

Charity registration number 1188223

Company registration number 11819847 (England and Wales)

N AND R KARNANI TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

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
Auditor	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 PERIOD ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the Period ended 31 March 2022.

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 projects and schools affected by the COVID-19 pandemic in 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 £972,000 (2021: £546,000).

The trust donated a total of £94,249 (2020: £36,525) to various charitable activities during the year and in particular to those communities projects, schools and hospitals in India.

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.

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.

N AND R KARNANI TRUST

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE PERIOD ENDED 31 MARCH 2022**

The trustees, who are also the directors for the purpose of company law, and who served during the Period 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.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

There were no trade creditors at the year end.

Statement of trustees' responsibilities

The trustees, who are also the directors of N and R Karnani Trust for the purpose 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 which give a true and fair view of the state of affairs of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

N AND R KARNANI TRUST

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE PERIOD ENDED 31 MARCH 2022**

Auditor

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

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



Mr N Karnani
Trustee

14 December 2022

N AND R KARNANI TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF N AND R KARNANI TRUST

Opinion

We have audited the financial statements of N and R Karnani Trust (the 'charity') for the Period ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the Period 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

N AND R KARNANI TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF N AND R KARNANI TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Use of our report

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

**Harsheel Dodhia (Senior Statutory Auditor)
for and on behalf of KLSA LLP**

14 December 2022

**Chartered Accountants
Statutory Auditor**

Kalamu House
11 Coldbath Square
London
EC1R 5HL

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

N AND R KARNANI TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	1,277,500	684,000
Investments	4	2,047	-
Total income		<u>1,279,547</u>	<u>684,000</u>
<u>Expenditure on:</u>			
Charitable activities	5	<u>94,248</u>	<u>36,525</u>
Net gains/(losses) on investments	8	<u>(482)</u>	<u>-</u>
Net income for the Period/ Net incoming resources		1,184,817	647,475
Other recognised gains and losses			
Other gains or losses	9	<u>(16,331)</u>	<u>-</u>
Net movement in funds		1,168,486	647,475
Fund balances at 1 March 2021		<u>653,475</u>	<u>6,000</u>
Fund balances at 31 March 2022		<u><u>1,821,961</u></u>	<u><u>653,475</u></u>

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

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 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	11	247,200		138,000	
Investments	12	484,994		-	
Cash at bank and in hand		1,089,767		515,475	
		<u>1,821,961</u>		<u>653,475</u>	
Net current assets			1,821,961		653,475
Income funds					
Unrestricted funds			1,821,961		653,475
			<u>1,821,961</u>		<u>653,475</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the Period ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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 under the requirements of the Companies Act 2006, for the Period 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 14 December 2022



Mr N Karnani
Trustee

Company registration number 11819847

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

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 Reporting period

The accounting reference period ending 28 February 2022 was extended so as to end on 31 March 2022.

1.2 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.

1.3 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.

1.4 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.

1.5 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 PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 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.

1.7 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.

1.8 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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
	2022	2021
	£	£
Donations and gifts	1,277,500	684,000

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	872	-
Interest receivable	1,175	-
	2,047	-

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

5 Charitable activities

	2022 £	2021 £
Charitable activities	94,024	36,375
Share of support costs (see note 6)	224	150
	<u>94,248</u>	<u>36,525</u>

6 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Bank charges	224	-	224	150	-	150
	<u>224</u>	<u>-</u>	<u>224</u>	<u>150</u>	<u>-</u>	<u>150</u>
Analysed between Charitable activities	224	-	224	150	-	150
	<u>224</u>	<u>-</u>	<u>224</u>	<u>150</u>	<u>-</u>	<u>150</u>

7 Trustees

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

8 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Gain/(loss) on sale of investments	(482)	-
	<u>(482)</u>	<u>-</u>

N AND R KARNANI TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

9 Other gains or losses

Unrestricted funds	Unrestricted funds
2022	2021
£	£

Foreign exchange gains	16,331	-
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10 Financial instruments

2022	2021
£	£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss	484,994	-
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11 Debtors

2022	2021
£	£

Amounts falling due within one year:

Other debtors	247,200	138,000
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12 Current asset investments

2022	2021
£	£

Unlisted investments	484,994	-
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13 Related party transactions

During the period, the charity received £972,000 (2021: £546,000) as donations from Mr N Karnani and Mrs R Karnani who are the trustees of the charity.