

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)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 5
Independent auditors' report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 20

GNANAM FOUNDATION
(A company limited by guarantee)

**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
(A company limited by guarantee)

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
(A company limited by guarantee)

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.

GNANAM FOUNDATION
(A company limited by guarantee)

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.

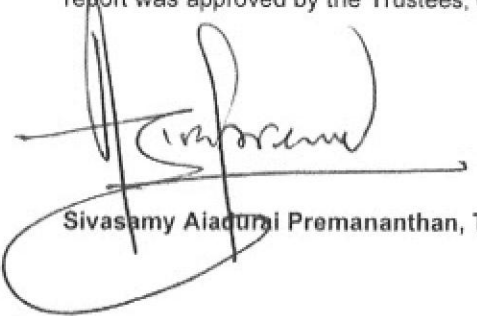
DISCLOSURE OF INFORMATION TO AUDITORS

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
(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.

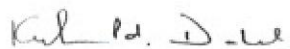
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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: 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.

GNANAM FOUNDATION
(A company limited by guarantee)

**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>	1,054
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 £			Balance at 31 December 2020 £
	£	Income £	Expenditure £	£
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