

**REGISTERED CHARITY NUMBER: 288167**

REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015  
NAVNAT VANIK ASSOCIATION OF THE UK

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

NAVNAT VANIK ASSOCIATION OF THE UK  
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FOR THE YEAR ENDED 31ST DECEMBER 2015

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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 2015. 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 for Smaller Entities (effective January 2015).

The Association was formed in 1970 as an unincorporated body with its own constitution (governing document). A revised constitution was approved by the members at the Annual General Meeting held on 10<sup>th</sup> April 2011.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

288167

**Principal address**

Navnat Centre  
Printing House Lane  
Hayes  
Middlesex  
UB3 1AR

**Website**

[www.navnat.com](http://www.navnat.com)

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Mr D M Galani	
Mr N H Parekh	
Mr A Lathia	
Mr D U Shah	
Mr. J Doshi	
Mr K Adani	
Mrs H Doshi	
Mr K Batavia	
Mr S Bakhai	
Mrs S Bavisha	
Mr D Holden	
Mr B Mehta	
Mr. H Mehta	
Mr K H Mehta	- elected 26/04/2015
Mr D Mithani	- elected 26/04/2015
Mrs. S Sheth	- resigned 26/04/2015
Mrs. U J Shah	- resigned 26/04/2015
Mr. B J Shah	Board of Trustee member (appointed 26/04/15)
Mr J Kothari	Board of Trustee member (resigned 26/04/2015)
Mrs. U S Mehta	Board of Trustee member (appointed 26/04/15)
Mr. M Mehta	Board of Trustee member (resigned 26/04/2015)
Mr D Parekh	Board of Trustee member
Mr M Sanghvi	Board of Trustee member
Mr J Bhuva	Board of Trustee member

**Executive Committee**

President:	Mr Dharendra Galani
Vice-President	Mr Nitin H. Parekh
General Secretary:	Mr Amit Lathia
Joint Secretary:	Mr Dipak U. Shah
Membership Secretary	Mr Kirit Batavia
Treasurer	Mr Jaswant Doshi
Assistant Treasurer	Mr Ketan Adani
Hall Secretary:	Mrs Hasmita Doshi

**Committee Members comprise:**

Mr Subhash Bakhai	Mr Kishore H Mehta
Mrs Sangeeta Bavisha	Mr Harshad Mehta
Mr Dilip Mithani	Mr Bharat Mehta
Mr David Holden	

**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

## REFERENCE AND ADMINISTRATIVE DETAILS

### Bankers

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

Close Brothers  
4<sup>th</sup> 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

Barclays Business  
Leicester  
LE87 2BB

Virgin Money  
Jubilee House  
Gosforth  
Newcastle upon Tyne  
NE3 4PL

State Bank of India  
King Street  
London EC2V 8EA

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a Deed of Trust, and constitutes an unincorporated charity.

### 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.

## **OBJECTIVES AND ACTIVITIES**

### **Organisation and Activities**

#### **(a) Organisation**

##### **Executive Committee:**

Under the terms of the constitution, the management of the Association is vested in the Executive Committee, which is elected by the members at the Annual General Meeting held each year. The membership of the Executive Committee is set out above. 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 Trustees:**

The Trustees, whose names appear above, are appointed by the members, upon recommendation of the Executive Committee. The Trustees are Bare Holding Trustees of the Association and hold office for a term of five years.

##### **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.
Accounting Reporting Committee	To review internal controls and procedures in place, to identify any weaknesses and to recommend improvements in the internal controls and procedures within the Charity.
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 members.

The Executive Committee may at times also appoint another person / 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 Tuesday and Friday to do Yoga, to pray, to play cards and to enjoy food supplied by Navnat Vanik Association of UK and sponsors of Navnat Yuva Vadil members. 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.

## **OBJECTIVES AND ACTIVITIES**

### **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 and social events during the year and these were well attended and received by the members. During the year the Charity registered for Value Added Tax ("VAT") 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.

##### **(i) Freehold Property:**

The Association owns the freehold property at Navnat Centre, Printing House Lane, Hayes Middlesex, UB3 1AR, the custody of which is vested in the Board of Trustees of the Association. 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 £95,665 (2014 £104,355) and lease income from the rental of the car park was £99,878 (2014: £62,778). Total costs for running and maintaining the Association's property amounted to £166,497 (2014: £152,072).

In 2015 we embarked upon refurbishment of our Centre. Since the property was purchased in 2005, this was the first major refurbishment of our Navnat Centre. We are proud that our community members are able to enjoy the facilities offered by the Centre and are using the centre more frequently. The purpose of the refurbishment was to ensure we are able to continue offering a high standard of service to the members as well as ensure continuity of income from hall hire and car park. This will help the charity sustain and build upon its activities in pursuance of our charitable objectives.

The highlights of our refurbishments are:

- ✓ Main Hall refurbished. Maple wood floor sanded and badminton lines re-drawn
  - ✓ Creation of Shoe room to alleviate bottle neck towards the end of our main cultural and social programs
  - ✓ Kitchen completely refurbished with drains installed in floor, extra exhaust canopy installed, kitchen sinks put in to comply with latest Hillingdon Council Hygiene standards
  - ✓ Refurbished Corridors, Dining room and Foyers
  - ✓ Existing Office enlarged and a new small office built with latest LED light panels
  - ✓ All non-efficient halogen down lights replace with efficient LED lights
  - ✓ We have replaced our old 160KW gas guzzling boiler and are now using Heat source pump supplemented by solar panels to produce Hot water at the Centre
  - ✓ Disabled Access for Wheelchair users was installed in October. Following the installation a generous donation of £10,001 was received from one of our members.
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REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST DECEMBER 2015

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(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. Instead of a Wedding Fair that we organised for a couple of years, this year we had a Wedding Open Day where a number of the students from our Weekend Cultural classes participated to put up a Fashion Show and dance event. Last year we also continued with the provision of our weekend classes of Gujarati and Dance at the centre. Due to the low takeup of Tabla and Harmonium, those classes were not held. We urge our members to avail of the opportunity provided by the weekend classes to learn Gujarati and Dance / music. We are proud that these two projects were led by the younger generation of our community and most of the members of the sub-committee have been volunteers outside of the EC.

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 also invested in increasing the security of our premises.

(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.

## **FINANCIAL REVIEW**

### **Reserves policy**

The Board of Trustees conducts 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 Trustees 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 any unexpected expenditure. Actual free reserves (including short term investments in money market instruments) as at 31st December 2015 were £777,264 (2014: £954,621). The excess is held for the future benefit of the members, and in furtherance of the Association's objectives.

### **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 Trustees 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.



**FINANCIAL REVIEW**  
**REVIEW OF THE FINANCIAL POSITION**

The financial statements comply with current statutory requirements and with the requirements of the Constitution. Since the Charities SORP for FRSSE (effective January 2015) prescribes allocating Governance and Support costs 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, this has been done for the first time in these accounts. To that extent prior year figures are not comparable.

**(i) Results:**

The results for the year are shown on page 10 of the financial statements, which the Executive Committee considers to be satisfactory. Total Income and Endowments received in 2015 are broadly in line with those received in 2014.

The Association had a surplus of £ 44,005 (2014: £65,991) 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 31 December 2015 stood at £4,344,055 (2014: £4,300,050).

**(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 £24,558 (2014: £31,262). Donations received for Jiv Daya purpose amounted to £49,062 (2014: £58,440). The Trustees are considering utilising these funds for our educational objective and build primary schools in needy areas of Gujarat. These schools will be built on a BOT basis where the school is set up and run in Navnat's name for a few years and then transferred over to the Government for regular running.

**(iv) The Building Reserve Fund**

The Building Project Fund balance at 31 December 2015 stood at £3,287,395 (2014: £3,339,096). During the year, total donations received amounted to £NIL (2014: £NIL). Depreciation charged to the Building Fund for 2015 was £51,701 (2014: £50,188)

(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 £851,004 to £885,853.

**FUTURE DEVELOPMENTS**

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. We are looking at resurfacing the car park for the benefit of our users, building a Children's playground and activity centre to encourage wider participation. On a medium term basis your association's vision is to expand our premises by building a new purpose built hall in addition to build an all-weather sports complex over the present disused tennis court.

**PROPOSED INCORPORATION**

The membership had voted in favour of incorporating Navnat at the last AGM. This process is work in progress and the Incorporation sub-committee are working towards completing all activities to this regard. A new constitution as required by the CIO template that is in line with our constitution in spirit has been drafted and discussed with interested members. The plan is move into the new structure at a reasonable date as soon as the requisite approvals are obtained from the Charity Commission.

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### **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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 Charity (Accounts and Reports) Regulations 2008 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.

### **PUBLIC BENEFIT STATEMENT**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

### **ON BEHALF OF THE BOARD:**

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Mr D M Galani – President & Trustee

Date: 18 April 2016

We have audited the financial statements of Navnat Vanik Association of the UK for the year ended 31st December 2015 on pages ten to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's Trustees, as a body, in accordance with Section 44 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.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 16 to the financial statements

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2015 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.

**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.

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

Date: 18 April 2016

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Note	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
<b>Income and Endowments from</b>					
Donations and Legacies	2	43,638	61,667	105,305	111,060
Charitable activities	3	82,668	109,925	192,593	214,810
Other Trading activities	4	195,543	-	195,543	167,133
Investments	5	13,151	2,524	15,675	14,783
Total Income and Endowments		335,000	174,116	509,116	507,786
<b>Expenditure on</b>					
Raising Funds	6	66,584	-	66,584	55,571
Charitable activities	7	211,952	186,575	398,527	386,224
Total expenditure		278,536	186,575	465,111	441,795
<b>Net income/(expenditure) and net movement in funds for the year</b>	15	56,464	(12,459)	44,005	65,991
Gross Transfer between funds	15	7,275	(7,275)	-	-
Net movements in funds		63,739	(19,734)	44,005	65,991
<b>Reconciliations of funds</b>					
Total funds brought forward		794,048	3,506,002	4,300,050	4,234,059
<b>Total funds carried forward</b>		857,787	3,486,268	4,344,055	4,300,050

The notes form part of these financial statements

NAVNAT VANIK ASSOCIATION OF THE UK

BALANCE SHEET  
AT 31ST DECEMBER 2015

	Notes	Unrestricted Funds £	Restricted funds £	2015 Total funds £	2014 Total Funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	80,253	3,249,295	3,329,818	3,280,715
Investments	12	<u>667,713</u>	<u>218,140</u>	<u>885,853</u>	<u>851,004</u>
		748,236	3,467,435	4,215,671	4,131,719
<b>CURRENT ASSETS</b>					
Debtors	13	55,410	12,769	68,179	40,769
Cash at bank and in hand		<u>126,853</u>	<u>35,404</u>	<u>162,257</u>	<u>212,538</u>
		182,263	48,173	230,436	253,307
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>72,712</u>	<u>29,340</u>	<u>102,052</u>	<u>84,976</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>					
		<u>109,551</u>	<u>18,833</u>	<u>128,384</u>	<u>168,331</u>
<b>NET ASSETS</b>					
		<u>857,787</u>	<u>3,486,268</u>	<u>4,344,055</u>	<u>4,300,050</u>
<b>FUNDS</b>					
Unrestricted funds	15			857,787	794,048
Restricted funds				<u>3,486,268</u>	<u>3,506,002</u>
<b>TOTAL FUNDS</b>					
				<u>4,344,055</u>	<u>4,300,050</u>

The financial statements were approved by the Board of Trustees on 18<sup>th</sup> April 2016 and were signed on its behalf by:

\_\_\_\_\_  
Mr D M Galani – President & Trustee

\_\_\_\_\_  
Mr J R Doshi – Treasurer & Trustee

## 1. ACCOUNTING POLICIES

### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

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.

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

**1. ACCOUNTING POLICIES – continued**

**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.

During the year the Charity registered for Value Added Tax (“VAT”) 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.

INCOME AND ENDOWMENTS	Unrestricted Funds		Restricted Funds	2015	2014
	General	Designated		Total Funds	Total Funds
	£	£	£	£	£
<b>2. DONATIONS AND LEGACIES</b>					
Khushi Bhet including gift aid	33,412	-	-	33,412	25,063
Donation - Jiv Daya Fund	-	-	49,062	49,062	58,440
Donations all Associates	-	-	12,605	12,605	12,335
Donations - Catering Fund	-	-	-	-	3,771
Donation - Audit fees service	6,000	-	-	6,000	6,000
Subscriptions received/Life Membership	-	4,226	-	4,226	5,451
<b>Total Donations and Legacies</b>	<b>39,412</b>	<b>4,226</b>	<b>61,667</b>	<b>105,305</b>	<b>111,060</b>
<b>3. INCOME FROM CHARITABLE ACTIVITIES</b>					
<b>Income by NVA Associates</b>					
Membership all Associates	-	-	43,498	43,498	43,530
Trips	-	-	11,613	11,613	9,818
Golf Events	-	-	34,860	34,860	34,017
Grants received	-	-	2,133	2,133	2,400
Yuva Vadil transport	-	-	3,951	3,951	4,791
Bhagini char dham yatra	-	-	2,143	2,143	696
Bhagini religious	-	-	1,356	1,356	858
Play/Dairo/mehfil	-	-	5,712	5,712	3,765
Triveni Sangam	-	-	-	-	2,750
NVBS- Pyjama party/ Spa	-	-	-	-	3,993
Bridge mela	-	-	1,317	1,317	250
Other Income	-	-	1,746	1,746	1,044
	-	-	108,329	108,329	110,966
<b>Religious Functions</b>					
Janmasthanami	6,852	-	-	6,852	3,672
Ramnavmi	184	-	-	184	-
Paryushan and Pritibhojan	32,146	-	-	32,146	37,502
Navratri	12,711	-	-	12,711	15,467
Dikshartha Bahuman	125	-	-	125	3,889
Gautam Pooja / Mahavir Jayanti Income	5,484	-	-	5,484	7,054
	57,502	-	-	57,502	67,584
<b>Social/Cutural Functions</b>					
Weekend Cultural classes	11,232	-	-	11,232	10,996
Badminton	2,450	-	-	2,450	1,625
Jalsa Group	346	-	-	346	-
Career Fair	6,750	-	-	6,750	-
Graduation	-	-	-	-	1,762
Wedding Fair	-	-	-	-	11,985
Drama	-	-	-	-	5,710
Family days & Sports activities & summer picnic	-	-	1,596	1,596	1,790
	20,778	-	1,596	22,374	33,868
<b>Other Income</b>					
Darpan Newsletter	4,388	-	-	4,388	2,392
	4,388	-	-	4,388	2,392
<b>Total Income from Charitable Activities</b>	<b>82,668</b>	<b>-</b>	<b>109,925</b>	<b>192,593</b>	<b>214,810</b>
<b>4. INCOME FROM OTHER TRADING ACTIVITIES</b>					
Hall Hire Income	95,665	-	-	95,665	104,355
Car Park Rental Income	99,878	-	-	99,878	62,778
<b>Total Income from Other Trading Activities</b>	<b>195,543</b>	<b>-</b>	<b>-</b>	<b>195,543</b>	<b>167,133</b>
<b>5. INCOME FROM INVESTMENTS</b>					
Interest Receivable	13,151	-	2,524	15,675	14,783
<b>Total Income from Investments</b>	<b>13,151</b>	<b>-</b>	<b>2,524</b>	<b>15,675</b>	<b>14,783</b>



	Unrestricted Funds		Restricted	2015	2014
	General	Designated	Funds	Total Funds	Total Funds
	£	£	£	£	£
<b>6. EXPENDITURE ON RAISING FUNDS</b>					
<b>Investment Management Costs</b>					
Cleaning and premises Exp	9,234	-	-	9,234	14,066
Repairs & Renewal	57,350	-	-	57,350	41,505
	<b>66,584</b>	-	-	<b>66,584</b>	<b>55,571</b>
<b>7. ANALYSIS OF CHARITABLE EXPENDITURE</b>					
<b>Expenditure by NVA Associates</b>					
Golf Events	-	-	34,271	34,271	33,273
Yuva Vadil Mandal transport	-	-	9,840	9,840	11,280
Yuva Vadil Mandal Catering Cost	-	-	20,338	20,338	20,804
Vadil yoga	-	-	1,445	1,445	1,700
Vadil mandal programme	-	-	12,010	12,010	6,697
Bridge club catering	-	-	8,296	8,296	5,190
NBC Tournaments	-	-	2,165	2,165	2,371
NBC Accessories	-	-	549	549	865
NBC Mela	-	-	327	327	-
Golf Accessories	-	-	2,906	2,906	1,476
Bhagini religious activities	-	-	3,040	3,040	3,105
Dairo/Mehfil	-	-	3,432	3,432	2,749
Drama	-	-	902	902	3,057
Bhagini Pyjama party/spa	-	-	-	-	2,432
Bhagini Trips	-	-	387	387	2,870
Mothers Day Program/Triveni sangham	-	-	-	-	3,235
Picnic	-	-	1,375	1,375	1,481
Christmas Party NVBS	-	-	481	481	1,614
Mattress Expenses	-	-	1,686	1,686	20
Support and Governance Costs	-	-	2,919	2,919	-
	-	-	106,369	106,369	104,219
<b>Religious Functions</b>					
Janmasthanmi Expenses	6,666	-	-	6,666	5,592
Ramnavmi Expenses	580	-	-	580	-
Paryushan and Pritibhojan Expenses	36,859	-	-	36,859	33,615
Navratri Expenses	11,089	-	-	11,089	9,509
Diwali pujan	858	-	-	858	551
Gautam Puja	53	-	-	53	1,805
Mahavir Jayanti	3,326	-	-	3,326	-
Diksha Bahuman	-	-	-	-	5,169
Support and Governance Costs	59,232	-	39,810	99,042	65,542
	<b>118,663</b>	-	<b>39,810</b>	<b>158,473</b>	<b>121,783</b>
<b>Social/Cultural Expenses</b>					
Donations Made	-	-	617	617	785
Jiv Daya Fund Expenses	-	-	24,558	24,558	31,262
Catering Fund Expenses	-	-	3,226	3,226	11,174
Wedding Fair	788	-	-	788	11,092
Weekend Cultural Classes	11,973	-	-	11,973	13,049
Family days and Picnic Sport day	-	-	-	-	450
Graduation Expenses	-	-	-	-	1,647
Career Fair Expenses	4,459	-	-	4,459	-
Badminton	302	-	-	302	361
Other expenditure	-	-	104	104	70
Support and Governance Costs	64,813	-	11,891	76,704	81,252
	<b>82,335</b>	-	<b>40,396</b>	<b>122,731</b>	<b>151,142</b>
<b>Other Expenses</b>					
Darpan Expenses	9,898	-	-	9,898	9,080
Sundry expenditure	1,056	-	-	1,056	-
	<b>10,954</b>	-	-	<b>10,954</b>	<b>9,080</b>
<b>TOTAL</b>	<b>211,952</b>	-	<b>186,575</b>	<b>398,527</b>	<b>386,224</b>

## 8. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

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

Cost Type	Total Allocated	Governance related	Other support costs	Basis of Apportionment
General And Water rates	6,770	102	6,668	Staff time
Light And Heat	10,988	165	10,823	Staff time
Stationery, postage & printing	1,722	26	1,696	Staff time
Wages	52,777	792	51,985	Staff time
Communication expenses	696	10	686	Staff time
Insurances	5,637	85	5,553	Staff time
Organisers Honorarium	-50	-50	-	
Bank Charges	1,729	26	1,703	Staff time
Misc General Expenses	4,962	74	4,888	Staff time
Property Depreciation	51,701	776	50,925	Staff time
Furniture & Fittings	14,210	213	13,997	Staff time
	<b>151,142</b>	<b>2,218</b>	<b>148,924</b>	

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

<b>Governance Costs</b>	<b>2,015</b>	2,014
	<b>£</b>	<b>£</b>
Audit & Accountancy fees	<b>12,285</b>	12,868
Training Costs	<b>226</b>	-
Professional Fees	<b>10,593</b>	2,507
Legal charges	-	3,140
Annual General Meeting	<b>1,500</b>	717
Support Costs	<b>2,218</b>	1,913
	<b>26,822</b>	21,146

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 Affilates funds for any other Governance or Support related costs.

Allocation of Governance and Other Support costs	2,015		2,014	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Religious functions	<b>59,232</b>	<b>39,810</b>	40,448	25,094
Social/cultural expenses	<b>64,813</b>	<b>11,891</b>	56,158	25,094
	<b>124,045</b>	<b>51,701</b>	96,605	50,188

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no Trustees' remuneration or other benefits for the year ended 31st December 2015 nor for the year ended 31st December 2014.

**Trustees' Expenses**

The Association reimbursed expenses amounting to £1,500 (2014: £1,425) to the Trustees during the year. These expenses were mainly for travelling and telephone costs incurred by six Trustees in performing their duties as Trustees of the Association.

**10. STAFF COSTS**

The average number of employee during the year was 7 (2014: 7).

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

**11. TANGIBLE FIXED ASSETS**

	<b>Freehold Property (Restricted) £</b>	<b>Fixtures &amp; Fittings (Unrestricted) £</b>	<b>Fixtures &amp; Fittings (Restricted) £</b>	<b>TOTAL £</b>
<b>COST</b>				
As at 1.1.2015	3,629,407	155,511	10,562	3,795,480
Additions	75,644	39,861	-	115,505
As at 31.12.2015	<u>3,705,051</u>	<u>195,372</u>	<u>10,562</u>	<u>3,910,984</u>
<b>DEPRECIATION</b>				
As at 1.1.2015	406,842	100,639	7,283	514,764
Charge for the year	51,701	14,210	492	66,403
As at 31.12.2015	<u>458,543</u>	<u>114,849</u>	<u>7,775</u>	<u>581,167</u>
<b>NET BOOK VALUE</b>				
As at 31.12.2015	<u>3,246,508</u>	<u>80,523</u>	<u>2,787</u>	<u>3,329,818</u>
As at 31.12.2014	<u>3,222,565</u>	<u>54,872</u>	<u>3,278</u>	<u>3,280,715</u>

Included in cost or valuation of land and buildings is freehold land of £1,120,000 (2014: £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 certain Trustees of the Association as nominees.

Fixtures and Fittings above include items totalling £5,344.47 at Cost (including VAT) that were stolen during a break-in on 13<sup>th</sup> January 2016.

**11. TANGIBLE FIXED ASSETS – continued**

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**

	<b>2015</b>	2014
	£	£
Other Investments		
As at 1 January	<b>851,004</b>	904,646
Additions	<b>34,849</b>	-
Disposals	-	(53,642)
As at 31 December	<b><u>885,853</u></b>	<u>851,004</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015</b>	2014
	£	£
Sundry Debtors	<b>30,620</b>	16,951
Prepayments	<b>5,285</b>	3,969
Accrued Income	<b>19,505</b>	12,505
Affiliate Debtors and Prepayments	<b><u>12,769</u></b>	<u>7,344</u>
	<b><u>68,179</u></b>	<u>40,769</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015</b>	2014
	£	£
Deposits	<b>44,250</b>	41,250
Accruals	<b>5,795</b>	1,725
Advance Income received	<b>1,488</b>	4,559
Sundry Creditors	<b>21,179</b>	7,925
Affiliate creditors and advance income	<b><u>29,340</u></b>	<u>29,517</u>
	<b><u>102,052</u></b>	<u>84,796</u>

**15. MOVEMENT IN FUNDS**

	At 1/1/15 £	Net movement in funds £	Transfers between funds £	At 31/12/15 £
<b>Unrestricted funds</b>				
General fund	733,219	52,238	10,528	795,985
Life membership fund	60,829	4,226	(3,253)	61,802
	<b>794,048</b>	<b>56,464</b>	<b>7,275</b>	<b>857,787</b>
<b>Restricted funds</b>				
Building fund	3,339,096	(51,701)	-	3,287,395
Jiv Daya fund	42,741	24,504	-	67,245
Catering fund	-	(3,226)	3,226	0
Bhagini Samaj	66,536	3,277	(3,001)	66,812
Navnat Yuva Vadil Mandal	31,433	8,350	(2,500)	37,283
Navnat Golf Society	9,545	208	-	9,753
Navnat Bridge Club	16,651	6,129	(5,000)	17,780
	<b>3,506,002</b>	<b>(12,459)</b>	<b>(7,275)</b>	<b>3,486,268</b>
<b>TOTAL FUNDS</b>	<b>4,300,050</b>	<b>44,005</b>	<b>0</b>	<b>4,344,055</b>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	330,774	(278,536)	52,238
Life membership fund	4,226	0	4,226
	<b>335,000</b>	<b>(278,536)</b>	<b>56,464</b>
<b>Restricted funds</b>			
Building fund	-	(51,701)	(51,701)
Jiv Daya fund	49,062	(24,558)	24,504
Catering fund	0	(3,226)	(3,226)
Bhagini Samaj	18,778	(15,501)	3,277
Navnat Yuva Vadil Mandal	52,755	(44,405)	8,350
Navnat golf society	37,385	(37,177)	208
Navnat Bridge Club	16,136	(10,007)	6,129
	<b>174,116</b>	<b>(186,575)</b>	<b>(12,459)</b>
<b>TOTAL INCOMING/ (OUTGOING) FUNDS</b>	<b>509,116</b>	<b>(465,111)</b>	<b>44,005</b>

**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 £24,558 (2014: £31,262 ) was donated to other charities, hospital trusts and similar entities which cater for handicapped and vulnerable persons, woman 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, £2,500 and £5,000 respectively to Navnat Vanik Association during the year. These donations have been disclosed as Transfer between funds in Note 15.

**15. MOVEMENT IN FUNDS – continued**

Depreciation charged to the Building Fund for 2015 is £51,701.

**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 FFES**

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 (2014: £6,000)

**18. RELATED PARTY TRANSACTIONS**

There were no transactions with related parties other than those disclosed in Note 9 to the Financial Statements.

**19. CONTINGENT LIABILITY**

There is a potential claim from a hall hirer from 2012. This case was assigned to our solicitors on a “no win no fee” basis. There has been no activity on this claim by the claimants and the trustees do not think the claimants will be pursuing their claim.