

Charity Registration No. 1188223

Company Registration No. 11819847 (England and Wales)

N AND R KARNANI TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021

N AND R KARNANI TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr N Karnani Mrs R Karnani Mrs R Mistry
Charity number	1188223
Company number	11819847
Registered office	Amba House 3rd Floor, 15 College Road Harrow HA1 1BA
Independent examiner	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
Bankers	Coutts & Co 440 Strand London WC2R 0QS

N AND R KARNANI TRUST

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N AND R KARNANI TRUST

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 28 FEBRUARY 2021

The trustees present their annual report and financial statements for the year ended 28 February 2021.

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 Memorandum and Articles of Association, 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 charity's objects are restricted specifically, in each case, only for the following:

- for the public benefit to promote the education (including social and physical training) of children from disadvantaged backgrounds and those suffering from mental and/or physical disability in the United Kingdom and India in such ways as the charity trustees think fit, including, but without prejudice to the generality of the foregoing by:
 - i) providing and assisting their education,
 - ii) to undertake travel in furtherance of that education,
 - iii) to prepare for entry to any occupation, trade or profession on leaving any educational establishment,
 - iv) providing and assisting in the provision of facilities for their education in the United Kingdom and India.
- for the public benefit the prevention or relief of poverty in the United Kingdom and India by providing or assisting in the provision of education, training, healthcare and medical products and all the necessary support designed to enable individuals to generate a sustainable income, improved standard of living and to become self-sufficient and independent.

During the year, the trustees made a decision and immediately donated funds to support various communities and schools affected by the COVID-19 pandemic and Amphan cyclone in West Bengal, India through local charitable organisations.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

During the year the trust received general donations of £546,000 (2020: £6,000).

The trust donated a total of £36,525 to various charitable activities during the year and in particular to those communities and schools in West Bengal, India affected by the COVID-19 pandemic and Amphan cyclone.

The trustees wish to express their gratitude for the donations received.

Financial review

The financial controls of the trust are managed and controlled by the trustees without any remuneration.

Reserves policy

It is the policy of the trustees at all times to maintain sufficient reserves in cash or cash funds to meet all future commitments in full. The trustees monitor the level of reserves at periodic intervals. All funds held are unrestricted.

Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

N AND R KARNANI TRUST

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 28 FEBRUARY 2021**

Structure, governance and management

The company was incorporated by guarantee on 11 February 2019. It has no share capital and is a registered charity. The guarantee of each member is limited to £1. The governing document is the Memorandum and Articles of Association of the company.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr N Karnani

Mrs R Karnani

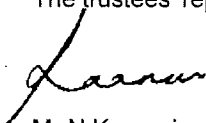
Mrs R Mistry

Where it is desirous to appoint new directors any such appointment must be ratified by the existing directors at a duly constituted board meeting. Any such new directors are initially selected having regard to their personal and professional expertise in the activities of the charity. If required, training is given to new directors to ensure they are competent and able to fulfil their roles.

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.

All decision making is undertaken by members of the Board. The charity has no staff and there is, therefore, no requirement to delegate decision making further.

The trustees' report was approved by the Board of Trustees.



Mr N Karnani
Trustee

15 December 2021

N AND R KARNANI TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF N AND R KARNANI TRUST

I report to the trustees on my examination of the financial statements of N and R Karnani Trust (the charity) for the year ended 28 February 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

KLSA LLP

KLSA LLP

Harsheel Dodhia

Kalamu House
11 Coldbath Square
London
EC1R 5HL

Dated: 15 December 2021

N AND R KARNANI TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and legacies	3	684,000	6,000
<u>Expenditure on:</u>			
Charitable activities	4	36,525	-
Net income for the year/ Net movement in funds		647,475	6,000
Fund balances at 29 February 2020		6,000	-
Fund balances at 28 February 2021		653,475	6,000

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

N AND R KARNANI TRUST

BALANCE SHEET

AS AT 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	7	138,000		-	
Cash at bank and in hand		515,475		6,000	
		<u>653,475</u>		<u>6,000</u>	
Net current assets			653,475		6,000
Income funds					
Unrestricted funds			653,475		6,000
			<u>653,475</u>		<u>6,000</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 February 2021.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 15 December 2021


Mr N Karnani
Trustee

Company Registration No. 11819847

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

Charity information

N and R Karnani Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Amba House, 3rd Floor, 15 College Road, Harrow, HA1 1BA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Article of Association, 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised 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 are allocated on the portion of the asset's use.

All expenses are accounted for on a paid basis. Direct charitable expenditure includes general overhead cost.

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.

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.

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

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 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts	684,000	6,000

4 Charitable activities

	2021 £	2020 £
Charitable activities	36,375	-
Share of support costs (see note 5)	150	-
	36,525	-

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

5 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Bank charges	150	-	150	-	-	-
	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysed between Charitable activities	150	-	150	-	-	-
	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	138,000	-
	<u>138,000</u>	<u>-</u>

8 Related party transactions

During the period, the charity received £546,000 as donations from Mr N Karnani and Mrs R Karnani who are the trustees of the charity.