

REGISTERED CHARITY NUMBER: 288167

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016
NAVNAT VANIK ASSOCIATION OF THE UK

NAVNAT VANIK ASSOCIATION OF THE UK
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FOR THE YEAR ENDED 31ST DECEMBER 2016

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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 2016. 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 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 10th 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

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

Mrs S Bavisha
Mr D Holden
Mr B Mehta
Mr. H Mehta
Mr K H Mehta - resigned 24/04/2016
Mr D Mithani
Mrs. S Sheth - elected 24/04/2016
Mr B Vora - elected 24/04/2016
Mr. B J Shah Board of Trustee member
Mrs. U S Mehta Board of Trustee member
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
Joint Treasurer	Mr Ketan Adani
Hall Secretary:	Mrs Hasmita Doshi

Committee Members comprise:

Mrs. S Sheth	Mr B Vora
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
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

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.
Health & Safety Committee	To advise 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, educational and social events during the year and these were well attended and received by the members.

(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 £121,435 (2015 £95,665) and lease income from the rental of the car park was £122,981 (2015: £99,878). Total costs for running and maintaining the Association's property amounted to £135,710 (2015: £166,497).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2016

(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. We continue to run weekend cultural classes where members are able to learn Gujarati, Dance and Music. This year we ran a number of educational events including seminars on financial matters such as estate planning and investing for the long term, a debate on the EU referendum and health seminars. These were well received by members who were able to develop a deeper understanding on topical issues that impact upon them.

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. The Association also makes use of social media to interact with its members including Facebook, Twitter & YouTube.

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 2016 were £890,720 (2015: £777,264). 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 FRS 102 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 2016 are higher than those received in 2015 primarily on account of increase in Rental Income and higher Jivdaya Donations.

The Association had a surplus of £130,887 (2015: £44,005) 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 2016 stood at £4,474,942 (2015: £4,344,055).

(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 £28,219 (2015: £24,558). Donations received for Jiv Daya purpose amounted to £75,405 (2015: £49,062). The Trustees have utilised part of 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 31st December 2016 stood at £3,235,346 (2015: £3, 287,395). During the year, total donations received amounted to £NIL (2015: £NIL). Depreciation charged to the Building Fund for 2016 was £52,049 (2015: £51,701)

(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 £885,583 to £958,758.

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 2015 AGM. This process is work in progress and the Association has submitted an application to the Charity Commission to register a new Charitable Incorporated Organisation. The plan is move into the new structure at a reasonable date as soon as the requisite approvals are obtained from the Charity Commission.

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.

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:

Mr D M Galani – President & Trustee

Date: 28th April 2017

We have audited the financial statements of Navnat Vanik Association of the UK for the year ended 31st December 2016 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 102 (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.

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 2016 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: 28th April 2017

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Note	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
Income and Endowments from					
Donations and Legacies	2	35,711	87,360	123,071	105,305
Charitable activities	3	78,332	128,726	207,058	192,593
Other Trading activities	4	244,416	-	244,416	195,543
Investments	5	11,851	5,031	16,882	15,675
Total Income and Endowments		370,310	221,117	591,427	509,116
Expenditure on					
Raising Funds	6	31,732	-	31,732	66,584
Charitable activities	7	228,813	199,995	428,808	398,527
Total expenditure		260,545	199,995	460,540	465,111
Net income and net movement in funds for the year					
	15	109,765	21,122	130,887	44,005
Gross Transfer between funds	15	10,701	(10,701)	-	-
Net movements in funds		120,466	10,421	130,887	44,005
Reconciliations of funds					
Total funds brought forward		857,787	3,486,268	4,344,055	4,300,050
Total funds carried forward		978,253	3,496,689	4,474,942	4,344,055

The notes form part of these financial statements

NAVNAT VANIK ASSOCIATION OF THE UK

BALANCE SHEET
AT 31ST DECEMBER 2016

	Notes	Unrestricted Funds £	Restricted funds £	2016 Total funds £	2015 Total Funds £
FIXED ASSETS					
Tangible assets	11	90,812	3,214,211	3,305,023	3,329,818
Investments	12	<u>700,438</u>	<u>258,320</u>	<u>958,758</u>	<u>885,853</u>
		791,250	3,472,531	4,263,781	4,215,671
CURRENT ASSETS					
Debtors	13	34,463	12,287	46,751	68,179
Cash at bank and in hand		<u>237,726</u>	<u>37,450</u>	<u>274,776</u>	<u>162,257</u>
		272,189	49,337	321,926	230,436
CREDITORS					
Amounts falling due within one year	14	<u>85,186</u>	<u>25,579</u>	<u>110,765</u>	<u>102,052</u>
NET CURRENT ASSETS		<u>187,003</u>	<u>24,158</u>	<u>211,161</u>	<u>128,384</u>
NET ASSETS		<u>978,253</u>	<u>3,496,689</u>	<u>4,474,942</u>	<u>4,344,055</u>
FUNDS					
Unrestricted funds	15			978,253	857,787
Restricted funds				3,496,689	3,486,268
TOTAL FUNDS				<u>4,474,942</u>	<u>4,344,055</u>

The financial statements were approved by the Board of Trustees on 28th April 2017 and were signed on its behalf by:

Mr D M Galani – President & Trustee

Mr J R Doshi – Treasurer & 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 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.

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.

The Charity registered for Value Added Tax (“VAT”) in 2015 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.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed. No restatement was required.

INCOME AND ENDOWMENTS	Unrestricted Funds		Restricted Funds	2016	2015
	General	Designated		Total Funds	Total Funds
	£	£	£	£	£
2. DONATIONS AND LEGACIES					
Khushi Bhet including gift aid	26,369	-	-	26,369	33,412
Donation - Jiv Daya Fund	-	-	75,405	75,405	49,062
Donations all Associates	-	-	11,955	11,955	12,605
Donation - Audit fees service	6,000	-	-	6,000	6,000
Subscriptions received/Life Membership	-	3,342	-	3,342	4,226
Total Donations and Legacies	32,369	3,342	87,360	123,071	105,305
3. INCOME FROM CHARITABLE ACTIVITIES					
Income by NVA Associates					
Membership all Associates	-	-	45,498	45,498	43,498
Trips	-	-	16,100	16,100	11,613
Golf Events	-	-	38,308	38,308	34,860
Grants received	-	-	4,667	4,667	2,133
Yuva Vadil transport	-	-	6,113	6,113	3,951
Bhagini char dham yatra	-	-	585	585	2,143
Bhagini religious	-	-	1,548	1,548	1,356
Bhaginis event	-	-	1,809	1,809	-
Play/Dairo/mehfil	-	-	1,583	1,583	5,712
Triveni Sangam	-	-	4,325	4,325	-
Bridge mela	-	-	790	790	1,317
Other Income	-	-	5,349	5,349	1,456
Musical Program/navratri	-	-	357	357	290
	-	-	127,032	127,032	108,329
Religious Functions					
Janmasthanmi	6,672	-	-	6,672	6,852
Ramnavmi	454	-	-	454	184
Paryushan and Pritibhojan	36,753	-	-	36,753	32,146
Navratri	16,626	-	-	16,626	12,711
Diwali & New Year	3,988	-	-	3,988	-
Dikshartha Bahuman	-	-	-	-	125
Gautam Pooja / Mahavir Jayanti Income	-	-	-	-	5,484
	64,493	-	-	64,493	57,502
Social/Cutural Functions					
Weekend Cultural classes	7,738	-	-	7,738	11,232
Badminton	1,325	-	-	1,325	2,450
Jalsa Group	166	-	-	166	346
Career Fair	-	-	-	-	6,750
Family days & Sports activities & summer picnic	-	-	1,694	1,694	1,596
	9,229	-	1,694	10,923	22,374
Other Income					
Darpan Newsletter	3,839	-	-	3,839	4,388
Misc Income	771	-	-	771	-
	4,610	-	-	4,610	4,388
Total Income from Charitable Activities	78,332	-	128,726	207,058	192,593
4. INCOME FROM OTHER TRADING ACTIVITIES					
Hall Hire Income	121,435	-	-	121,435	95,665
Car Park Rental Income	122,981	-	-	122,981	99,878
Total Income from Other Trading Activities	244,416	-	-	244,416	195,543
5. INCOME FROM INVESTMENTS					
Interest Receivable	11,851	-	5,031	16,882	15,675
Total Income from Investments	11,851	-	5,031	16,882	15,675
Total Income	366,968	3,342	221,117	591,427	509,116

	Unrestricted Funds		Restricted	2,016	2,015
	General	Designated	Funds	Total Funds	Total Funds
	£	£	£	£	£
6. EXPENDITURE ON RAISING FUNDS					
Investment Management Costs					
Cleaning and premises Exp	4,219	-	-	4,219	9,234
Repairs & Renewal	27,513	-	-	27,513	57,350
	31,732	-	-	31,732	66,584
7. ANALYSIS OF CHARITABLE EXPENDITURE					
Expenditure by NVA Associates					
Golf Events	-	-	40,259	40,259	34,271
Yuva Vadil Mandal transport	-	-	12,080	12,080	9,840
Yuva Vadil Mandal Catering Cost	-	-	13,694	13,694	20,338
Vadil yoga	-	-	2,012	2,012	1,445
Vadil Trips	-	-	16,418	16,418	12,010
Bridge club catering	-	-	10,126	10,126	8,296
NBC Tournaments	-	-	762	762	2,165
NBC Accessories	-	-	2,053	2,053	549
NBC Mela	-	-	-	-	327
Golf Accessories	-	-	2,409	2,409	2,906
Bhagini religious activities	-	-	2,196	2,196	3,040
Dairo/Mehfil	-	-	1,411	1,411	3,432
Drama	-	-	-	-	902
Bhagini Trips	-	-	376	376	387
Mothers Day Program/Triveni sangham	-	-	6,531	6,531	-
Picnic	-	-	1,526	1,526	1,375
Christmas Party NVBS	-	-	1,391	1,391	481
Mattress Expenses	-	-	2,131	2,131	1,686
Support and Governance Costs	-	-	3,185	3,185	2,919
	-	-	118,560	118,560	106,369
Religious Functions					
Janmasthanmi Expenses	7,512	-	-	7,512	6,666
Ramnavmi Expenses	1,102	-	-	1,102	580
Paryushan and Pritibhojan Expenses	40,331	-	-	40,331	36,859
Navratri Expenses	12,290	-	-	12,290	11,089
Diwali pujan	4,460	-	-	4,460	858
Gautam Puja	-	-	-	-	53
Mahavir Jayanti	1	-	-	1	3,326
Rakeshbhai Zhaveri Programme	2,565	-	-	2,565	-
Support and Governance Costs	87,569	-	40,078	127,647	99,042
	155,830	-	40,078	195,908	158,473
Social/Cultural Expenses					
Donations Made	-	-	278	278	617
Jiv Daya Fund Expenses	-	-	28,219	28,219	24,558
Kitchen Expenses	-	-	889	889	3,226
Wedding Fair	4	-	-	4	788
Weekend Cultural Classes	5,034	-	-	5,034	11,973
Career Fair Expenses	197	-	-	197	4,459
Badminton	48	-	-	48	302
Other expenditure	-	-	-	-	104
Support and Governance Costs	52,857	-	11,971	64,828	76,704
	58,140	-	41,357	99,497	122,731
Other Expenses					
Darpan Expenses	14,743	-	-	14,743	9,898
Sundry expenditure	100	-	-	100	1,056
	14,843	-	-	14,843	10,954
TOTAL	228,813	-	199,995	428,808	398,527

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	5,764	86	5,678	Staff time
Light And Heat	13,087	196	12,891	Staff time
Stationery, postage & printing	1,699	25	1,674	Staff time
Wages	75,083	1,126	73,957	Staff time
Communication expenses	900	14	886	Staff time
Insurances	5,983	90	5,893	Staff time
Bank Charges	1,825	28	1,797	Staff time
Misc. General Expenses	2,464	37	2,427	Staff time
Property Depreciation	52,049	781	51,268	Staff time
Furniture & Fittings	16,024	240	15,784	Staff time
	174,878	2,623	172,255	

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

Governance Costs	2016 £	2015 £
Audit & Accountancy fees	13,325	12,285
Training Costs	928	226
Professional Fees	1,794	10,593
Annual General Meeting	1,550	1,500
Support Costs	2,623	2,218
	20,220	26,822

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	2016		2015	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Religious functions	87,569	40,078	59,232	39,810
Social/cultural expenses	52,857	11,971	64,813	11,891
	140,426	52,049	124,045	51,701

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st December 2016 nor for the year ended 31st December 2015.

Trustees' Expenses

The Association reimbursed expenses amounting to £1,500 (2015: £1,500) 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 (2015: 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 1.1.2016	3,705,051	195,372	10,562	3,910,985
Additions	17,383	29,446	-	46,829
Less: Disposals	-	(4,155)	-	(4,155)
As at 31.12.2016	<u>3,722,434</u>	<u>220,663</u>	<u>10,562</u>	<u>3,953,659</u>
DEPRECIATION				
As at 1.1.2016	458,543	114,849	7,775	581,167
Charge for the year	52,049	16,024	418	68,491
Less Disposals	-	(1,022)	-	(1,022)
As at 31.12.2016	<u>510,592</u>	<u>129,851</u>	<u>8,193</u>	<u>648,636</u>
NET BOOK VALUE				
As at 31.12.2016	<u>3,211,842</u>	<u>90,812</u>	<u>2,369</u>	<u>3,305,023</u>
As at 31.12.2015	<u>3,246,508</u>	<u>80,523</u>	<u>2,787</u>	<u>3,329,818</u>

Included in cost or valuation of land and buildings is freehold land of £1,120,000 (2015: £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.

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

Other Investments	2016	2015
	£	£
As at 1 January	885,853	851,004
Additions	72,905	34,849
Disposals	-	-
As at 31 December	<u>958,758</u>	<u>885,853</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Sundry Debtors	5,293	30,620
Prepayments	4,192	5,285
Accrued Income	24,978	19,505
Affiliate Debtors and Prepayments	<u>12,288</u>	<u>12,769</u>
	<u>46,751</u>	<u>68,179</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Deposits	39,844	44,250
Accruals	9,315	5,795
Advance Income received	9,707	1,488
Sundry Creditors	26,320	21,179
Affiliate creditors and advance income	<u>25,579</u>	<u>29,340</u>
	<u>110,765</u>	<u>102,052</u>

15. MOVEMENT IN FUNDS

	At 1/1/16 £	Net movement in funds £	Transfers between funds £	At 31/12/16 £
Unrestricted funds				
General fund	795,985	106,423	13,958	916,366
Life membership fund	61,802	3,342	(3,257)	61,887
	857,787	109,765	10,701	978,253
Restricted funds				
Building fund	3,287,395	(52,049)	-	3,235,346
Jiv Daya fund	67,245	47,186	-	114,431
Bhagini Samaj	66,812	5,838	(3,001)	69,649
Navnat Yuva Vadil Mandal	37,283	17,187	(4,000)	50,470
Navnat Golf Society	9,753	(1,560)	(700)	7,493
Navnat Bridge Club	17,780	4,520	(3,000)	19,300
	3,486,268	21,122	(10,701)	3,496,689
TOTAL FUNDS	4,344,055	130,886	-	4,474,942

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	366,968	(260,545)	106,423
Life membership fund	3,342	-	3,342
	370,310	(260,545)	109,765
Restricted funds			
Building fund	-	(52,049)	(52,049)
Jiv Daya fund	75,405	(28,219)	47,186
Bhagini Samaj	24,187	(18,349)	5,838
Navnat Yuva Vadil Mandal	62,707	(45,520)	17,187
Navnat golf society	40,493	(42,053)	(1,560)
Navnat Bridge Club	18,325	(13,805)	4,520
	221,117	(199,995)	21,122
TOTAL INCOMING/ (OUTGOING) FUNDS	591,427	(460,540)	130,887

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 £28,219 (2015: £24,558) 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, Navnat Bridge Club and Navnat Golf Club have donated £3,001, £4,000, £3,000 and £700 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 2016 is £52,049.

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 (2015: £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.