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**GNANAM FOUNDATION**  
(A company limited by guarantee)

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

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**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 2022**

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**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

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**GNANAM FOUNDATION**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

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

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**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.

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

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**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.

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**GNANAM FOUNDATION**  
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**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.

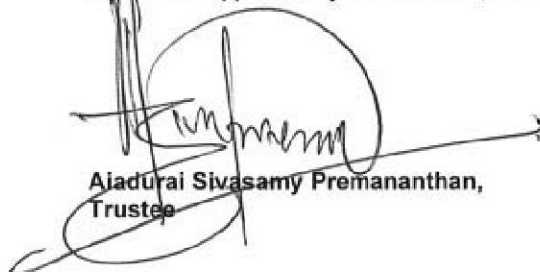
**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

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**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

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

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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.

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

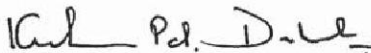
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- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to 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](http://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: 20<sup>th</sup> 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**  
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**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 £
<b>INCOME FROM:</b>				
Donations and legacies	2	654,000	654,000	296,560
<b>TOTAL INCOME</b>		<b>654,000</b>	<b>654,000</b>	<b>296,560</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	3 & 4	665,148	665,148	343,403
<b>TOTAL EXPENDITURE</b>	5	<b>665,148</b>	<b>665,148</b>	<b>343,403</b>
<b>NET BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(11,148)</b>	<b>(11,148)</b>	<b>(46,843)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(11,148)</b>	<b>(11,148)</b>	<b>(46,843)</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward		66,955	66,955	113,797
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>55,807</b>	<b>55,807</b>	<b>66,594</b>

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**  
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REGISTERED NUMBER: 07473153

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

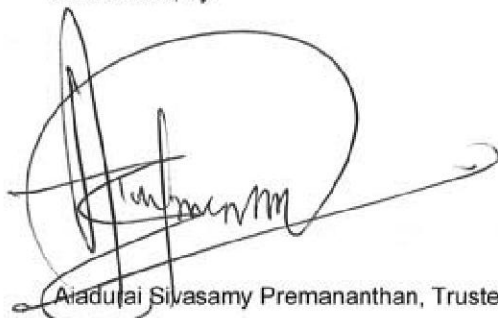
	Note	£	2022 £	2021 £
<b>CURRENT ASSETS</b>				
Debtors	9	67,668	109,388	
Cash at bank and in hand		3,146	4,161	
		<b>70,814</b>	<b>113,549</b>	
<b>CREDITORS:</b> amounts falling due within one year	8	<b>(15,008)</b>	<b>(46,595)</b>	
<b>NET CURRENT ASSETS</b>			<b>55,806</b>	<b>66,954</b>
<b>NET ASSETS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

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**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

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**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.

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

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**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.

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

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**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**  
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**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
	<b>31,440</b>	<b>31,440</b>	<b>31,918</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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).

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**8. CREDITORS: Amounts falling due within one year**

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

**9. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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**

	<b>Balance at 1 January</b>			<b>Balance at 31 December</b>
	<b>2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
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**

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

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**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
	<b>66,954</b>	<b>654,000</b>	<b>(665,148)</b>	<b>55,806</b>

**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)
	<b>55,806</b>	<b>55,806</b>

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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**

	<b>2022 £</b>	<b>2021 £</b>
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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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
	<b>172,586</b>
<b>Other Charity Donations:</b>	
Jackson Foundation	41,483
Sankaththanai Vairavaswami Kanthaswami 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
	<b>448,822</b>
<b>Grand total</b>	<b>621,408</b>