473153 (England and Wales)

GNANAM FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

GNANAM FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Aiadurai Sivasamy Premananthan (Trustee and Secretary) Allirajah Subaskaran (Resigned on 13/06/2025) Dr. Ravikumar Muthukaluvan
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Secretary	Aiadurai Sivasamy Premananthan
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Charity number	1160782
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Company number	07473153
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Principal-address/Registered-office	3rd Floor Walbrook Building 195 Marsh Wall London E14 9SG
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Independent Auditors	Sterling Young Limited Suite 50 238 Merton High Street Wimbledon, London England SW19 1AU
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Bankers	ICICI Bank UK PLC 1 Thomas More Square London E1W 1YN
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GNANAM FOUNDATION

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GNANAM FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 31 December 2024.

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 governing document, 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 aims and objectives are the provision of financial support to charities in the United Kingdom and elsewhere which work to improve the lives of vulnerable and marginalized groups. The charity achieves these aims by making grants to charities registered in the United Kingdom and to institutions carrying out projects consistent with its charitable purposes in Sri Lanka.

Public Benefit

The Trustees have paid due regard to guidance Issued by the Charity Commission in deciding what activities the charity should undertake. This was achieved by funding support provided to institutions both in and outside the United Kingdom working to improve the lives of vulnerable and marginalised groups.

Grant policy

The Trustees have implemented a grant making policy. The Trustees decided that their initial focus would be the provision of grant funding to charities working in United Kingdom, Sri Lanka, India, Nigeria, Tanzania, Philippines, Romania and Sudan to alleviate poverty.

The charity will not carry out projects in its own right but rather, will make grants to charities that have identified individuals who require assistance.

An applicant charity must provide the charity with evidence that its intended beneficiaries are people in poverty without the means to otherwise improve their standard of living.

The charity will have a strict procedure in place in relation to funding UK charities operating overseas. A potential grant application will detail the history behind the project and how it would benefit the people and how much it would cost. The charity will monitor expenditure to ensure that its funds are spent correctly, to assess the impact of the work carried out and ensure that funds are used in furtherance of the charity's charitable purposes.

Through its due diligence and monitoring procedures, the Trustees will ensure that its funding is used for its charitable purposes and in compliance with all applicable UK laws and regulations.

Achievements and performance

The charity made grants in the year under review of £1,006,142 as detailed in note 5.

GNANAM FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The net income for the year was £2,047 (Net expenditure of 2023- £77,557).

The total income received was £1,110,891 (2023- £421,500) consisting of donations from connected parties (see note 11). The increase in total income received is attributable to the increase in requests for donations received from connected and third parties (see note 3).

Total expenditure was £1,090,844 (2023- £499,057). The increase resulted from a higher level of grants made during the year. Support and other costs rose by the sum of £36,438 (68%) to £84,701 (see note 4).

Going Concern

The charity has reported a net income for the year of £20,047 (Net expenditure £177,557; 31 December 2023) and as at 31 December 2024, it has net liabilities of £1,703 (net liabilities of £21,750 ; 31 December 2023). The Trustees have assessed a cash projection for at least 12 months from the date of signed financial statements for year ending 31 December 2024 and concluded that whilst most of the charity costs are discretionary, there is still a potential for a net cash outflow due to possible timing differences with regards to donations from Lycamobile UK Limited (largest donor of the charity and a company where Aiadurai Sivasamy Premananthan is the director who is also the Trustee of Gnanam Foundation). Aiadurai Sivasamy Premananthan as a Trustee has therefore confirmed a continuous financial support to the charity to meet the cash requirements confirmed formally through a letter of support for at least 12 months from the date of signed financial statements for year ending 31 December 2024. This is to avoid any possible scenarios of a net cash deficit. Based on this, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least 12 months from the date of signed financial statements.

The financial support from the trustees is not legally binding. The largest single donor of the charity, Lycamobile UK Limited, is currently in dispute with HMRC in relation to a tax matter. The Trustees have formed a view that the matter is unlikely to be resolved within the next two year. Due to the significance of the dispute, whilst the Trustees are confident that alternative sources of donations could be arranged if required through support from the Trustee, there are uncertainties present in this regard which indicate that a material uncertainty exists that may cast doubt on the charity's ability to continue as a going concern.

Reserves policy

The Trust has no set reserves policy and relies on the continuing support of the Trustees and their connections to operate going forward which they have indicated will be forthcoming.

Structure, governance and management

The charity is a company limited by guarantee and was set up by memorandum and articles of association. The charity was formally registered with the Charity Commission on 9 May 2015.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Aiadurai Sivasamy Premananthan
Allirajah Subaskaran (Resigned on 13/06/2025)
Dr. Ravikumar Muthukaluvan

GNANAM FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Recruitment and appointment of trustees

The power of appointment of new Trustees is vested in the serving Trustees. It is the policy of the charitable company to provide any new Trustees appointed with background information regarding its affairs, including accounts, in order that they can obtain a sufficient level of knowledge to enable them to perform their roles effectively. Further training will be provided as this is considered appropriate.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The day to management of the charity is carried out by the Trustees. Projects are specifically assigned to individual Trustees for their review and monitoring.

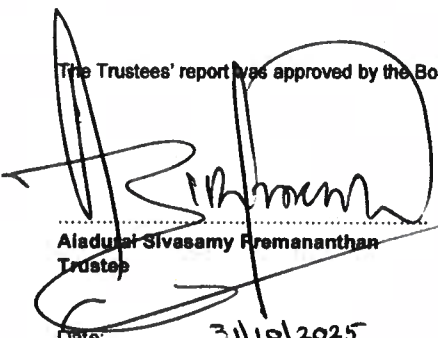
Auditor

In accordance with the company's articles, a resolution proposing that Sterling Young Ltd be reappointed as auditor of the company will be put at a General Meeting.

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.


Aladurai Sivasamy Premnathan
Trustee

Date: 31/10/2025

GNANAM FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

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

The law applicable to charities in England and Wales 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 of the charity 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.

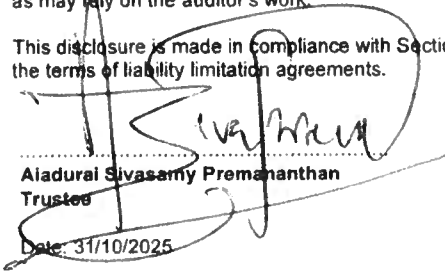
The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Liability Limitation Agreement with Auditor

In accordance with Section 534 of the Companies Act 2006, the company has entered into a liability limitation agreement with its external auditor, Sterling Young Limited:

- **The principal term of the Agreement:** The auditor's liability for statutory audit work is limited to three times the audit fee, in respect of any claim arising from or in connection with the audit work.
- **Date of Resolution Approving the Agreement:** The liability limitation agreement was approved by the shareholder of the company on August 15, 2025, in accordance with the company's Articles of Association and relevant provisions of the Companies Act 2006.
- The limits specified above shall be the maximum amounts for which the auditor, its trustees, and employees shall be liable to all persons party to this agreement, and also to any other persons with whom the auditor has agreed the limits, as may rely on the auditor's work.

This disclosure is made in compliance with Section 534 of the Companies Act 2006, which mandates the disclosure of the terms of liability limitation agreements.


Aladural Sivasamy Premananthan
Trustee

Date: 31/10/2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GNANAM FOUNDATION

Opinion

We have audited the financial statements of Gnanam Foundation (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements which indicates that the charity is dependent on financial support from the Trustee to meet the cash requirements for at least 12 months from the date of signed financial statements for year ending 31 December 2024. The financial support from the Trustee is not legally binding. The largest single donor of the charity, Lycamobile UK Limited, is currently in dispute with HMRC in relation to a tax matter.. In this context, whilst the Trustees are confident that alternative sources of donations could be arranged as required through support from the Trustee, there are uncertainties present in this regard. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

GNANAM FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GNANAM FOUNDATION

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 trustees' report.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

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

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 December 2024.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

GNANAM FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GNANAM FOUNDATION

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and **skills** to identify or recognize non-compliance with applicable laws and regulations.
Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
Enquiring of **management their internal controls established** to mitigate risk related to fraud or non-compliance with laws and regulations.
Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud, as part of our discussion, we identified potential for fraud in the following areas; posting of unusual journals.
Obtaining understanding of the legal and regulatory framework the charity operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included the Charities Act.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

Performed analytical procedures to identify any unusual or unexpected relationships.
Audited the risk of management override of controls, including testing of journal entries for appropriateness.
Assessed whether judgements and assumptions made in determining the accounting estimates such as properties valuation were indicative of potential bias; and
Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

Agreeing financial statements disclosures to underlying supporting documentation.
Reviewing minutes of meetings of those charged with governance.
Enquiring of management as to actual and potential litigation claims.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the trustees.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

GNANAM FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GNANAM FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Shoolin Girishkumar Yagnik (FCCA, ACA, PGDMS)

Date : 31/10/2025

**For and on behalf of Sterling Young Ltd
Chartered Accountants
Suite 50 238 Merton High Street
Wimbledon, London England SW19 1AU**

Sterling Young Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 12 of the Companies Act 2006.

GNANAM FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds Total	Unrestricted funds Total
		2024	2023
	Notes	£	£
Income from:			
Donations and legacies	3	1,110,891	421,500
Expenditure on:			
Charitable activities	4	(1,090,844)	(499,057)
Net Income/(expenditure) for the year		20,047	(77,557)
Reconciliation of funds:			
Brought forward		(21,750)	55,807
Carried forward		(1,703)	(21,750)

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 16 form part of these financial statements.

GNANAM FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	9	30,000		30,000	
Cash at bank and in hand		8,568		2,350	
		38,568		32,350	
Creditors: amounts falling due within one year	10	(40,271)		(54,100)	
Net current (liabilities)/assets			(1,703)		(21,750)
Net (liabilities)/assets			(1,703)		(21,750)
Funds					
Unrestricted funds			(1,703)		(21,750)

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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.

The financial statements were approved by the Trustees on... 31/10/2025

Aladural Sivasamy Premnathan
Trustee

Date: 31/10/25

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Gnanam Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 3rd Floor, Walbrook Building, 195 Marsh Wall, London E14 5SG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities SORP 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The company's activities, together with the factors likely to affect its future developments will be based on trustees' assessment of donor companies fund raising plans and funding commitments from the donor companies. Trustees have reasonable expectation to continue the charitable activities over the future years, at least for next 12 months from the date of approval of the financial statements.

Hence financial statements are prepared using the going concern basis of accounting. The related donor company, Lycamobile UK Limited will continue to provide its funding requirement proactively and there has been no indication that funds will not continue to be available as required for future charitable activities.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

I Accounting policies

(Continued)

1.4 Income

All income is recognized once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalized and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

In accordance with the Charities SORP 2019 and FRS 102, the general volunteer time of the Friends is not recognized in the financial statements.

Donated professional services and donated facilities are recognized on receipt based on the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognized in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognized at the time of the donation.

1.5 Expenditure

Expenditure is recognized once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the assets use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities

Costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

1.6 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.

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.7 Financial instruments

The charity 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 charity's balance sheet when the charity 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

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 operations 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

As a registered charity the Foundation is exempt from taxation on its activities which fall within the scope of section 505 of Taxes Act 1988 and section 252 of the Taxation of Chargeable Gains Act 1992.

1.9 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All foreign exchange differences are included to the income statement.

1.10 Cash flow statement

The Trustees have taken advantage of the exemption from including a cash flow statement in the financial statements on the basis that the company is small.

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	1,110,891	421,500

4 Expenditure on charitable activities

	2024 £	2023 £
Direct costs		
Grant funding of activities (see note 5)	1,006,142	448,794
Share of support and governance costs		
Support	31,901	31,373
Governance	52,801	18,890
	<u>1,090,844</u>	<u>499,057</u>
Analysis by fund		
Unrestricted funds	<u>1,090,844</u>	<u>499,057</u>

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Grants payable

	Total 2024	Total 2023
	£	£
British Red Cross Society		5,000
Gnanam Foundatrion (Sri Lanka)	1,003,920	384,902
John Taylor		36,892
Reio Inntitutc and Modioal Sooioty		10,000
Royal Brompton Hospital	(4,500)	4,500
Other	6,722	7,500
	<u>1,006,142</u>	<u>448,794</u>

6 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging:		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	8,000	8,000
for accounts preparation	<u>2,000</u>	<u>2,000</u>

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to the trustees in the year under review.

8 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	<u>nil</u>	<u>nil</u>

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

9 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Other debtors	30,000	30,000

The brought forward balance for debtors represented donations in advance which have been released in the current year.

10 Creditors: amounts falling due within one year

	2024	2023
	£	£
Accruals	40,271	54,100

11 Related party transactions

Lycamobile UK Limited

The company received unrestricted donations from the Lycamobile UK Limited amounting to £1,080,891 (2023- £391,500) where Aiadurai Sivasamy Premananthan is director who is also the trustee/director of Gnanam Foundation, considered as related party.

Lycatel Services Ltd

The company received donations in kind from Lycatel Services Limited amounting to £30,000 (2023- £30,000) for year end 31 December 2024 where Aiadurai Sivasamy Premananthan is director and is also a trustee/ director of Gnanam Foundation.

Gnanam Foundation (Sri Lanka)

During the period Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Sri Lanka) amounting to £1,003,920 (2023 - £384,902), considered as related party by virtue of the spirit of the company.

12 Auditor Liability Limitation

The company has entered into a liability limitation agreement with Sterling Young Ltd, the statutory auditor, in respect of the statutory audit for the period ended 31 December 2024. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the shareholder on 15 August 2025.

Accounts

Charity registration number 1160782

Company registration number 07473153 (England and Wales)

GNANAM FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

GNANAM FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Aiadurai Sivasamy Premananthan (Trustee and Secretary) Allirajah Subaskaran Dr. Ravikumar Muthukaluvan
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Secretary	Aiadurai Sivasamy Premananthan
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Charity number	1160782
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Company number	07473153
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Principal address/Registered office	3rd Floor Walbrook Building 195 Marsh Wall London E14 9SG
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Independent Auditors	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ
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Bankers	ICICI Bank UK PLC 1 Thomas More Square London E1W 1YN
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GNANAM FOUNDATION

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Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 16

GNANAM FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

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 governing document, 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 aims and objectives are the provision of financial support to charities in the United Kingdom and elsewhere which work to improve the lives of vulnerable and marginalized groups. The charity achieves these aims by making grants to charities registered in the United Kingdom and to institutions carrying out projects consistent with its charitable purposes in Sri Lanka.

Public Benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. This was achieved by funding support provided to institutions both in and outside the United Kingdom working to improve the lives of vulnerable and marginalised groups.

Grant policy

The Trustees have implemented a grant making policy. The Trustees decided that their initial focus would be the provision of grant funding to charities working in United Kingdom, Sri Lanka, India, Nigeria, Tanzania, Philippines, Romania and Sudan to alleviate poverty.

The charity will not carry out projects in its own right but rather, will make grants to charities that have identified individuals who require assistance.

An applicant charity must provide the charity with evidence that its intended beneficiaries are people in poverty without the means to otherwise improve their standard of living.

The charity will have a strict procedure in place in relation to funding UK charities operating overseas. A potential grant application will detail the history behind the project and how it would benefit the people and how much it would cost. The charity will monitor expenditure to ensure that its funds are spent correctly, to assess the impact of the work carried out and ensure that funds are used in furtherance of the charity's charitable purposes.

Through its due diligence and monitoring procedures, the Trustees will ensure that its funding is used for its charitable purposes and in compliance with all applicable UK laws and regulations.

Achievements and performance

The charity made grants in the year under review of £448,794 as detailed in note 5.

GNANAM FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The net expenditure for the year was £77,557 (2022- £11,147).

The total income received was £421,500 (2022- £654,000) consisting of donations from connected parties (see note 11). The decrease in total income received is attributable to the decrease in requests for donations received from connected and third parties (see note 3).

Total expenditure was £499,057 (2022- £665,147). The decrease resulted from a lower level of grants made during the year. Support and other costs rose by the sum of £6,524 (15%) to £50,263 (see note 4).

Going Concern

The charity has reported a net expenditure for the year of £77,557 (£11,147; 31 December 2022) and as at 31 December 2023, it has net liabilities of £21,750 (net assets of £55,806; 31 December 2022). The Trustees have assessed a cash projection for at least 12 months from the date of signed financial statements for year ending 31 December 2023 and concluded that whilst most of the charity costs are discretionary, there is still a potential for a net cash outflow due to possible timing differences with regards to donations from Lycamobile UK Limited (largest donor of the charity and a company where Aiadurai Sivasamy Premananthan and Allirajah Subaskaran are the directors who are also the Trustees of Gnanam Foundation). Allirajah Subaskaran as a Trustee has therefore confirmed a continuous financial support to the charity to meet the cash requirements confirmed formally through a letter of support for at least 12 months from the date of signed financial statements for year ending 31 December 2023. This is to avoid any possible scenarios of a net cash deficit. Based on this, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least 12 months from the date of signed financial statements.

The financial support from the Trustee is not legally binding. The largest single donor of the charity, Lycamobile UK Limited, is currently in dispute with HMRC in relation to a tax matter. The Trustees have formed a view that the matter is unlikely to be resolved within the next two years. Due to the significance of the dispute, whilst the Trustees are confident that alternative sources of donations could be arranged if required through support from the Trustee, there are uncertainties present in this regard which indicate that a material uncertainty exists that may cast doubt on the charity's ability to continue as a going concern.

Reserves policy

The Trust has no set reserves policy and relies on the continuing support of the Trustees and their connections to operate going forward which they have indicated will be forthcoming.

Structure, governance and management

The charity is a company limited by guarantee and was set up by memorandum and articles of association. The charity was formally registered with the Charity Commission on 9 May 2015.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Aiadurai Sivasamy Premananthan

Allirajah Subaskaran

Christopher Donald Michael Tooley (Resigned 1 November 2023)

Dr. Ravikumar Muthukaluvan

Farokh Engineer (Resigned 31 July 2023)

Mohammed Abdul Mavidul Malique (Resigned 31 July 2023)

GNANAM FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Recruitment and appointment of trustees

The power of appointment of new Trustees is vested in the serving Trustees. It is the policy of the charitable company to provide any new Trustees appointed with background information regarding its affairs, including accounts, in order that they can obtain a sufficient level of knowledge to enable them to perform their roles effectively. Further training will be provided as this is considered appropriate.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The day to management of the charity is carried out by the Trustees. Projects are specifically assigned to individual Trustees for their review and monitoring.

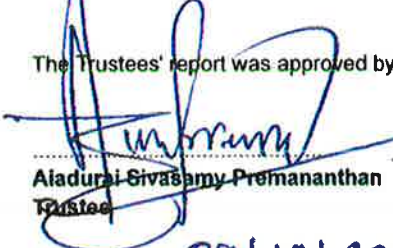
Auditor

In accordance with the company's articles, a resolution proposing that Gerald Edelman LLP be reappointed as auditor of the company will be put at a General Meeting.

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.


Aladurai Sivasamy Premananthan
Trustee

Date: 09/12/2024

GNANAM FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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

The law applicable to charities in England and Wales 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 of the charity 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 sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GNANAM FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GNANAM FOUNDATION

Opinion

We have audited the financial statements of Gnanam Foundation (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements which indicates that the charity is dependent on financial support from the Trustee to meet the cash requirements for at least 12 months from the date of signed financial statements for year ending 31 December 2023. The financial support from the Trustee is not legally binding. The largest single donor of the charity, Lycamobile UK Limited, is currently in dispute with HMRC in relation to a tax matter. In this context, whilst the Trustees are confident that alternative sources of donations could be arranged as required through support from the Trustee, there are uncertainties present in this regard. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

GNANAM FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GNANAM FOUNDATION

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 trustees' report.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

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

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 December 2023.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

GNANAM FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GNANAM FOUNDATION

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud, as part of our discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the charity operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included the Charities Act.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including testing of journal entries for appropriateness.
- Assessed whether judgements and assumptions made in determining the accounting estimates such as properties valuation were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the trustees.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

GNANAM FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GNANAM FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Talha Farrukh FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman LLP**

**Chartered Accountants
Statutory Auditor**



09/12/2024

73 Cornhill
London
EC3V 3QQ

Gerald Edelman LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

GNANAM FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds Total	Unrestricted funds Total
	Notes	2023 £	2022 £
Income from:			
Donations and legacies	3	421,500	654,000
Expenditure on:			
Charitable activities	4	(499,057)	(665,147)
Net expenditure for the year		<u>(77,557)</u>	<u>(11,147)</u>
Reconciliation of funds:			
Brought forward		55,807	66,954
Carried forward		<u>(21,750)</u>	<u>55,807</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 16 form part of these financial statements.

GNANAM FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

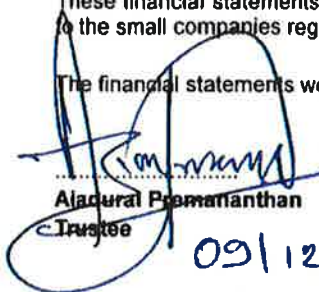
	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	9	30,000		67,868	
Cash at bank and in hand		2,350		3,146	
		32,350		70,814	
Creditors: amounts falling due within one year	10	(54,100)		(15,008)	
Net current (liabilities)/assets			(21,750)		55,806
Net (liabilities)/assets			(21,750)		55,806
Funds					
Unrestricted funds			(21,750)		55,806

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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.

The financial statements were approved by the Trustees on


Aladurai Premnathan
Trustee

09/12/2024

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Gnanam Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 3rd Floor, Walbrook Building, 195 Marsh Wall, London E14 9SG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities SORP 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity has reported a net expenditure for the year of £77,557 (£11,147; 31 December 2022) and as at 31 December 2023, it has net liabilities of £21,750 (net assets of £55,806; 31 December 2022). The Trustees have assessed a cash projection for at least 12 months from the date of signed financial statements for year ending 31 December 2023 and concluded that whilst most of the charity costs are discretionary, there is still a potential for a net cash outflow due to possible timing differences with regards to donations from Lycamobile UK Limited (largest donor of the charity and a company where Aladurai Sivasamy Premananthan and Allirajah Subaskaran are the directors who are also the Trustees of Gnanam Foundation). Allirajah Subaskaran as a Trustee has therefore confirmed a continuous financial support to the charity to meet the cash requirements confirmed formally through a letter of support for at least 12 months from the date of signed financial statements for year ending 31 December 2023. This is to avoid any possible scenarios of a net cash deficit. Based on this, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least 12 months from the date of signed financial statements.

The financial support from the Trustee is not legally binding. The largest single donor of the charity, Lycamobile UK Limited, is currently in dispute with HMRC in relation to a tax matter. The Trustees have formed a view that the matter is unlikely to be resolved within the next two years. Due to the significance of the dispute, whilst the Trustees are confident that alternative sources of donations could be arranged if required through support from the Trustee, there are uncertainties present in this regard which indicate that a material uncertainty exists that may cast doubt on the charity's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.4 Income

All income is recognized once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalized and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

In accordance with the Charities SORP 2019 and FRS 102, the general volunteer time of the Friends is not recognized in the financial statements.

Donated professional services and donated facilities are recognized on receipt based on the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognized in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognized at the time of the donation.

1.5 Expenditure

Expenditure is recognized once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the assets use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities

Costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

1.6 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.

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.7 Financial instruments

The charity 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 charity's balance sheet when the charity 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

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 operations 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

As a registered charity the Foundation is exempt from taxation on its activities which fall within the scope of section 505 of Taxes Act 1988 and section 252 of the Taxation of Chargeable Gains Act 1992.

1.9 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All foreign exchange differences are included to the income statement.

1.10 Cash flow statement

The Trustees have taken advantage of the exemption from including a cash flow statement in the financial statements on the basis that the company is small.

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	421,500	654,000

4 Expenditure on charitable activities

	2023 £	2022 £
Direct costs		
Grant funding of activities (see note 5)	448,794	621,408
Share of support and governance costs		
Support	31,373	31,440
Governance	18,890	12,299
	<u>499,057</u>	<u>665,147</u>
Analysis by fund		
Unrestricted funds	<u>499,057</u>	<u>652,848</u>

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Grants payable

	Total 2023 £	Total 2022 £
British Red Cross Society	5,000	-
Gnanam Foundatrion (Sri Lanka)	384,902	172,586
John Taylor	36,892	-
Rela Institute and Medical Socioty	10,000	-
Royal Brompton Hospital	4,500	-
Jackson Foundation	-	41,483
Sankathlnai Vairavaswami Kanthaswanu Kovil	-	32,839
Om Saravanabhava Seva Trust	-	350,000
Uthavam Karam	-	10,000
Medical Institute of Tamils	-	10,000
Other	7,500	4,500
	<u>448,794</u>	<u>621,408</u>

6 Net movement in funds

	2023 £	2022 (as restated) £
The net movement in funds is stated after charging:		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	8,000	4,800
for accounts preparation	2,000	3,000
	<u>10,000</u>	<u>7,800</u>

The expense recognised in the year-end 2022 accounts in respect of audit and accountancy fees was correct but the auditor's remuneration disclosed was incorrectly stated as £4,800 when this should have been £7,800 in total. This was a disclosure deficiency only. The comparative has therefore been corrected in the year-end 2023 financial statements.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to the trustees ibn the year under review.

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	<u>nil</u>	<u>nil</u>

GNANAM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	30,000	67,668

The brought forward balance for debtors represented donations in advance which have been released in the current year.

10 Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals	54,100	15,008

11 Related party transactions

Lycamobile UK Limited

The company received unrestricted donations from the Lycamobile UK Limited amounting to £391,500 (2022- £624,000) where Aiadurai Sivasamy Premananthan and Allirajah Subaskaran are directors who are also the trustees/ directors of Gnanam Foundation, considered as related party.

Lycatel Services Ltd

The company received donations in kind from Lycatel Services Limited amounting to £30,000 (2022- £30,000) for year end 31 December 2023 where Aiadurai Sivasamy Premananthan and Allirajah Subaskaran are directors and are also the trustees/ directors of Gnanam Foundation.

Gnanam Foundation (Sri Lanka)

During the period Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Sri Lanka) amounting to £384,902 (2022 - £172,568), considered as related party by virtue of the spirit of the company.

Accounts

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

GNANAM FOUNDATION
(A company limited by guarantee)

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GNANAM FOUNDATION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND
ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees

Aiadurai Sivasamy Premananthan, Trustee
Allirajah Subaskaran, Trustee
Christopher Donald Michael Tooley, Trustee
Dr. Ravikumar Muthukaluvan, Trustee
Farokh Engineer, Trustee (Resigned on 31 July 2023)
Mohammed Abdul Mabitul Malique, Trustee (Resigned on 31 July 2023)

Company registered number

07473153

Charity registered number

1160782

Registered office

3rd Floor Walbrook Building, 195 Marsh Wall, London, E14 9SG

Company secretary

Aiadurai Sivasamy Premananthan

Independent auditors

Focus Somar Audit & Tax Accountants Ltd,
Statutory Auditors
301 Third Floor
Middlesex House,
130 College Road,
Harrow, Middlesex
HA1 1BQ

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the audited financial statements of Gnanam Foundation (the company/ charity) for the period from 1 January 2022 to 31 December 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2022)

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

A. POLICIES AND OBJECTIVES

The trustees will meet regularly to decide upon, and review, its activities in line with the charity's objectives and with reference 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 future activities.

The trustees also intend to develop and implement a grant making policy. The charity will not carry out projects in its own right but rather, will make grants to charities that have identified individuals who require assistance.

An applicant charity must provide the charity with evidence that its intended beneficiaries are people in poverty without the means to otherwise improve their standard of living.

The charity will have a strict procedure in place in relation to funding UK charities operating overseas. Fundraising will begin with appeals detailing the history behind the project and how it would benefit the people and how much it would cost. The charity will monitor expenditure to ensure that its funds are spent correctly, to assess the impact of the work carried out and ensure that funds are used in furtherance of the charity's charitable purposes.

Through its due diligence and monitoring procedures, the trustees will ensure that its funding is used for its charitable purposes and in compliance with all applicable UK laws.

B. PUBLIC BENEFIT

Gnanam Foundation aims were carried out for the public benefit. This was achieved through giving financial support to the charities incorporated in UK and outside UK working to improve the lives of vulnerable and marginalized groups.

Achievements and performance

The charity performed charitable activities amounting to £665,148 (2021- £343,403) during the year. The charity also works on an ad hoc basis with a number of charities and organizations that promote the charity's objectives.

Financial review

During the year, the charity received unrestricted funds amounting to £654,000 (2021- £296,560) and donation paid were £665,148 (2021- £390,403), making a deficit amounting to £11,148 (2021- deficit £46,843) after deducting support and governance cost. The activities of charity have increased with compared to last year.

a. 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 continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

b. RESERVES POLICY

The charity simply donates to other charities, individuals and institutions for the accomplishment of its charity objectives. Its accumulated surplus at 31 December 2022 was £55,807 (2021: £66,594)

Structure, governance and management

i. CONSTITUTION

The charity is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The charity is constituted under a Trust deed and its registered charity number 1160782.

The principal objective of the charity is for the public benefit to further any purpose which is exclusively charitable under the law of England and Wales (provided that the charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).

ii. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Each of the trustees was first appointed as a director at Companies House and each trustee also had to sign a trustee declaration form which was submitted to the Charity Commission.

iii. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The charity actively endorses training at all levels of the charity. New trustees participate in an induction process that new staff would follow, to include spending time engaged with all the charity's projects, relevant information regarding health and safety and personal safety and role-related knowledge where applicable.

iv. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Trustees are specifically designated to oversee UK projects and overseas projects.

The Trustees who served during the year were as follows: -

Aiadurai Sivasamy Premananthan
Allirajah Subaskaran
Christopher Donald Michael Tooley
Dr. Ravikumar Muthukaluvan
Farokh Engineer (Resigned on 31 July 2023)
Mohammed Abdul Mabidul Malique (Resigned on 31 July 2023)

v. RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

vi. PRINCIPAL ACTIVITIES

The charity has two principal areas of activity within United Kingdom and outside United Kingdom.

The charity has a general charitable objective and its initial focus will be the provision of grant funding to charities working in United Kingdom, Sri Lanka, India, Nigeria, Tanzania, Philippines, Romania and Sudan to alleviate poverty.

Plans for future periods

FUTURE DEVELOPMENTS

The charity intends to continue the activities outlined above with respect to satisfactory funding arrangements.

RELATED PARTY TRANSACTIONS & CONTROL

The charity received unrestricted donations from the Lycamobile UK Limited amounting to £624,000 (2021 - £266,560) where Mr. Aiadurai Sivasamy Premananthan, Mr. Christopher Donald Michael & Mr. Allirajah Subaskaran are directors, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

The charity received donation in kind from the Lycatel services Limited amounting to £30,000 (2021-£30,000) for year end 31 December 2022 where Mr. Aiadurai Sivasamy Premananthan & Mr. Allirajah Subaskaran are directors, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

During the period, Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Sri Lanka) amounting to £172,586 (2021-£161,367), considered as related party by virtue of the spirit of the charity.

A further detail is given in note 13.

The charity was under the control of 6 trustees/ directors during the year.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Gnanam Foundation 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

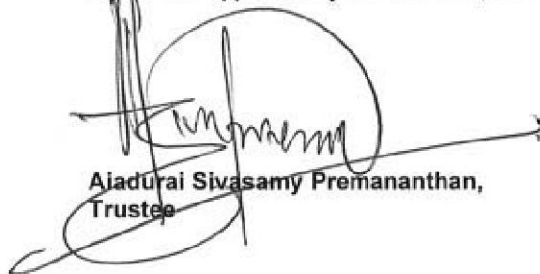
DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Focus Somar Audit & Tax Accountants Ltd, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees. This report was approved by the Trustees, on 17/10/2023 and signed on their behalf by:



Aiadurai Sivasamy Premananthan,
Trustee

GNANAM FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION

OPINION

We have audited the financial statements of Gnanam Foundation (the 'charitable company') for the year ended 31 December 2022 set out on pages 9 to 20. 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 authorized 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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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

GNANAM FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION

required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect there under.

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management, concerning the company's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

GNANAM FOUNDATION
(A company limited by guarantee)

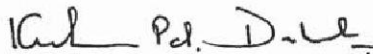
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION

- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.
 - Performed analytical procedures to identify any unusual relationships.
 - Tested journal entries to identify unusual transactions.
- We also obtained an understanding of the legal and regulatory frameworks that the company operates in. As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

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

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Krishna Prasad Dahal
Senior Statutory Auditor

Focus Somar Audit & Tax Accountants Ltd

Statutory Auditors

Third floor, Unit 301
Middlesex House
130 College Road
Harrow
Middlesex
HA1 1BQ

Date: 20th October, 2023

Focus Somar Audit & Tax Accountants Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

GNANAM FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:				
Donations and legacies	2	654,000	654,000	296,560
TOTAL INCOME		654,000	654,000	296,560
EXPENDITURE ON:				
Charitable activities	3 & 4	665,148	665,148	343,403
TOTAL EXPENDITURE	5	665,148	665,148	343,403
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES		(11,148)	(11,148)	(46,843)
NET MOVEMENT IN FUNDS		(11,148)	(11,148)	(46,843)
RECONCILIATION OF FUNDS:				
Total funds brought forward		66,955	66,955	113,797
TOTAL FUNDS CARRIED FORWARD		55,807	55,807	66,594

The notes on pages 12 to 20 form part of these financial statements.

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognized gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

GNANAM FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 07473153

BALANCE SHEET
AS AT 31 DECEMBER 2022

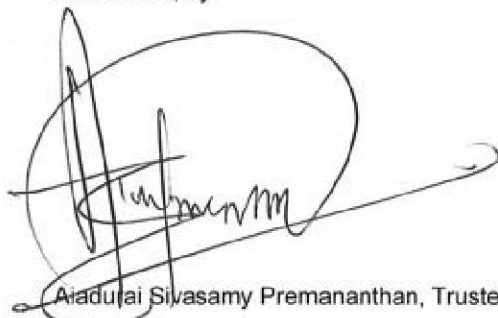
	Note	£	2022 £	2021 £
CURRENT ASSETS				
Debtors	9	67,668	109,388	
Cash at bank and in hand		3,146	4,161	
		70,814	113,549	
CREDITORS: amounts falling due within one year	8	(15,008)	(46,595)	
NET CURRENT ASSETS			55,806	66,954
NET ASSETS			55,806	66,954
CHARITY FUNDS				
Unrestricted funds	10		55,806	66,954
TOTAL FUNDS			55,806	66,954

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorized for issue by the Trustees on 17/10/2023 and signed on their behalf, by:



Aradurai Sivasamy Premananthan, Trustee

The notes on pages 12 to 20 form part of these financial statements.

GNANAM FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities		(1,015)	(6,158)
Change in cash and cash equivalents in the year		(1,015)	(6,158)
Cash and cash equivalents brought forward		4,161	10,319
Cash and cash equivalents carried forward		3,146	4,161

The notes on pages 12 to 20 form part of these financial statements.

GNANAM FOUNDATION
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2022) - (Charities SORP 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gnanam Foundation, the company, meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

Gnanam Foundation is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

The company's activities, together with the factors likely to affect its future developments will be based on trustees' assessment of donor companies fund raising plans and funding commitments from the donor companies. Trustees have reasonable expectation to continue the charitable activities over the future years, at least for next 12 months from the date of approval of the financial statements.

Hence financial statements are prepared using the going concern basis of accounting. The related donor company; Lycamobile UK Limited will continue to provide its funding requirement proactively and there has been no indication that funds will not continue to be available as required for future charitable activities.

GNANAM FOUNDATION
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognized once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalized and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognized when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP 2019 and FRS 102, the general volunteer time of the Friends is not recognized and refers to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognized on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognized in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognized at the time of the donation.

Income tax recoverable in relation to investment income is recognized at the time the investment income is receivable.

GNANAM FOUNDATION
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognized once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable is charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

1.6 Interest receivable

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

1.7 Debtors

Trade and other debtors are recognized at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All foreign exchange differences are included to the income statement.

1.9 Liabilities and provisions

Liabilities are recognized when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognized at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognized within interest payable and similar charges.

GNANAM FOUNDATION
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

None of the donations received are restricted. The funds can be used for charitable purpose in such manner as the Directors who are also the Trustees may determine in accordance with the charities' objectives.

1.11 Cash Flow Statement

The trustees have taken advantage of the exemption in Update Bulletin 1 from including a cash flow statement in the financial statement on the grounds that the company is small.

1.12 Reserves Policy

The reserves policy of the trust is to invest any liquid or current asset backed reserves in upgrading and building as funds after providing sufficient funds to meet the anticipated running costs of the organization. Cash flow forecasts are prepared regularly to enable trustees to make such investment decisions prudently.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Total funds 1 Jan 2022 to 31 Dec 2022	Total Funds 2021
	£	£	£
Donations	654,000	654,000	296,560

3. SUPPORT COSTS

	Activities	Total 2022	Total 2021
	£	£	£
Management fee	30,000	30,000	30,000
Bank Charges	1,440	1,440	1,168
Other Penalties and fines	-	-	750
	31,440	31,440	31,918

GNANAM FOUNDATION
(A company limited by guarantee)

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

4. GOVERNANCE COSTS

	Unrestricted Funds	Total funds 1 Jan 2022 to 31 Dec 2022	Total Funds 2021
	2022 £	£	£
Governance accountancy fee	3,000	3,000	3,000
Governance auditors' remuneration	4,800	4,800	4,200
Governance Legal and professional fees	4,500	4,500	8,144
	<u>12,300</u>	<u>12,300</u>	<u>15,344</u>

5. ANALYSIS OF EXPENDITURE-BY-EXPENDITURE TYPE

	Other costs	Total 1 Jan 2022 to 31 Dec 2022	Total 2021
	2022 £	£	£
Direct costs - Activities (Grants)	621,408	621,408	296,141
Expenditure on governance & support cost	43,739	43,739	47,262
	<u>665,148</u>	<u>665,148</u>	<u>343,403</u>

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2022 £	2021 £
Auditors' remuneration	<u>4,800</u>	<u>4,200</u>

During the year, no Trustees received any remuneration (2021 - £NIL).

During the year, no Trustees received any benefits in kind (2021 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2021 - £NIL).

7. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £4,800 (2021 - £4,200).

GNANAM FOUNDATION
(A company limited by guarantee)

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

8. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Donation creditors	-	32,000
Accruals	15,008	14,595
	<u>15,008</u>	<u>14,595</u>

9. Debtors

	2022	2021
	£	£
Donation paid in advance	67,668	109,388
	<u>67,668</u>	<u>109,388</u>

Included in the above schedule there was donation payment made in advance. That donation has been partially utilized by the company and remaining balance is still shown as prepayment in the balance sheet.

10. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January			Balance at 31 December
	2022	Income	Expenditure	2022
	£	£	£	£
Unrestricted funds				
General funds	113,797	-	-	66,954
Movement in General funds	(46,843)	654,000	(665,148)	(11,148)
	<u>66,954</u>	<u>654,000</u>	<u>(665,148)</u>	<u>55,806</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021			Balance at 31 December 2021
	£	Income	Expenditure	£
		£	£	
General funds	1,054	-	-	113,797
Movement in General funds	112,743	296,560	(343,403)	(46,843)
Total of funds	<u>113,797</u>	<u>296,560</u>	<u>(343,403)</u>	<u>66,954</u>

GNANAM FOUNDATION
(A company limited by guarantee)

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

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
General funds	66,954	654,000	(665,148)	55,806
	66,954	654,000	(665,148)	55,806

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
General funds	113,797	296,560	(343,403)	66,954

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted Funds 2022 £	Total Funds 1 Jan 2022 to 31 Dec 2022 £
Current assets	70,814	70,814
Creditors due within one year	(15,008)	(15,008)
	55,806	55,806

GNANAM FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2021 £</i>	<i>Total Funds 2021 £</i>
Current assets	113,549	113,549
Creditors due within one year	(46,595)	(46,595)
	<u>66,954</u>	<u>66,954</u>

12. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank	3,146	4,161
	<u>3,146</u>	<u>4,161</u>

13. RELATED PARTY TRANSACTIONS

Lycamobile UK Limited

The company received unrestricted donations from the Lycamobile UK Limited amounting to £624,000 (2021 - £266,560) where Mr. Aiadurai Sivasamy Premananthan, Mr. Christopher Donald Michael & Mr. Allirajah Subaskaran are directors, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

Lycatel Services Ltd

The company received donation in kind from the Lycatel services Limited amounting is £30,000 (2021-£30,000) for year end 31 December 2022 where Mr. Aiadurai Sivasamy Premananthan & Mr. Allirajah Subaskaran are directors, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

Gnanam Foundation Ltd- Sri Lanka

During the period, Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Sri Lanka) amounting to £172,568 (2021 - £161,367), considered as related party by virtue of the spirit of the company.

GNANAM FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. CONTROLLING PARTY

The company was under the control of 6 trustees/ directors during the year.

15. COMMITMENTS

The company had no commitments at the balance sheet date.

16. CONTINGENCIES

There were no contingencies at the balance sheet date.

17. GUARANTEES

The company has given no guarantees or other indemnities.

18. GRANTS

The following grants were made during the year:

	Amount Awarded (£)
Gnanam Foundation Sri Lanka	172,586
	172,586
Other Charity Donations:	
Jackson Foundation	41,483
Sankaththanai Vairavaswami Kanthaswani Kovil	32,839
Litter Angels Ltd	500
Om Saravanabhava Seva Trust	350,000
Uthavum Karam	10,000
Homerton College Appeal Fund	500
Institute of Jainology Ltd	500
Medical Institute of Tamils	10,000
Navjivan Vadil Kendra	1,000
Parkinsons Disease Society	500
Rudolph Walker Foundation	500
Shree Raj Saubhag Sastang Mandal UK	500
Asmara Football Club	500
	448,822
Grand total	621,408

Accounts

Registered number: 07473153
Charity number: 1160782

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

GNANAM FOUNDATION
(A company limited by guarantee)

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GNANAM FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND
ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees

Sivasamy Premananthan, Trustee
Farokh Engineer, Trustee
Mohammed Malique, Trustee
Allirajah Subaskaran, Trustee
Christopher Tooley, Trustee
Dr. Ravikumar Muthukaluvan, Trustee

Company registered number

07473153

Charity registered number

1160782

Registered office

Walbrook Bld, 195 Marsh Wall, London, E14 9SG

Company secretary

Sivasamy Aaidurai Premananthan

Independent auditors

Focus Somar Audit & Tax Accountants Ltd,
Statutory Auditors
Third floor, Unit 301,
Middlesex House,
130 College Road, Harrow, Middlesex, HA1 1BQ

GNANAM FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Trust for the period from 1 January 2021 to 31 December 2021. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2022)

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

A. POLICIES AND OBJECTIVES

The trustees will meet regularly to decide upon, and review, its activities in line with the Foundation's objects and with reference 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 future activities.

The trustees also intend to develop and implement a grant-making policy. The Foundation will not carry out projects in its own right but rather, will make grants to charities that have identified individuals who require assistance.

An applicant charity must provide the Foundation with evidence that its intended beneficiaries are people in poverty without the means to otherwise improve their standard of living.

The Foundation will have a strict procedure in place in relation to funding UK charities operating overseas. Fundraising will begin with appeals detailing the history behind the project and how it would benefit the people and how much it would cost. The Foundation will monitor expenditure to ensure that its funds are spent correctly, to assess the impact of the work carried out and ensure that funds are used in furtherance of the charity's charitable purposes.

Through its due diligence and monitoring procedures, the trustees will ensure that its funding is used for its charitable purposes and in compliance with all UK laws.

B. PUBLIC BENEFIT

Gnanam Foundation aims were carried out for the public benefit. This was achieved through giving financial support to 2 charities working to improve the lives of vulnerable and marginalized groups.

Achievements and performance

The charity performed charitable activities amounting to £343,403 (2020- £347,223) during the year. The Foundation also works on an ad hoc basis with a number of charities and organizations that promote the Foundation's objectives.

Financial review

During the year the charity received unrestricted funds amounting to £296,560 (2020- £472,000) and donation paid were £326,141 (2020- £359,257), making a deficit amounting to £46,843 (2020- surplus £112,743) after deducting support and governance cost. The activities of charity have increased with compared to last year.

a. Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

b. RESERVES POLICY

The charity simply donates to other charities, individuals and institutions for the accomplishment of its charity objectives. Its accumulated surplus at 31 December 2021 was £ 66,954 (2020: £113,797)
Structure, governance and management

i. CONSTITUTION

The charity is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and its registered charity number 1160782.

The principal object of the company is for the public benefit to further any purpose which is exclusively charitable under the law of England and Wales (provided that the charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).

ii. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Each of the trustees was first appointed as a director at Companies House and each trustee also had to sign a trustee declaration form which was submitted to the Charity Commission.

iii. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Charity actively endorses training at all levels of the charity. New trustees participate in an induction process that new staff would follow, to include spending time engaged with all the charity's projects, relevant information regarding health and safety and personal safety and role-related knowledge where applicable.

iv. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Trustees are specifically designated to oversee UK projects and overseas projects.

The Trustees who served during the year were as follows: -

Sivasamy Aiadurai Premananthan
Farokh Engineer
Mohammed Abdul Mabidul Malique
Allirajah Subaskaran
Christopher Donald Michael Tooley
Dr. Ravikumar Muthukaluvan

v. RISK MANAGEMENT

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

GNANAM FOUNDATION
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

vi. PRINCIPAL ACTIVITIES

The charity has two principal areas of activity within United Kingdom and outside United Kingdom.

The charity has a general charitable object and its initial focus will be the provision of grant funding to charities working in United Kingdom, Sri Lanka, India, Nigeria, Tanzania, Philippines, Romania and Sudan to alleviate poverty.

Plans for future periods

FUTURE DEVELOPMENTS

The charity intends to continue the activities outlined above with respect to satisfactory funding arrangements.

RELATED PARTY TRANSACTIONS & CONTROL

The charity received general donations from the Lycamobile UK Limited amounting to £266,560 (2020 - £442,000) where Mr Sivasamy Aiadurai Premananthan & Mr Allirajah Subaskaran are trustees, who are also the trustees/ directors of Gnanam Foundation, considered as related party. The Lycatel Services Limited has charged £30,000 management fee (2020 -£ 30,000) for year ended on 31 December 2021, where Mr Sivasamy Aiadurai Premananthan is director, who is also the trustee/ director of Gnanam Foundation, considered as related party.

During the period, Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Sri Lanka) amounting to £161,367 (2020- £325,644), considered as related party by virtue of the spirit of the foundation.

A further detail is given in note 13.

The charity is under the control of 6 trustees/ directors.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Gnanam Foundation 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

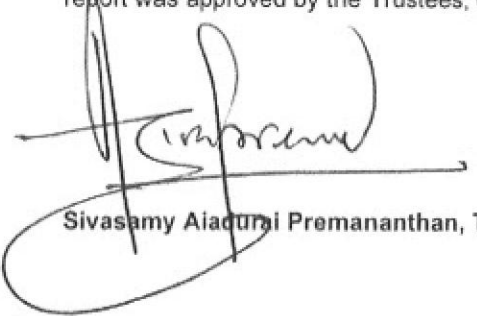
DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Focus Somar Audit & Tax Accountants Ltd, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees. This report was approved by the Trustees, on 15/Nov/2022 and signed on their behalf by:



Sivasamy Aladurai Premananthan, Trustee

GNANAM FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION

OPINION

We have audited the financial statements of Gnanam Foundation (the 'charitable company') for the year ended 31 December 2021 set out on pages 9 to 20. 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 authorized 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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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

GNANAM FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION

required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect there under.

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 Auditors' 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.

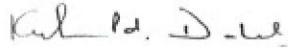
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

GNANAM FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION



Krishna Prasad Dahal
Senior Statutory Auditor

Focus Somar Audit & Tax Accountants Ltd

Statutory Auditors

Third floor, Unit 301
Middlesex House
130 College Road
Harrow
Middlesex
HA1 1BQ

Date: 20 November 2022

Focus Somar Audit & Tax Accountants Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:				
Donations and legacies	2	296,560	296,560	472,000
TOTAL INCOME		<u>296,560</u>	<u>296,560</u>	<u>472,000</u>
EXPENDITURE ON:				
Charitable activities	3 & 4	343,403	343,403	359,257
TOTAL EXPENDITURE	5	<u>343,403</u>	<u>343,403</u>	<u>359,257</u>
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES		(46,843)	(46,843)	112,743
NET MOVEMENT IN FUNDS		(46,843)	(46,843)	112,743
RECONCILIATION OF FUNDS:				
Total funds brought forward		<u>113,797</u>	<u>113,797</u>	<u>1,054</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>66,954</u></u>	<u><u>66,954</u></u>	<u><u>113,797</u></u>

The notes on pages 12 to 20 form part of these financial statements.

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognized gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

GNANAM FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 07473153

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	£	2021 £	2020 £
CURRENT ASSETS				
Debtors	9	109,388	109,388	
Cash at bank and in hand		4,161	10,319	
		113,549	119,708	
CREDITORS: amounts falling due within one year	8	(46,595)	(5,910)	
NET CURRENT ASSETS			66,954	113,797
NET ASSETS			66,954	113,797
CHARITY FUNDS				
Unrestricted funds	10		66,954	113,797
TOTAL FUNDS			66,954	113,797

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorized for issue by the Trustees on 15/Nov/2022 and signed on their behalf, by:


Sivasamy Aradurai Premananthan, Trustee

The notes on pages 12 to 20 form part of these financial statements.

GNANAM FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities		(6,158)	4,465
Change in cash and cash equivalents in the year		(6,158)	4,465
Cash and cash equivalents brought forward		10,319	5,854
Cash and cash equivalents carried forward		<u>4,161</u>	<u>10,319</u>

The notes on pages 12 to 20 form part of these financial statements.

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2022) - (Charities SORP 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gnanam Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

The charity's activities, together with the factors likely to affect its future developments will be based on trustees' assessment of donor companies fundraising plans and funding commitments from the donor companies. Trustees have reasonable expectations to continue the charity activities over the future years, at least for next 12 months from the date of approval of the financial statements.

Hence financial statements are prepared using the going concern basis of accounting. The related donor company: Lycamobile UK Limited will continue to provide its funding requirement proactively and there have been no indication that funds will not continue to be available as required for future charity activities.

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognized once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalized and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognized when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP 2019 and FRS 102, the general volunteer time of the Friends is not recognized and refers to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognized on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognized in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognized at the time of the donation.

Income tax recoverable in relation to investment income is recognized at the time the investment income is receivable.

GNANAM FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognized once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

1.6 Interest receivable

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

1.7 Debtors

Trade and other debtors are recognized at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All foreign exchange differences are included to the income statement.

1.9 Liabilities and provisions

Liabilities are recognized when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognized at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognized within interest payable and similar charges.

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (continued)

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

None of the donations received are restricted. The funds can be used for charitable purpose in such manner as the Directors who are also the Trustees may determine in accordance with the charities' objectives.

1.11 Cash Flow Statement

The trustees have taken advantage of the exemption in Update Bulletin 1 from including a cash flow statement in the financial statement on the grounds that the company is small.

1.12 Reserves Policy

The reserves policy of the trust is to invest any liquid or current asset backed reserves in upgrading and building as funds after providing sufficient funds to meet the anticipated running costs of the organization. Cash flow forecasts are prepared regularly to enable trustees to make such investment decisions prudently.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Total funds 1 Jan 2021 to 31 Dec 2021	Total Funds 2020
	£	£	£
Donations	296,560	296,560	472,000

3. SUPPORT COSTS

	Activities	Total 2021	Total 2020
	£	£	£
Management fee	30,000	30,000	30,000
Bank Charges	1,168	1,168	1,856
Other Penalties and fines	750	750	-
	31,918	31,918	31,856

GNANAM FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. GOVERNANCE COSTS

	Unrestricted Funds	Total funds 1 Jan 2021 to 31 Dec 2021	Total Funds 2020
	2021 £	£	£
Governance accountancy fee	3,000	3,000	2,400
Governance auditors' remuneration	4,200	4,200	2,400
Governance Legal and professional fees	8,144	8,144	5,375
	<u>15,344</u>	<u>15,344</u>	<u>10,175</u>

5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Other costs	Total 1 Jan 2021 to 31 Dec 2021	Total 2020
	2021 £	£	£
Direct costs - Activities (Grants)	343,403	343,403	347,223
Expenditure on governance & support cost	47,262	47,262	42,031
	<u>390,665</u>	<u>390,665</u>	<u>389,254</u>

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021 £	2020 £
Auditors' remuneration	<u>4,200</u>	<u>2,400</u>

During the year, no Trustees received any remuneration (2021 - £NIL).

During the year, no Trustees received any benefits in kind (2021 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2021 - £NIL).

7. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £4,200 (2020 - £2,400).

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Donation creditors	32,000	-
Accruals	14,595	5,910
	<u>46,595</u>	<u>5,910</u>

9. Debtors

	2021	2020
	£	£
Prepayment and Accrued income	109,388	109,388
	<u>109,388</u>	<u>109,388</u>

10. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January			Balance at 31 December
	2021 £	Income £	Expenditure £	2021 £
Unrestricted funds				
General funds	1,054	-	-	113,797
Movement in General funds	112,743	296,560	(343,403)	(46,843)
	<u>113,797</u>	<u>296,560</u>	<u>(343,403)</u>	<u>66,954</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
General funds	1,054	472,000	(359,255)	113,797
Total of funds	<u>1,054</u>	<u>472,000</u>	<u>(359,255)</u>	<u>113,797</u>

GNANAM FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
General funds	113,797	296,560	(343,403)	66,954
	<u>113,797</u>	<u>296,560</u>	<u>(343,403)</u>	<u>66,954</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
General funds	1,054	472,000	(359,255)	113,797
	<u>1,054</u>	<u>472,000</u>	<u>(359,255)</u>	<u>113,797</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted Funds 2021 £	Total Funds 1 Jan 2021 to 31 Dec 2021 £
Current assets	113,549	113,549
Creditors due within one year	(46,595)	(46,595)
	<u>66,954</u>	<u>66,954</u>

GNANAM FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2020 £</i>	<i>Total Funds 2020 £</i>
Current assets	119,707	119,707
Creditors due within one year	(5,910)	(5,910)
	<u>113,787</u>	<u>113,787</u>

12. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<i>2021 £</i>	<i>2020 £</i>
Cash at bank	4,161	10,319
	<u>4,161</u>	<u>10,319</u>

13. RELATED PARTY TRANSACTIONS

Lycamobile UK Limited

The charity received general donations from the Lycamobile UK Limited amounting to £266,560 (2020 - £442,000) where Mr Sivasamy Aiadurai Premananthan, Mr Christopher Donald Michael & Mr Allirajah Subaskaran are trustees, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

LYCATEL SERVICES LTD

The charity received general donations from the Lycatel services Limited amounting is £30,000 (2020-£30,000) for year end 31 December 2021 where Mr Sivasamy Aiadurai Premananthan & Mr Allirajah Subaskaran are trustees, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

GNANAM FOUNDATION LTD- Srilanka

During the period, Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Srilanka) amounting to £161,367 (2020 - £325,644), considered as related party by virtue of the spirit of the foundation.

LYCATEL SERVICES LTD

The Lycatel Services Limited has charged management fee of £30,000 (2020 - £30,000) for year ended on 31 December 2021 and where Mr Sivasamy Aiadurai Premananthan is trustees, who is also the trustee/ director of Gnanam Foundation, considered as related party.

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. CONTROLLING PARTY

The charity is under the control of 6 trustees/ directors.

15. COMMITMENTS

The Charity had no commitments at the balance sheet date.

16. CONTINGENCIES

There were no contingencies at the balance sheet date.

17. GUARANTEES

The Charity has given no guarantees or other indemnities.

18. GRANTS

The following grants were made during the period.	<u>Amount Awarded (£)</u>
Gnanam Foundation Srilanka	161,367
Other Charity Donations:	
Donation - Om Saravanabhava Seva Trust	50,000
Ray of Light Foundation	49,062
Barts Health NHS Trust	2,211
Indian Hindu Welfare Organisation	500
Rainbows Children's Hospice	1,000
Lord Mayor of Birmingham's Charity	2,000
Vidyananda College Old students association	30,000
Total	296,140

Accounts

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

GNANAM FOUNDATION
(A company limited by guarantee)

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GNANAM FOUNDATION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND
ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees

Sivasamy Premananthan, Trustee
Farokh Engineer, Trustee
Mohammed Malique, Trustee
Allirajah Subaskaran, Trustee
Christopher Tooley, Trustee
Dr. Ravikumar Muthukaluvan, Trustee

Company registered number

07473153

Charity registered number

1160782

Registered office

Walbrook Bld, 195 Marsh Wall, London, E14 9SG

Company secretary

Sivasamy Aaidurai Premananthan

Independent auditors

Focus Somar Audit & Tax Accountants Ltd,
Statutory Auditors
Third floor, Unit 301,
Middlesex House,
130 College Road, Harrow, Middlesex, HA1 1BQ

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Trust for the period from 1 January 2020 to 31 December 2020. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015)

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

A. POLICIES AND OBJECTIVES

The trustees will meet regularly to decide upon, and review, its activities in line with the Foundation's objects and with reference 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 future activities.

The trustees also intend to develop and implement a grant making policy. The Foundation will not carry out projects in its own right but rather, will make grants to charities that have identified individuals who require assistance.

An applicant charity must provide the Foundation with evidence that its intended beneficiaries are people in poverty without the means to otherwise improve their standard of living.

The Foundation will have a strict procedure in place in relation to funding UK charities operating overseas. Fundraising will begin with appeals detailing the history behind the project and how it would benefit the people and how much it would cost. The Foundation will monitor expenditure to ensure that its funds are spent correctly, to assess the impact of the work carried out and ensure that funds are used in furtherance of the charity's charitable purposes.

Through its due diligence and monitoring procedures, the trustees will ensure that its funding is used for its charitable purposes and in compliance with all UK laws.

B. PUBLIC BENEFIT

Gnanam Foundation aims were carried out for the public benefit. This was achieved through giving financial support to 2 charities working to improve the lives of vulnerable and marginalized groups.

Achievements and performance

The charity performed charitable activities amounting to £347,223 (2019- £413,664) during the year. The Foundation also works on an ad hoc basis with a number of charities and organizations that promote the Foundation's objectives.

Financial review

During the year the charity received unrestricted funds amounting to £472,000 (2019- £475,580) and donation paid were £359,257 (2019- 478,216), making a surplus amounting to £112,743 (2019- deficit 2,636) after deducting support and governance cost. The activities of charity have increased with compared to last year.

a. Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

b. RESERVES POLICY

The charity simply donates to other charities, individuals and institutions for the accomplishment of its charity objectives. Its accumulated surplus at 31 December 2020 was £ 113,787 (2019: accumulated surplus £1,054)
Structure, governance and management

i. CONSTITUTION

The charity is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and its registered charity number 1160782.

The principal object of the company is for the public benefit to further any purpose which is exclusively charitable under the law of England and Wales (provided that the charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).

ii. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Each of the trustees was first appointed as a director at Companies House and each trustee also had to sign a trustee declaration form which was submitted to the Charity Commission.

iii. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Charity actively endorses training at all levels of the charity. New trustees participate in an induction process that new staff would follow, to include spending time engaged with all the charity's projects, relevant information regarding health and safety and personal safety and role-related knowledge where applicable.

iv. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Trustees are specifically designated to oversee UK projects and overseas projects.

The Trustees who served during the year were as follows: -

Sivasamy Aiadurai Premananthan
Farokh Engineer
Mohammed Abdul Mabidul Malique
Allirajah Subaskaran
Christopher Donald Michael Tooley
Dr. Ravikumar Muthukaluvan

v. RISK MANAGEMENT

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

GNANAM FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

vi. PRINCIPAL ACTIVITIES

The charity has two principal areas of activity within United Kingdom and outside United Kingdom.

The charity has a general charitable object and its initial focus will be the provision of grant funding to charities working in United Kingdom, Sri Lanka, India, Nigeria, Tanzania, Philippines, Romania and Sudan to alleviate poverty.

Plans for future periods

FUTURE DEVELOPMENTS

The charity intends to continue the activities outlined above with respect to satisfactory funding arrangements.

RELATED PARTY TRANSACTIONS & CONTROL

The charity received general donations from the Lycamobile UK Limited amounting to £442,000 (2019 - £437,530) where Mr Sivasamy Aiadurai Premananthan & Mr Allirajah Subaskaran are directors, who are also the trustees/ directors of Gnanam Foundation, considered as related party. The Lycatel Services Limited has charged management fee of £30,000 (2019 - 30,000) for year ended on 31 December 2020, where Mr Sivasamy Aiadurai Premananthan is director, who is also the trustee/ director of Gnanam Foundation, considered as related party.

During the period, Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Sri Lanka) amounting to £325,643.63 (2019- £255,194), considered as related party by virtue of the spirit of the foundation.

A further detail is given in note 13.

The charity is under the control of 6 trustees/ directors.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Gnanam Foundation 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

GNANAM FOUNDATION
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

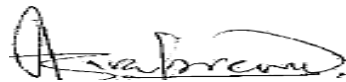
DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Focus Somar Audit & Tax Accountants Ltd, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees. This report was approved by the Trustees, on ...29/10/2021..... and signed on their behalf by:



Sivasamy Premananthan, Trustee

GNANAM FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION

OPINION

We have audited the financial statements of Gnanam Foundation (the 'charitable company') for the year ended 31 December 2020 set out on pages 9 to 20. 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, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 authorized 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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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

GNANAM FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION

required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect there under.

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 Auditors' 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.

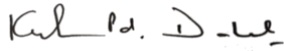
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

GNANAM FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM FOUNDATION



Krishna Prasad Dahal
Senior Statutory Auditor

Focus Somar Audit & Tax Accountants Ltd

Statutory Auditors

Third floor, Unit 301
Middlesex House
130 College Road
Harrow
Middlesex
HA1 1BQ
Date: 2 November 2021

Focus Somar Audit & Tax Accountants Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

GNANAM FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:				
Donations and legacies	2	472,000	472,000	475,580
TOTAL INCOME		472,000	472,000	475,580
EXPENDITURE ON:				
Charitable activities	3 & 4	359,257	359,257	478,216
TOTAL EXPENDITURE	5	359,257	359,257	478,216
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES		112,743	112,743	(2,636)
NET MOVEMENT IN FUNDS		112,743	112,743	(2,636)
RECONCILIATION OF FUNDS:				
Total funds brought forward		1,054	1,054	3,690
TOTAL FUNDS CARRIED FORWARD		113,797	113,797	1,054

The notes on pages 12 to 20 form part of these financial statements.

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognized gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

GNANAM FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 07473153

BALANCE SHEET
AS AT 31 DECEMBER 2020

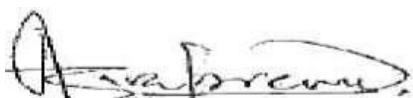
			2020	2019
	Note	£	£	£
CURRENT ASSETS				
Debtors	9	109,388		
Cash at bank and in hand		<u>10,319</u>	<u>5,854</u>	
		119,707	5,854	
CREDITORS: amounts falling due within one year	8	<u>(5910)</u>	<u>(4,800)</u>	
NET CURRENT ASSETS		113,797		1054
NET ASSETS		113,797		1,054
CHARITY FUNDS				
Unrestricted funds	10	<u>113,797</u>		<u>1,054</u>
TOTAL FUNDS		113,797		1,054

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorized for issue by the Trustees on 29/10/2021.....and signed on their behalf, by:



Sivasamy Premananthan, Trustee

The notes on pages 12 to 20 form part of these financial statements.

GNANAM FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities		4,465	(5038)
Change in cash and cash equivalents in the year		4,465	(5038)
Cash and cash equivalents brought forward		5,854	10,892
Cash and cash equivalents carried forward		10,319	5,854

The notes on pages 12 to 20 form part of these financial statements.

GNANAM FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gnanam Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Going concern

The charity's activities, together with the factors likely to affect its future developments will be based on trustees' assessment of donor companies fund raising plans and funding commitments from the donor companies. Trustees have reasonable expectation to continue the charity activities over the future years, at least for next 12 months from the date of approval of the financial statements.

Hence financial statements are prepared using the going concern basis of accounting. The related donor company: Lycamobile UK Limited will continue to provide its funding requirement proactively and there have been no indication that funds will not continue to be available as required for future charity activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.5 Income

All income is recognized once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalized and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognized when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognized and refers to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognized on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognized in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognized at the time of the donation.

Income tax recoverable in relation to investment income is recognized at the time the investment income is receivable.

GNANAM FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

Expenditure is recognized once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

1.7 Interest receivable

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

1.8 Debtors

Trade and other debtors are recognized at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All foreign exchange differences are included to the income statement.

1.10 Liabilities and provisions

Liabilities are recognized when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognized at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognized within interest payable and similar charges.

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

1.12 Fund Accounting

None of the donations received are restricted. The funds can be used for charitable purpose in such manner as the Directors who are also the Trustees may determine in accordance with the charities objectives.

1.13 Cash Flow Statement

The trustee have taken advantage of the exemption in Update Bulletin 1 from including a cash flow statement in the financial statement on the grounds that the company is small.

1.14 Reserves Policy

The reserves policy of the trust is to invest any liquid or current asset backed reserves in upgrading and building as funds after providing sufficient funds to meet the anticipated running costs of the organization. Cash flow forecasts are prepared regularly to enable trustees to make such investment decisions prudently.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Total funds 1 Jan 2020 to 31 Dec 2020	Total Funds 2019
	2020 £	2020 £	2019 £
Donations	472,000	472,000	475,580
<i>Total 2019</i>	475,580	475,580	

3. SUPPORT COSTS

	Activities £	Total 2020 £	Total 2019 £
Management fee	30,000	30,000	30,000
Bank Charges	1,856	1,856	573
Other Penalties and fines	-	-	4,560
	31,856	31,856	35,133
<i>Total 2019</i>	35,133	35,133	

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. GOVERNANCE COSTS

	Unrestricted Funds 2020 £	Total funds 1 Jan 2020 to 31 Dec 2020 £	Total Funds 2019 £
Governance accountancy fee	2,400	2,400	2,400
Governance Auditors' remuneration	2,400	2,400	2,400
Governance Legal fees	5,375	5,375	24,619
	<u>10,175</u>	<u>10,175</u>	<u>29,419</u>

5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Other costs 2020 £	Total 1 Jan 2020 to 31 Dec 2020 £	Total 2019 £
Direct costs - Activities (Grants)	347,223	347,223	413,684
Expenditure on governance & support cost	42,031	42,031	64,552
	<u>389,254</u>	<u>389,254</u>	<u>478,236</u>
<i>Total 2019</i>	<u>478,236</u>	<u>478,236</u>	

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Auditors' remuneration – audit	<u>2,400</u>	<u>2,400</u>

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2020 - £NIL).

7. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £2,400 (2019 - £2,400).

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Accruals	5,910.	4,800.

9. Debtors

	2020	2019
	£	£
Prepayment and Accruals	109,388.	-

10. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January			Balance at 31 December
	2020 £	Income £	Expenditure £	2020 £
Unrestricted funds				
General funds	38,371	-	-	1,054
Movement in General funds	(37,317)	472,000	(359,255)	112,743
	<u>1,054</u>	<u>472,000</u>	<u>(359,255)</u>	<u>113,797</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Balance at 31 December 2019 £
General funds	3,690	475,580	(478,216)	1,054
Total of funds	<u>3,690</u>	<u>475,580</u>	<u>(478,216)</u>	<u>1,054</u>

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
General funds	1,054	472,000	(359,255)	113,797
	<u>1,054</u>	<u>472,000</u>	<u>(359,255)</u>	<u>113,797</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Balance at 31 December 2019 £
General funds	3,690	475,580	(478,216)	1,054
	<u>3,690</u>	<u>475,580</u>	<u>(478,216)</u>	<u>1,054</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted Funds 2020 £	Total Funds 1 Jan 2020 to 31 Dec 2020 £
Current assets	119,707	119,707
Creditors due within one year	(5,910)	(5,910)
	<u>113,787</u>	<u>113,787</u>

GNANAM FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2019 £</i>	<i>Total Funds 2019 £</i>
Current assets	5,854	5,854
Creditors due within one year	(5,910)	(5,910)
	<u>1,054</u>	<u>1,054</u>

12. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank	<u>10,892</u>	<u>5,854</u>
	<u>10,892</u>	<u>5,854</u>

13. RELATED PARTY TRANSACTIONS

Lycamobile UK Limited

The charity received general donations from the Lycamobile UK Limited amounting to £442,000 (2019 - £437,530) where Mr Sivasamy Aiadurai Premananthan & Mr Allirajah Subaskaran are trustees, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

LYCATEL SERVICES LTD

The charity received general donations from the Lycatel services Limited amounting to £30,000 (2019-30,000) where Mr Sivasamy Aiadurai Premananthan & Mr Allirajah Subaskaran are trustees, who are also the trustees/ directors of Gnanam Foundation, considered as related party.

GNANAM FOUNDATION LTD- Sirlanka

During the period, Gnanam Foundation provided general grants to Gnanam Foundation (Registered Charity in Srilanka) amounting to £325,643.63 (2019 - £255,194), considered as related party by virtue of the spirit of the foundation.

LYCATEL SERVICES LTD

The Lycatel Services Limited has charged management fee of £30,000 (2019 - 30,000) for year ended on 31 December 2020 and where Mr Sivasamy Aiadurai Premananthan is trustees, who is also the trustee/ director of Gnanam Foundation, considered as related party.

GNANAM FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. CONTROLLING PARTY

The charity is under the control of 6 trustees/ directors.

15. COMMITMENTS

The Charity had no commitments at the balance sheet date.

16. CONTINGENCIES

There were no contingencies at the balance sheet date.

17. GUARANTEES

The Charity has given no guarantees or other indemnities.

18. GRANTS

The following grants were made during the period.	<u>Amount Awarded (£)</u>
Gnanam Foundation Srilanka	216,254
Other Charity Donations:	
Donation - Om Saravanabhava Seva Trust	100,000
Other Donation	967
Total	317,221