

REGISTERED CHARITY NUMBER: 1173042

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018
NAVNAT VANIK ASSOCIATION OF THE UK

NAVNAT VANIK ASSOCIATION OF THE UK
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FOR THE YEAR ENDED 31ST DECEMBER 2018

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2018

The Trustees (who are also members of the Executive Committee) present their report and financial statements of the Navnat Vanik Association of the United Kingdom (the 'Association') for the year ended 31st December 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Associations Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102.

The accounts this year have been prepared following Merger Accounting method as per FRS 102 and constitute the merged accounts of the following two Charities with a merger date of 1st July 2018 –

1. Navnat Vanik Association of the UK, Charity number 288167 formed in 1970 and registered in November 1983
2. Navnat Vanik Association of the UK, Charity number 1173042 registered in May 2017 as a CIO

FINANCIAL REVIEW

The financial statements comply with current statutory requirements and with the requirements of the Constitution. Governance and Support costs have been allocated by activity in the statement of financial activities, across the activities that the function supports in order to arrive at the full cost for each reported activity.

(i) Results:

The results for the year are shown on page 11 of the financial statements, which the Executive Committee considers to be satisfactory. Total Income and Endowments received in 2018 are lower than those received in 2017 primarily on account of lower collections in Jivdaya, and a reduction in the charitable activities at our associates Bhagini Samaj and the Golf Club. This reduction is of a temporary nature.

The Association had a surplus of £102,464 (2017: £78,839) during the year. The Trustees would like to acknowledge and thank the tremendous efforts of the volunteers and the many supporters of the Association for their kind and generous donations.

(ii) Total Reserve Funds - Restricted and Unrestricted:

The Association's total reserve funds at 31st December 2018 stood at £4,656,245 (2017: £4,553,781).

(iii) Jiv Daya Fund

The fund is a restricted fund, which was set up for the purpose of improving the living condition of all living beings (human and animals). The Executive Committee have made donations from the Jiv Daya Fund to various other charities totalling £27,884 (2017: £58,315). Donations received for Jiv Daya purpose amounted to £28,931 (2017: £58,881). This excludes £2,947 being Gift Aid claimable on Jiv Daya donations. The Trustees have utilised part of these funds for our educational objective and build primary schools in needy areas of Gujarat. The infrastructure of identified primary schools in villages and needy areas is being uplifted by rebuilding the schools from scratch and providing facilities like computers, separate bathrooms for boys and girls and a total revamp of the infrastructure. The schools will still be run and overseen by Gujarat Government.

(iv) The Building Reserve Fund

The Building Project Fund balance at 31 December 2018 stood at £3,131,002 (2017: £3,183,214). During the year, total donations received amounted to £NIL (2017: £NIL).

Depreciation charged to the Building Fund for 2018 was £52,212 (2017: £52,132)

(v) The Trustees ensure the use of the Centre between its affiliated bodies and the printing & distribution of Darpan so as to continually promote the activities and Objects of the Association.

(vi) Fixed Assets Investments

The Fixed asset investments comprise funds held in treasury deposits and these have increased from £663,581 to £1,222,783.

RESERVE POLICY

The Trustees conduct an annual review of the level of unrestricted reserves in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the level of reserves that are sufficient:

- to allow time for re-organisation in the event of a downturn in income or asset values;
- to protect ongoing work programmes; and
- to allow Charity to meet its objectives.

Risks and issues considered by the Board of Advisors in making this judgement on the level of unrestricted reserves include:

- likelihood of a downturn in income streams;
- period of time required to re-establish income streams;
- period of time required to downsize the Charity operations;
- whether there is adequate control over budgets;
- potential decrease in the value of the investment portfolio; and
- requirements for a reasonable level of working capital.

The Trustees consider that the Charity should have free reserves of approximately £350,000 to cover its core activities for 15 to 18 months. Actual free reserves (including short term investments in money market instruments) as at 31st December 2018 were £1,143,228 (2017: £993,762). We have greater reserves than required as we plan to spend these on the Future development activities explained further below.

INVESTMENT POLICY AND OBJECTIVES

The Association receives income on an annual basis through donations from its members and general public, membership subscriptions, income from hall hire and other sources. It plans activities over a twelve-month time horizon and budgets to expend anticipated income in furtherance of the Charity's objective, except for retaining a prudent amount in reserves.

At present, the Board of Advisors does not consider that it is prudent to invest in riskier assets (such as listed shares and other similar securities) for the longer term. Its policy for investment is therefore to retain funds as cash and place them on bank/treasury deposit at the best interest rate obtainable.

STATUS OF DEVELOPMENT PROJECTS

The Trustees wish to maintain the continued success achieved by the Association in terms of increased attendance at major functions and events. The Executive Committee aims to continuously improve the facilities offered by the Association to its members. The Children's playground installation commenced in January 2019 and was completed in April 2019.

FUTURE DEVELOPMENTS

We are awaiting Hillingdon Council to complete the root treatment on the trees lining our boundary fence over the summer months of 2019, subsequent to which we will be commencing the resurfacing of our car park for the benefit of our users.

We have employed a Management firm to prepare the drawings of the Dining Room expansion and are pleased to inform that we have obtained Hillingdon Council's planning permission for the expansion. This will go a long way in alleviating the constraints our members have during dining at large social events and gatherings.

On a medium term basis your association's vision is to expand our sports activities by building an all-weather sports complex over the present disused tennis court.

CHARITABLE INCORPORATED ORGANISATION

The new Charitable Incorporated Organisation was granted registration by the Charity Commission in May 2017. The requisite approvals were subsequently obtained from the Charity Commission and in this current Financial Year, with effect from 01st July 2018 all Assets and Liabilities of the old Charity were legally transferred across to the CIO. The accounts for this year published below are merged accounts of the two entities. Upto June 2018 of the old Charity, (no transactions in the CIO upto June 2018) and the transactions in the CIO from 1st July 2018. (Transfer date) While all assets and liabilities of the old charity have been transferred across to the new CIO w.e.f. the Transfer date, any transactions entered in the old Charity's books while certain assets like Bank accounts were being transferred across have been made as an agent of the new CIO.

PUBLIC BENEFIT STATEMENT

In reviewing our aims, objectives and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

The Trustees always ensure that the activities undertaken are in line with the charitable objectives and aims of the Foundation.

One of the Charity's principal aims and objectives is to promote the well-being of its members and for the advancement of education, religion and the provision of facilities in the interest of social welfare and so playing an important part in building a better society."

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is Charitable Incorporated Organisation and is governed by its Governing document, a Constitution and related rules.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Objectives

The aim of the Association is to promote any charitable purpose for the well-being of its members, for the advancement of education, religion and the provision of facilities in the interests of social welfare, for recreation and leisure-time occupation with the object of improving the conditions of life and health for the said members; to associate with local authorities, voluntary organisations and residents in a common effort to advance all forms of education for its membership; and to foster a community spirit for the achievement of these.

The Association's real strength lies in the enormous amount of voluntary service it receives from its members who willingly and generously give their time at all hours. Volunteers do not receive any remuneration. The Charity's Executive is responsible for the management of the building including rental of halls and their maintenance. All other activities of the Association are organised by the Association or done through the voluntary affiliated bodies comprising of Navnat Vanik Bhagini Samaj, Navnat Yuva Vadil Mandal, Navnat Bridge Club and Navnat Golf Club.

(a) Organisation

Executive Committee:

Under the terms of the constitution, the management of the Association is vested in the Executive Committee, which is elected every two years by the members at its AGM. An AGM is held every year. The membership of the Executive Committee is set out below. The Executive Committee members are not remunerated for their services and they rely on substantial voluntary help from the Community members. The Executive Committee meets monthly and additionally as required. The Executive Committee members are also the Trustees of the Charity for the Purpose of the Charities Act 2011.

Board of Advisors:

The Board of Advisors, whose names appear below, are nominated by the Executive Committee. The Advisors hold office for a term of five years.

OBJECTIVES AND ACTIVITIES (CONT'D)

Management of the Charity's Affairs:

The Executive Committee convenes on a regular basis to plan and discuss the Association's activities and events. The Executive Committee has set up additional supporting sub-committees with the objectives to supervise particular activities of the Association and/or to provide additional assistance and guidance. The sub-committees have their own terms of reference and their reports, findings and recommendations are discussed by the Executive Committee at each Board meetings. The sub-committees and their objects are:

Building committee	To maintain and refurbish the Navnat Centre.
Health & Safety Committee	To advice EC on all H&S matters. To ensure Navnat follows all relevant H&S guidelines.
IT committee	To manage the Association's website.
Editorial committee	To manage the Association's newsletter and other associated publications.
Grievance committee	Independent mediation body to resolve any grievances from EC members.

The Executive Committee may at times also appoint other persons / support groups in order to manage special events such as Paryushan, Janmashtami, Playground project, etc.

The Association also includes other affiliated bodies, which cater for different needs of the community:

- **Navnat Vanik Bhagini Samaj:**

The Navnat Vanik Bhagini Samaj operates for the benefit of the welfare of the Community's ladies. It has its own Executive Committee, elected by Bhagini (ladies) members at its annual general meeting held each year.

- **Navnat Bridge Club:**

The Navnat Bridge Club operates for the benefit of the community members to give them knowledge about Bridge. It has its own Executive Committee elected by members of Navnat Bridge Club.

- **Navnat Yuva Vadil Mandal:**

The Navnat Yuva Vadil Mandal is for the benefit of elderly members of the community. They meet every Friday to do Yoga, to pray, engage in cultural activities, to play cards and to enjoy food lovingly made by a wide group of kitchen volunteers. It has its own Executive Committee elected by members of Navnat Yuva Vadil Mandal.

- **Navnat Golf Club:**

The Navnat Golf Club operates for the benefit of the community members to give them knowledge about Golf. It has its own Executive Committee elected by members of Navnat Golf Club.

Organisation and Activities

(b) Internal Control

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of internal controls across the entire organisation. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements follow best practice.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Internal control processes implemented by the Trustees include:

- Production of periodic management accounts and review of financial results and performance indicators by the Trustees.
- Delegation of authority and segregation of duties.
- Identification and management of risk.

(c) Risk Management

The Trustees actively review the major risks which the Charity faces on a regular basis and believe that maintaining the free reserves at above £350,000 combined with the annual review of the controls over key financial systems will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks which the Charity faces and confirm that we have established systems to mitigate the significant risks.

(d) Review of Activities

The performance of the charity has been rewarded with sustainable income from the lettings of the Association's Hall and Car Park when temporarily surplus to Operational requirements. This has enabled the charity to cover its costs and make contributions in furtherance of its activities. The charity has continued to ensure that the premises are maintained to the highest standard which has enabled the premises to be rented out and rental income has thus been maintained to an acceptable level. The Trustees presented a number of religious, educational and social events during the year and these were well attended and received by the members.

Since the last few years the Charity has been investing in the upgrade of the Hall, the boundary and fencing and security of its premises. This is reflected in the increase in costs of Wages and Repairs and Maintenance.

(i) Freehold Property:

The Association owns the freehold property at Navnat Centre, Printing House Lane, Hayes Middlesex, UB3 1AR. The property is available to any individual or organisation in accordance with the standard hiring agreement and scale of charges adopted for the year.

The income from hall hire during the year was £108,051 (2017 £107,658) and lease income from the rental of the car park was £213,995 (2017: £204,981). Total costs for running and maintaining the Association's property amounted to £145,965 (2017: £159,810).

(ii) Core Activities and Projects:

During the year, the Association celebrated various religious events and cultural programmes, such as Ram Navmi, Paryushan, Navratri, Janmashtami and Diwali. The weekend cultural classes where members were able to learn Gujarati and Dance were suspended in this calendar year due to very low uptake.

The Association also organised Bridge and Golf Tournaments and overseas tours. The results of these activities are summarised in the notes to the financial statements.

The association has invested in increasing the security of our premises with the increase in Security cameras, higher capacity card reader at the gate, and enhanced lightning. All events at the centre now has dedicated paid staff to man the gates.

(iii) Communication to the Members:

The Association continued to serve the Community through the medium of 'Navnat Darpan', its core periodic publication. This Newsletter has continued to be very popular among the members of the Community. The Association's website serves to inform members of upcoming events and news of birth, marriages and death within the community. The website also enables online booking for hire of Navnat Centre facilities. Web-blasts from our web team have also become a very important and useful mode of communication to our members. The Association also makes use of social media to interact with its members including Facebook, Twitter & YouTube.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1173042

Principal address

Navnat Centre
Printing House Lane
Hayes, Middlesex
UB3 1AR

Website

www.navnat.com

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr D M Galani	Resigned 06 October 2019
Mr N H Parekh	Resigned 06 October 2019
Mr A Lathia	Resigned 06 October 2019
Mr D Mithani	
Mr K Adani	
Mr. J Doshi	Resigned 31 January 2019 and re-elected 06 October 2019
Mr Bachoolal Mehta	Elected 06 October 2019
Mr Ramesh Shah	Elected 06 October 2019
Mr Paresh PD Mehta	Elected 06 October 2019
Mrs H Doshi	
Mr K Batavia	
Mr Nemish Mehta	Elected 06 October 2019
Mr Paresh PB Mehta	Elected 06 October 2019
Mrs S Bavisha	Resigned 23 December 2018 and re-elected 06 October 2019
Mr D Holden	
Mr B Mehta	
Mr D U Shah	
Mr Nitin Mehta	Elected 06 October 2019
Mr. H Mehta	Resigned 01 July 2019
Mrs. P Sheth	Resigned 06 October 2019
Mr B Vora	Resigned 06 October 2019
Mr. Nalinbhai Udani	(Ex-Officio) Appointed 04 May 2018
Mrs. Renu Mehta	(Ex-Officio)
Mr. Mahendra Kothary	(Ex-Officio) Appointed 28 May 2018
Mrs Surbhi Khona	(Ex-Officio) Resigned 04 May 2018
Mrs Ameeta Shah	(Ex-Officio) Resigned 28 May 2018

Executive Committee

President:	Mr Dilip Mithani
Vice-President	Mr Ketan Adani
General Secretary:	Mr Jaswantra Doshi
Joint Secretary:	Mr Bachoolal Mehta
Membership Secretary	Mr Kirit Batavia
Treasurer	Mr Ramesh Shah
Assistant Treasurer	Mr Paresh PD Mehta
Hall Secretary:	Mrs Hasmita Doshi

Committee Members comprise:

Mr Nemish Mehta	Mr Nitin Mehta
Mrs Sangeeta Bavisha	Mr D U Shah
Mr Paresh PB Mehta	Mr B Mehta
Mr David Holden	

NAVNAT VANIK ASSOCIATION OF THE UK

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Advisors

Mrs. Amit Lathia
Mr Mehool Sanghrajka
Ms Bina Sanghvi

Mr Sunil Sangani
Mr Ketan Mehta

Honorary Auditors

PSJ Alexander & Co
Chartered Accountants & Statutory
Auditors
1 Doughty Street
London
WC1N 2PH

Honorary Solicitor

Mamta Parekh
11 Main Drive
Wembley, Middlesex
HA9 7NA

Bankers

National Westminster Bank Plc
PO Box 39952
2/12 Devonshire Square
London EC2M 4XJ

Close Brothers
4th Floor
10 Crown Place
London EC2A 4FT

Bank of Baroda
104 Rajaram Mohan Roy Road
Prarthana Samaj
Mumbai - 400004
India

Metro Bank
One Southampton Row
London WC1B 5HA

Santander UK Plc
Abbey Business Banking
1/3 North
301 St Vincent Street
Glasgow
G2 5NB

State Bank of India
King Street
London EC2V 8EA

Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the Charity and Financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

ON BEHALF OF THE BOARD:

Mr J Doshi– Secretary & Trustee

Date:

Opinion

We have audited the financial statements of Navnat Vanik Association of the UK for the year ended 31st December 2018 on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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 charity'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 authorised 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 Report of the Independent Auditors 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, 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees 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 Statement of Trustees Responsibilities set out on page one, the trustees are responsible for the preparation of the financial statements which 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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

PSJ Alexander & Co
Chartered Accountants & Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1 Doughty Street
London
WC1N 2PH

Date:

NAVNAT VANIK ASSOCIATION OF THE UK

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Note	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Income and Endowments from					
Donations and Legacies	2	16,886	31,878	48,764	78,676
Charitable activities	3	72,259	124,074	201,333	212,109
Other Trading activities	4	322,046	-	322,046	312,639
Investments	5	6,595	1,647	8,242	10,966
Total Income and Endowments		422,786	157,599	580,385	614,390
Expenditure on					
Raising Funds	6	46,819	-	46,819	50,083
Charitable activities	7	231,003	200,099	431,102	485,468
Total expenditure		277,822	200,099	477,921	535,551
Net income/(expenditure) and net movement in funds for the year	15	144,964	(42,500)	102,464	78,839
Gross Transfer between funds	15	5,501	(5,501)	-	-
Net movements in funds		150,465	(48,001)	102,464	78,839
Reconciliations of funds					
Total funds brought forward		1,103,260	3,450,521	4,553,781	4,474,942
Total funds carried forward		1,253,725	3,402,520	4,656,245	4,553,781

The notes form part of these financial statements

NAVNAT VANIK ASSOCIATION OF THE UK

BALANCE SHEET
AT 31ST DECEMBER 2018

		Unrestricted Funds	Restricted funds	2018 Total funds	2017 Total funds
FIXED ASSETS					
Tangible assets	11	95,456	3,117,302	3,212,758	3,275,371
Investments	12	958,124	264,659	1,222,783	663,581
		1,053,580	3,381,961	4,435,541	3,938,952
CURRENT ASSETS					
Stocks		-	-	-	24
Debtors	13	93,116	8,002	101,118	55,740
Cash at bank and in hand		166,245	23,645	189,890	631,265
		259,361	31,467	291,008	687,029
LIABILITIES					
Creditors falling due within one year	14	59,216	11,088	70,304	72,200
NET CURRENT ASSETS					
		200,145	20,559	220,704	614,829
NET ASSETS					
		1,253,725	3,402,520	4,656,245	4,553,781
FUNDS					
Unrestricted funds	15			1,253,725	1,103,260
Restricted funds				3,402,520	3,450,521
TOTAL FUNDS				4,656,245	4,553,781

The financial statements were approved by the Board of Trustees on

2019 and were signed on its behalf by:

Mr J Doshi– Secretary & Trustee

Mr D Mithani – President & Trustee

1. ACCOUNTING POLICIES

Basis of preparation and Assessment of Going concern

The financial statements have been prepared under the historical cost convention and in accordance with the Charities SORP (FRS 102) "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 1st January 2015", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities Act 2011.

The new Charitable Incorporated Organisation was granted registration by the Charity Commission in May 2017. The requisite approvals were subsequently obtained from the Charity Commission and in this Current Financial Year, with effect from 01st July 2018 all Assets and Liabilities of the old Charity were transferred across to the CIO.

The CIO formed in 2017 fulfilled the following criteria–

- The beneficiary class has not significantly changed.
- The purpose for which funds are held has remained the same.
- Trustees of the two bodies are the same.
- No non-controlling interest in the net assets of the old charity is altered by the transfer

As the above criteria meets the criteria laid down in FRS 102 for merger accounting, these accounts have been prepared using Merger accounting.

The Charity constitutes a Public Benefit entity as defined by FRS 102. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a Going Concern.

The financial statements incorporate the accounts of Navnat Vanik Bhagini Samaj, Navnat Bridge Club, Navnat Yuva Vadil Mandal and Navnat Golf Society.

Incoming resources

i) All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

ii) Rental and other investment income are included in the Statement of Financial Activities on accruals basis.

iii) "Donations in kind" such as property and other assets are included as income at their estimated market values. Other donations are recognised when received. Where tax has been deducted at source, income is grossed up where a claim for the tax repayment has been made. The tax recoverable is shown as a debtor at the year end.

iii) The value of voluntary services is not recognised, as the cost of estimating these exceed any benefits to the users of these financial statements.

iv) Grants are credited to income when received

vi) Annual membership fees are recorded on a receipts basis. Subscriptions received for Life Membership are credited to a separate unrestricted fund and released to the income and expenditure account on a straight line basis over twenty years. Life membership funds are not refundable.

Resources expended

i) Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

ii) Voluntary expenses include the Jiv Daya and other donations made by the Association and catering expenses.

iii) Expenditure by Navnat Vanik Associates includes the expenses incurred by Navnat Vanik Bhagini Samaj, Navnat Bridge Club, Navnat Yuva Vadil Mandal and Navnat Golf Society as agreed by the Executive Committee.

1. ACCOUNTING POLICIES (CONT'D)

iv) Religious functions comprise all expenses incurred in hosting religious events such as Paryushan, Ram-Navmi, Janmashtami, etc.

v) Social/Cultural expenses include expenses for the services provided by the Association and will comprise picnics for members, graduation ceremonies, trips, seminars, etc.

vi) Other expenses include the costs of the newsletter (Darpan) and other expenses which do not fit in the above categories.

vii) Property expenses are expenses incurred in the running and maintenance of the Navnat Centre.

viii) Governance costs include the costs of governance arrangements which relate to the general running of the charity. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability.

Tangible fixed assets

Assets with a cost in excess of £500 intended to be of ongoing use to the Association in carrying out its activities are capitalised as fixed assets.

Depreciation is provided at the following annual rates in order to write off each asset over its expected life:

Freehold Buildings	2% on cost
Furniture, Fixtures and Equipment	15% on reducing balance

Freehold land is not depreciated.

Taxation

The Charity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

The Charity registered for Value Added Tax ("VAT") in 2016 as its rental income exceeded the HMRC thresholds; not all income is liable to VAT under the partial exemption available and hence not all VAT incurred on expenditure is claimed in full.

Fund accounting

The unrestricted funds represent the accumulated surplus of income over expenditure and are available for use towards meeting the objectives of the Charity at the discretion of the Trustees. Designated funds are set aside for a specific purpose by the Executive Committee.

The restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donation subject to donor imposed conditions

Endowment funds are donations that have been given to the Charity to be held as capital. Where Trustees must permanently maintain the whole of the fund as capital, the fund is known as a permanent endowment fund. Where Trustees have the power of discretion to convert endowed capital into income, the fund is known as expendable endowment.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net movement in funds

Fixed Assets Investments

Fixed assets investments are valued at costs less any provision for impairment in value.

Pensions

Employees of the charity are entitled to join "NEST" pension scheme. NEST was created by the government to make sure that every employer has access to an auto enrolment workplace pension scheme. The charity contribution is restricted to the contributions disclosed in note 10. The costs of the scheme are included within support and governance costs and charged to the unrestricted funds of the charity using the methodology set out in note 8.

NAV NAT VANIK ASSOCIATION OF UK
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

INCOME AND ENDOWMENTS	Pre Merger - Unincorporated Charity			CIO Pre-merger Funds	Post Merger CIO			2018 Total Funds £	2017 Total Funds £
	Unrestricted Funds General	Designated	Restricted Funds		Unrestricted Funds General	Designated	Restricted Funds		
2. DONATIONS AND LEGACIES									
Donations and Khushi bhet	4,641	-	-	-	4,191	-	-	8,832	8,876
Donation - Jiv Daya Fund	-	-	1,172	-	-	-	27,759	28,931	46,955
Donation - Audit fees service	-	-	-	-	6,000	-	-	6,000	6,000
Gift Aid	-	-	-	-	-	-	2,947	2,947	13,504
Subscriptions received/Life Membership	-	1,227	-	-	-	827	-	2,054	3,341
Total Donations and Legacies	4,641	1,227	1,172	-	10,191	827	30,706	48,764	78,676
3. INCOME FROM CHARITABLE ACTIVITIES									
Income of NVA Associates									
Navnat Vadil Mandal	-	-	38,035	-	-	-	38,067	76,102	61,847
Navnat Bhagini Samaj	-	-	10,336	-	-	-	6,463	16,799	38,767
Navnat Bridge Club	-	-	10,474	-	-	-	2,208	12,682	13,343
Navnat Golf Club	-	-	12,311	-	-	-	6,180	18,491	33,330
	-	-	71,156	-	-	-	52,918	124,074	147,287
Religious Functions									
Paryushan and Pritibhojan	-	-	-	-	35,374	-	-	35,374	29,686
Navratri	-	-	-	-	13,589	-	-	13,589	14,122
Other Religious functions	1,081	-	-	-	2,795	-	-	3,876	9,182
	1,081	-	-	-	51,758	-	-	52,839	52,990
Social and Cultural Functions									
Darpan and other charitable activities	3,558	-	-	-	16,563	-	-	20,121	5,328
	2,399	-	-	-	1,900	-	-	4,299	6,504
Total Income from Charitable Activities	7,038	-	71,156	-	70,221	-	52,918	201,333	212,109
4. INCOME FROM OTHER TRADING ACTIVITIES									
Hall Hire Income	68,103	-	-	-	39,948	-	-	108,051	107,658
Car Park Rental Income	103,854	-	-	-	110,141	-	-	213,995	204,981
Total Income from Other Trading Activities	171,957	-	-	-	150,089	-	-	322,046	312,639
5. INCOME FROM INVESTMENTS									
Interest Receivable and Exchange gains	1,695	-	1,647	-	4,900	-	-	8,242	10,966
Total Income from Investments	1,695	-	1,647	-	4,900	-	-	8,242	10,966
Total Income	185,331	1,227	73,975	-	235,401	827	83,624	580,385	614,390

NAV NAT VANIK ASSOCIATION OF UK
NOTES TO THE FINANCIAL STATEMENTS -CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Pre Merger - Unincorporated Charity			CIO Pre-merger Funds	Post Merger CIO			2018 Total Funds £	2017 Total Funds £
	Unrestricted Funds General	Designated	Restricted Funds		Unrestricted Funds General	Designated	Restricted Funds		
6. EXPENDITURE ON RAISING FUNDS									
Cleaning and Premises Expenses	2,191	-	-	-	2,165	-	-	4,356	4,431
Repairs & Renewal	20,586	-	-	-	9,768	-	-	30,354	45,652
Hall hire event expenses	-	-	-	-	12,109	-	-	12,109	-
	22,777	-	-	-	24,042	-	-	46,819	50,083
7. ANALYSIS OF CHARITABLE EXPENDITURE									
Expenditure by NVA Associates									
Navnat Vadil Mandal	-	-	37,280	-	-	-	33,701	70,981	50,830
Navnat Bhagini Samaj	-	-	9,214	-	-	-	5,537	14,751	30,988
Navnat Bridge Club	-	-	6,331	-	-	-	9,354	15,685	10,139
Navnat Golf Club	-	-	10,634	-	-	-	7,952	18,586	37,790
	-	-	63,459	-	-	-	56,544	120,003	129,747
Religious Functions									
Paryushan and Pritibhojan	-	-	-	-	36,595	-	-	36,595	39,399
Navratri	-	-	-	-	10,030	-	-	10,030	8,824
Jivdaya donations	-	-	18,223	-	-	-	9,661	27,884	58,315
Other Religious functions	1,635	-	-	-	4,853	-	-	6,488	10,478
Support and Governance Costs	4,044	-	2,088	-	62,114	-	20,102	88,349	98,047
	5,679	-	20,311	-	113,592	-	29,763	169,346	215,063
Social and Cultural Functions									
Support and Governance Costs	7,205	-	-	-	7,607	-	-	14,812	9,811
	71,354	-	24,018	-	6,145	-	6,004	107,521	113,789
	78,559	-	24,018	-	13,752	-	6,004	122,333	123,600
Other Expenses									
Darpan expenses	8,775	-	-	-	7,065	-	-	15,840	15,556
Sundry expenditure	750	-	-	-	2,831	-	-	3,581	1,502
	9,525	-	-	-	9,896	-	-	19,421	17,058
Total Charitable Expenditure	93,763	-	107,788	-	137,240	-	92,311	431,102	485,468

8. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS – Post merger

The breakdown of support costs and how these were allocated between governance and other support costs is shown in table below:

Cost Type	Total Allocated	Governance related	Other support costs	Basis of Apportionment
General and Water rates	6,506	98	6,408	Staff time
Light And Heat	6,028	90	5,938	Staff time
Stationery, postage & printing	1,316	20	1,296	Staff time
Wages	29,251	439	28,812	Staff time
Communication expenses	450	7	443	Staff time
Insurances	3,741	56	3,685	Staff time
Bank Charges	775	12	763	Staff time
Misc General Expenses	40	1	39	Staff time
Property Depreciation	26,106	392	25,714	Staff time
Furniture & Fittings Depreciation	8,422	126	8,296	Staff time
	82,635	1,240	81,395	

Allocation on staff time is based on a survey of time spent and the time spent at trustee meetings.

Governance Costs	2018	2017
	£	£
Audit & Accountancy fees	9,960	13,340
Training Costs	1,469	1,621
Professional Fees	(1,200)	4,115
Annual General Meeting	1,501	1,585
Support Costs	1,240	2,868
	12,970	23,529

The total support cost attributable to charitable activities is then apportioned pro-rata to the Charitable Expenditure of Unrestricted Funds in proportion of their share of the Total Charitable Expenditure of Unrestricted Funds. The Trustees have decided to meet all Governance Cost from NVA only and not from the affiliates, so only Depreciation is charged to the Restricted Building Fund. No allocation or charge is made to Restricted Affiliates funds for any other Governance or Support related costs.

Allocation of Governance and Other Support costs	2018		2017	
	Unrestricted	Restricted	Unrestricted	Restricted
	£	£	£	£
Religious functions	62,114	20,102	57,905	40,142
Social/cultural expenses	6,145	6,004	101,799	11,990
	68,259	26,106	159,704	52,132

ALLOCATION OF GOVERNANCE AND SUPPORT COSTS - Pre Meger

The breakdown of support costs and how these were allocated between governance and other support costs is shown in table below:

Cost Type	Total Allocated	Governance related	Other support costs	Basis of Apportionment
Investment Management Cost				
Loan Interest Paid	0	0	0	0
General And Water rates	3,996	60	3,936	Staff time
Light And Heat	11,896	178	11,718	Staff time
Stationery, postage & printing	1,295	19	1,276	Staff time
Wages	36,748	551	36,197	Staff time
Communication expenses	1,027	15	1,012	Staff time
Insurances	3,454	52	3,402	Staff time
Organisers Honorarium	-	-	-	Staff time
Bank Charges	926	14	912	Staff time
Misc General Expenses	3,107	47	3,060	Staff time
Property Depreciation	26,106	392	25,714	Staff time
Furniture & Fittings Depreciation	8,422	126	8,296	Staff time
	<u>96,977</u>	<u>1,455</u>	<u>95,523</u>	

Allocation on staff time is based on a survey of time spent and the time spent at trustee meetings.

Governance Costs	2018 £	2017 £
Audit & Accountancy fees	4,250	13,340
Training Costs	250	1,621
Professional Fees	-	4,115
Annual General Meeting	27	1,585
Support Costs	1,455	2,868
	<u>5,982</u>	<u>23,529</u>

The total support cost attributable to charitable activities is then apportioned pro-rata to the Charitable Expenditure of Unrestricted Funds in proportion of their share of the Total Charitable Expenditure of Unrestricted Funds. The Trustees have decided to meet all Governance Cost from NVA only and not from the affiliates, so only Depreciation is charged to the Restricted Building Fund. No allocation or charge is made to Restricted Affiliates funds for any other Governance or Support related costs.

Allocation of Governance and Other Support costs	2018		2017	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Religious functions	4,044	2,088	57,905	40,142
Social/cultural expenses	71,354	24,018	101,799	11,990
	<u>75,398</u>	<u>26,106</u>	<u>159,704</u>	<u>52,132</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st December 2018 nor for the year ended 31st December 2017.

Trustees' Expenses

The Association reimbursed mileage expenses amounting to £Nil (2017: £1,331) to the Trustees during the year. These expenses were for travelling incurred by three Trustees in performing their duties as Trustees of the Association.

10. STAFF COSTS

	2018	2017
	£	£
Wages	62,474	75,807
Employers NIC	2,598	3,015
Employers Pension contribution	927	650
	<u>65,999</u>	<u>79,472</u>

Wages and related costs incurred on events like Paryushan are directly charged to the event accounts and not included in the above.

The average number of employee during the year was 7 (2017: 7).

There were no employees who received remuneration above £60,000 in the current or previous year.

11. TANGIBLE FIXED ASSETS

	Freehold Property (Restricted) £	Fixtures & Fittings (Unrestricted) £	Fixtures & Fittings (Restricted) £	TOTAL £
COST				
As at 1.1.2018	3,726,583	258,672	10,562	3,995,817
Additions	4,028	2,800	-	6,828
Less Disposals	-	-	-	-
As at 31.12.2018	<u>3,730,611</u>	<u>261,472</u>	<u>10,562</u>	<u>4,002,645</u>
DEPRECIATION				
As at 1.1.2018	562,724	149,174	8,548	720,446
Charge for the year	52,212	16,842	387	69,441
Less Disposals	-	-	-	-
As at 31.12.2018	<u>614,936</u>	<u>166,016</u>	<u>8,935</u>	<u>789,887</u>
NET BOOK VALUE				
As at 31.12.2018	<u>3,115,675</u>	<u>95,456</u>	<u>1,627</u>	<u>3,212,758</u>
As at 31.12.2017	<u>3,163,859</u>	<u>109,498</u>	<u>2,014</u>	<u>3,275,371</u>

11. TANGIBLE FIXED ASSETS – continued

Included in cost or valuation of land and buildings is freehold land of £1,120,000 (2017: £1,120,000).

The Board of Trustees and the Executive Committee are of the opinion that the market value of the freehold land and building exceed the net book value.

The Title Deeds are held in names of the CIO.

The Association has leased out the Car Park over a short-term lease. The costs and accumulated depreciation of this asset have not been disclosed separately because the expenses that the Association will incur in determining the historical cost and any accumulated depreciation is disproportionate to the value of this information to the users of the financial statements.

12. FIXED ASSET INVESTMENTS

Other Investments	2018	2017
	£	£
As at 1 January	663,581	958,758
Additions	559,202	-
Disposals	-	(295,177)
As at 31 December	<u>1,222,783</u>	<u>663,581</u>

Out of the bank and fixed deposit balances of £1,412,673 held as at the year-end, a total of £1,177,111 were being held by the Navnat Vanik Association of the UK – the old Trust – on behalf of the new CIO

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Sundry Debtors	42,946	27,269
Prepayments	47,236	6,878
Accrued Income	6,139	19,787
Affiliate Debtors and Prepayments	<u>4,797</u>	<u>1,806</u>
	<u>101,118</u>	<u>55,740</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Deposits	29,845	34,000
Accruals	2,824	9,213
Advance Income received	12,296	3,466
Sundry Creditors	14,249	18,202
Affiliate creditors and advance income	<u>11,088</u>	<u>7,319</u>
	<u>70,304</u>	<u>72,200</u>

15. MOVEMENT IN FUNDS

	At 1/1/18	Net movement in funds	Transfers between funds	At 31/12/18
	£	£	£	£
Unrestricted funds				
General fund	1,041,293	142,910	8,702	1,192,905
Life membership fund	61,967	2,054	(3,201)	60,820
	1,103,260	144,964	5,501	1,253,725
Restricted funds				
Building fund	3,183,214	(52,212)	-	3,131,002
Jiv Daya fund	114,997	3,994	-	118,991
Bhagini Samaj	71,471	2,798	(3,001)	71,268
Navnat Yuva Vadil Mandal	55,310	5,859	(1,500)	59,669
Navnat Golf Society	6,333	(95)	-	6,238
Navnat Bridge Club	19,196	(2,844)	(1,000)	15,352
	3,450,521	(42,500)	(5,501)	3,402,520
TOTAL FUNDS	4,553,781	102,464	-	4,656,245

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	420,732	277,822	142,910
Life membership fund	2,054	-	2,054
	422,786	277,822	144,964
Restricted funds			
Building fund	-	52,212	(52,212)
Jiv Daya fund	31,878	27,884	3,994
Bhagini Samaj	17,549	14,751	2,798
Navnat Yuva Vadil Mandal	76,840	70,981	5,859
Navnat Golf Club	18,491	18,586	(95)
Navnat Bridge Club	12,841	15,685	(2,844)
	157,599	200,099	(42,500)
TOTAL FUNDS	580,385	477,921	102,464

15. MOVEMENT IN FUNDS – continued

Brief description of the various funds:

Unrestricted Funds:

General fund	This constitutes the total fund received and generated by the charity. The Trustees review the activities and financial accounts of the Navnat affiliates and any shortfall of these affiliates' accounts are made up from the general fund.
Life membership fund	This fund represents the life membership fees that are collected from Navnat members. The life membership fees are amortised to the Statement of Financial Activity on a 20-year period.

Restricted Funds:

Building fund	This fund comprises of donations and income from various functions received for the development of a new community centre and also includes bank deposit interest. Depreciation on Building is charged to the Building Fund account.
Bhagini Samaj	This fund is designated for the cost of operating the Navnat Bhagini Samaj (London).
Jiv Daya Fund	This fund represents donations for the improvement of living and health conditions of all living beings and creatures.
Catering Fund	This fund comprises donations received to help in providing food for the elderly and during Paryushan.
Navnat Yuva Vadil Mandal	This constitutes funds set aside and donations received for a club for the elder community members.
Golf Club	This represents the donation income and expenses with regards to the Golf club for the Navnat community.
Bridge Club	This fund represents the monies collected and expenses spent by the Bridge Club members.

Jiv Daya - donations and grants made

A total amount of £27,884 (2017: £58,315) was donated to other charities, hospital trusts and similar entities which cater for handicapped and vulnerable persons, woman welfare, child welfare, animal welfare, etc, both in the United Kingdom and the rest of the world. More details on these donations were provided in the Darpan Newsletter, a copy of which can be obtained from the Charity's website.

Transfer between funds

The affiliate organisations – Navnat Vanik Bhagini Samaj, Navnat Yuva Vadil Mandal and Navnat Bridge Club have donated £3,001, £1,500, and £1,000 respectively to Navnat Vanik Association during the year. Navnat Vanik Bhagini Samaj has also donated £351 to Navnat Yuva Vadil Mandal. These donations have been disclosed as Transfer between funds in Note 15.

15. MOVEMENT IN FUNDS – continued

Depreciation charged to the Building Fund for 2018 is £52,212 (2017: £52,132).

16. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature, we use our auditors to prepare and assist with the preparation of the financial statements.

17. AUDITORS FEES

Auditors provided services on an honorary basis and have not charged any fees or expenses. An amount has been shown in the accounts to reflect value of services donated £6,000 (2017: £6,000).

18. RELATED PARTY TRANSACTIONS

A subscription of £100 was paid to National Council of Vanik Association in 2018

19. CAPITAL COMMITMENT

There is a Capital Commitment of around £144,000 (2017 Nil) as at 31st December 2018 on account of the Playground being installed in the Grounds of Navnat Centre.