

MAHAVIR FOUNDATION LTD
FINANCIAL STATEMENTS
31 DECEMBER 2006

Charity Number 296175

MALDE & CO
Chartered Certified Accountants & Registered Auditors
99 Kenton Road
Kenton Harrow
Middlesex
HA3 0AN

MAHAVIR FOUNDATION LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

CONTENTS	PAGE
Members of the Board and professional advisers	1
Executive Committee's Annual Report	2
Independent auditor's report	7
Statement of Financial Activities (incorporating the income and expenditure account)	9
Balance sheet	10
Notes to the financial statements	11
The following pages do not form part of the financial statements	
Detailed statement of financial activities	17

MAHAVIR FOUNDATION LTD**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

Registered charity name Mahavir Foundation Ltd

Charity number 296175

Company registration number 02132728

Registered office 11 Lindsey Drive
Kenton
Harrow
Middlesex
HA3 0TA

The Executive Committee

Dr Vinod Kapashi	- President
Mr Surendra D Mehta	- Vice President
Mr Chandrakant N Shah MBE	- Secretary
Mr Navin K Shah	- Treasurer
Mr Chandrakant Thakershi Doshi	
Mr Kirit Kothary	
Mr Mahendrakumar P Kothary	
Mr Kishore Mehta	
Mr Anit Shah	
Mr Mukesh Kapashi	
Mrs Nayanben Shah	
Mr Shantilal Somchand Shah	
Mr Aswin Laxmichand Vora	
Mrs Daxa Doshi	
Mrs Rashmi Desai	

The Trustee Board

Mr Pravin Shah (Chairman)
Dr Vinod Kapashi
Mr Nemish H Mehta
Mrs Nisha M Mehta

Auditor Malde & Co
Chartered Certified Accountants & Registered Auditors
99 Kenton Road
Kenton Harrow
Middlesex
HA3 0AN

Bankers

CafCash Ltd	National Westminster Bank plc
PO BOX 6037	Kings Hill
186 Brompton Road	West Mailing
London	Kent
SW3 1XJ	ME19 4TA
HA3 0AN	
Kent	
ME19 4TA	

MAHAVIR FOUNDATION LTD

EXECUTIVE COMMITTEE'S ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2006

The executive committee, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

The executive committee

The executive committee who served the charity during the period were as follows:

Mrs Rashmi Desai
Mr Chandrakant Thakershi Doshi
Mrs Daxa Doshi
Mr Mukesh Kapashi
Dr Vinod Kapashi
Mr Kirit Kothary
Mr Mahendrakumar P Kothary
Mr Kishore Mehta
Mr Anit Shah
Mr Chandrakant Shah
Mr Navinchandra Keshavlal Shah
Mrs Nayanben Shah
Mr Shantilal Somchand Shah
Mr Aswin Laxmichand Vora

STRUCTURE, GOVERNANCE AND MANAGEMENT

LEGAL AND ADMINISTRATIVE INFORMATION

Mahavir Foundation Ltd (Registered Charity No: 296175) was incorporated on the 19th May 1987. The Trust Deed governing the Charity was made on the 19th June 1987 and Mahavir Foundation Ltd was registered as Charity in U.K. The Charity operates throughout England and Wales.

The Foundation's constitution was amended and approved at 2005 AGM. However, the deadline for filing it with Companies House was missed. Consequently, the revised constitution will require reapproval at the forthcoming AGM before filing.

ORGANISATIONAL STRUCTURE

Trustees

The Foundation currently has a board of four trustees. These are listed on page 1. The Chairman of the Board of Trustees, Mr Pravinbhai Shah has requested to step down as trustee. The Executive Committee has regretfully accepted his decision, which will be effective from the conclusion of the forthcoming Annual General Meeting. Pravinbhai is one of the founder trustees. The Executive Committee acknowledges his invaluable contribution to Mahavir Foundation over the years. At present the Foundation is actively seeking new trustees.

Executive Committee

The members of the executive committee, who are the Charity Trustees for the purpose of the Charities Act 1993, conduct the day-to-day running of the Foundation. The members elected the Committee for a two-year term at the Foundation's Annual General Meeting held on 16 October 2005. Accordingly, the current committee will be dissolved at the forthcoming Annual General Meeting and a new committee will be elected in its place.

MAHAVIR FOUNDATION LTD

EXECUTIVE COMMITTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2006

RELATIONS WITH OTHER CHARITIES

The Foundation is an affiliated member of The National Council of Vanik Associations (UK) and the Hindu Council (Harrow).

RISK MANAGEMENT POLICY

Project commitments are made as and when adequate funds are available. Some fund raising activities took place during the current year and further ones are planned during the course of next year to ensure that there is no material risk of incurring a deficit and that such activities are within the scope of the charitable objectives of the organisation.

OBJECTIVES AND ACTIVITIES

OBJECTS OF THE CHARITY

The main object of the charity is the advancement of Jain religion and Jain education in the United Kingdom and throughout the world.

ACTIVITIES:

The following activities were undertaken by the Foundation during the year and subsequent to the year-end:

- 19 March 2006 - Rishabhdev Bhagwan Jayanti was celebrated at the Derasar.
- Bhaktamar Poojan was held on the 9th April 2006 at Kingsbury High School to celebrate Mahavir Jayanti programme. This was held jointly with Veerayatan (UK) and Navnat Vanik association (UK). The programme involved participation by young children of Shri Chandna Vidyapeeth who recited each verses of Bhaktamar. Panchklyanak Pooja was also held. The programme, which was attended by about 700 people, was well received.
- We had Patta Darshan twice -on 13 April and 5 November 2006 at the Kenton Road Derasar.
- 11, 18 & 25 May 2006 - Bhaktamar Rahasya - explanations of Bhaktamar Stotras - meanings, stories, etc. by Dr Vinod Kapashi. These sessions were well attended.
- On 14 May 2006, informative talks on accountancy, employment related taxation, immigration etc. topics were organised for the benefit of students from India. There was opportunity to ask questions at the end. The students found the session very informative.
- On 25 June 2006, there was a satsang at our Derasar with Gabriele.
- A coach trip to Leicester was organised on the 2nd July to participate in the Dhaja Badli ceremony at the Jain Temple in Leicester.
- On 3 August 2006, Pratapdev Bhojak's programme of songs of Jain Mystic poet Anandgahanji was held at the Derasar.
- On 5th August 2006, Annual General Meeting of Mahavir Foundation was held at the Greek Orthodox Church in Kenton, which was attended by twenty-six members. Various issues relating to the Derasar project were discussed at this meeting.

MAHAVIR FOUNDATION LTD

EXECUTIVE COMMITTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2006

- After four years of joint Paryushan with Navnat Vanik Association (UK) and Veerayatan (UK), this year's Paryushan festival was celebrated by Mahavir Foundation on our own and was held at Kingsbury High School from the 21st August to the 28th August 2006 except for the last day (Samvatsari Day). A group of singers and musicians were invited from India to sing Bhavna.
- On 15 March 2007 Pujya Chitrabhanu Maharaj's lecture was held at the Derasar.
- On 2 April 2007, Patta Darshan was done at the Derasar.
- On 9 April 2007, Navkar Mantra poojan was held at the Oshwal Centre, Potters Bar to celebrate this year's Mahavir Jayanti. It was sponsored by a MF Trustee (Mrs Nishaben Mehta) to celebrate the occasion of successful Updhan by her. The poojan was attended by about 900 people.
- Samuh (mass) Chaityavandans were done at the Derasar on many occasions.

ACHIEVEMENTS AND PERFORMANCE

PROJECTS:

DERASAR CENTRE

The Kenton Road centre remains very popular and is being used regularly by Shrimad Rajchandra Group, Shri Chandna Vidyapeeth teachers and other Jains. There is also a library at the centre. Ajaybhai who was appointed 3 years ago, looks after the centre.

DERASAR PROJECT

As reported in the accounts for the year ended 31 December 2003, the foundation received objections from local residents citing an old covenant, which indicates that the site can only be used for residential purpose. The Foundation applied to the Land Registry for the waiver of this old covenant. Unfortunately, the decision of the Land Registry's Tribunal went against the Foundation. On the basis of legal advice received, the Foundation appealed against the Tribunal's judgement. This was explained to the members at the Foundation's Extraordinary General Meeting held on the 4th February 2007. Members were asked whether to go ahead with the appeal procedure. Mr Steven Porter from the Solicitor firm 'Porter Crossick' attended the meeting and explained the Foundation's case. He informed the meeting that in view of the Counsel, the Land Tribunal's decision was incorrect on a matter of law and could thus be challenged successfully. Consequently he recommended that the Foundation should appeal against the decision of the Land Tribunal. With the members' approval, it was then decided that the Foundation would seek permission to appeal. This was done by due date.

However, Justice Mummery, after reviewing the case and relevant papers refused us the permission to appeal. We were advised by our solicitors to lodge an appeal against Justice Mummery's decision in the open court. On the basis of this legal advice and also on the basis that such an appeal would cost £587, your Committee has decided to make representation in the open court and seek the permission to appeal.

MAHAVIR FOUNDATION LTD

EXECUTIVE COMMITTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2006

FINANCIAL REVIEW

FINANCE AND ACCOUNTS

The Income and Expenditure Account and Balance Sheet of the Charity for the year ended 31 December 2006 are attached. The Main sources of income are:

- a) Paryushan Income donations made during the festival
- b) Bhandar and general donations
- c) Gift aid and tax refunds thereon from Inland Revenue
- d) Interest on bank deposits

This year's Income and Expenditure Account has been adversely affected by large legal costs relating to the Derasar project.

FINANCIAL CONTROLS

The company's Articles require the Executive Committee to safeguard the assets of the Foundation. The detailed responsibilities of the Committee in relation to these accounts are set out under 'Responsibilities of the Executive Committee' on page 6.

RESERVES POLICY

Bearing in mind the aims and objects of the Charity, the trustees ensure that unrestricted funds are not invested in fixed and long-term assets, which would stall the progress of the activities. The executive committee together with the treasurer regularly monitor the situation from time to time for any unenvisioned event and ensure that there are adequate free reserves available for the general purpose of the Charity

INVESTMENT POWERS AND RESTRICTIONS

The Foundation does not hold funds on behalf of others. Its Executive Committee is empowered to invest prudently the Foundations surplus cash with a view to secure maximum return.

PLANS FOR FUTURE PERIODS

FUTURE STRATEGY

The Charity plans to continue with activities as outlined above in the forthcoming year.

MAHAVIR FOUNDATION LTD**EXECUTIVE COMMITTEE'S ANNUAL REPORT** *(continued)***YEAR ENDED 31 DECEMBER 2006****RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE**

The executive committee are responsible for preparing the Executive Committee's Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the executive committee to prepare financial statements for each financial year. Under that law the executive committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the executive committee are required to:

- select suitable accounting policies and then apply them consistently;
- 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 operation.

The executive committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 1985. The executive committee 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.

In so far as the executive committee are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the executive committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITOR

A resolution to re-appoint Malde & Co as auditor for the ensuing year will be proposed at the Annual General Meeting.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
11 Lindsey Drive
Kenton
Harrow
Middlsex
HA3 0TA

Signed by order of the executive committee

MR CHANDRAKANT N SHAH
Company Secretary

3 July 2007

MAHAVIR FOUNDATION LTD**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHAVIR FOUNDATION LTD****YEAR ENDED 31 DECEMBER 2006**

We have audited the financial statements of Mahavir Foundation Ltd for the year ended 31 December 2006 on pages 9 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE AND AUDITORS

The responsibilities of the executive committee (who also act as directors of Mahavir Foundation Ltd for the purposes of company law) for preparing the Executive Committee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Executive committee on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Executive Committee's Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding remuneration of the executive committee and other transactions is not disclosed.

We read the Executive Committee's Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the executive committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MAHAVIR FOUNDATION LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHAVIR FOUNDATION LTD *(continued)*

YEAR ENDED 31 DECEMBER 2006

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Executive Committee's Annual Report is consistent with the financial statements.

99 Kenton Road
Kenton Harrow
Middlesex
HA3 0AN

3 July 2007

MALDE & CO
Chartered Certified Accountants
& Registered Auditors

MAHAVIR FOUNDATION LTD

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2006

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Voluntary income	2	55,145	676	55,821	31,821
Investment income	3	735	8,726	9,461	9,043
TOTAL INCOMING RESOURCES		<u>55,880</u>	<u>9,402</u>	<u>65,282</u>	<u>40,864</u>
RESOURCES EXPENDED					
Governance costs	4	(17,682)	(85,689)	(103,371)	(38,269)
TOTAL RESOURCES EXPENDED		<u>(17,682)</u>	<u>(85,689)</u>	<u>(103,371)</u>	<u>(38,269)</u>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR/NET (EXPENDITURE)/INCOME FOR THE YEAR					
	5	38,198	(76,287)	(38,089)	2,595
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>272,350</u>	<u>465,337</u>	<u>737,687</u>	<u>735,092</u>
TOTAL FUNDS CARRIED FORWARD		<u>310,548</u>	<u>389,050</u>	<u>699,598</u>	<u>737,687</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

MAHAVIR FOUNDATION LTD**BALANCE SHEET****31 DECEMBER 2006**

	Note	2006 £	£	2005 £
FIXED ASSETS				
Tangible assets	7		508,710	508,710
CURRENT ASSETS				
Debtors	8	11,887		11,189
Cash at bank		252,991		221,561
		264,878		232,750
CREDITORS: Amounts falling due within one year	9	(73,990)		(3,773)
NET CURRENT ASSETS			190,888	228,977
TOTAL ASSETS LESS CURRENT LIABILITIES			699,598	737,687
NET ASSETS			699,598	737,687
FUNDS				
Restricted income funds	10		389,050	465,337
Unrestricted income funds	11		310,548	272,350
TOTAL FUNDS			699,598	737,687

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the 3 July 2007 and are signed on their behalf by:

DR VINOD KAPASHI

MR NAVINCHANDRA KESHAVLAL SHAH

MAHAVIR FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985.

Cash flow statement

The executive committee have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Donations

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

The voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities and recognised in the year they are pledged.

Donated services are included at the value to the charity where this can be quantified.

The value of the services provided by the volunteers has not been included in the accounts as no monetary value can be assigned.

Subscriptions for life membership

Life membership subscriptions are accounted for on a cash receipt basis.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the executive committee in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the executive committee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements if there are any.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

MAHAVIR FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES *(continued)*

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure included any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Fixed assets

All fixed assets are initially recorded at cost.

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Donations				
General Fund Collection	14,347	–	14,347	51
Paryushan Celebrations	22,204	–	22,204	14,680
General Donations	5,622	–	5,622	5,095
Derasar receipts	–	676	676	–
Income Tax Recoverable	10,781	–	10,781	9,406
Subscriptions	191	–	191	589
Other income				
Audit Service Donated	2,000	–	2,000	2,000
	<u>55,145</u>	<u>676</u>	<u>55,821</u>	<u>31,821</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Bank interest receivable	735	8,726	9,461	9,043
	<u>735</u>	<u>8,726</u>	<u>9,461</u>	<u>9,043</u>

MAHAVIR FOUNDATION LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

4. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Salaries and wages	8,215	–	8,215	7,847
Premises costs	5,498	–	5,498	5,921
Audit fees	2,000	–	2,000	2,000
Legal fees	–	85,689	85,689	18,699
General Expenses	1,448	–	1,448	1,741
Public Liability Insurance	521	–	521	1,060
Tsunami Donation made	–	–	–	1,001
	<u>17,682</u>	<u>85,689</u>	<u>103,371</u>	<u>38,269</u>

5. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2006 £	2005 £
Auditors' fees	<u>2,000</u>	<u>2,000</u>

The auditors provide an honorary service to the Foundation and service is estimated to be worth £2,000

6. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2006 £	2005 £
Wages and salaries	8,215	7,847
Social security costs	–	–
	<u>8,215</u>	<u>7,847</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2006 No	2005 No
Number of part time Caretakers	<u>1</u>	<u>1</u>

No employee received emoluments of more than £60,000 during the year (2005 - Nil).

MAHAVIR FOUNDATION LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

7. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Total £
COST			
At 1 January 2006 and 31 December 2006	<u>508,710</u>	<u>4,192</u>	<u>512,902</u>
DEPRECIATION			
At 1 January 2006 and 31 December 2006	—	<u>(4,192)</u>	<u>(4,192)</u>
NET BOOK VALUE			
At 31 December 2006	<u>508,710</u>	—	<u>508,710</u>
At 31 December 2005	<u>508,710</u>	—	<u>508,710</u>

8. DEBTORS

	2006 £	2005 £
Other debtors	10,664	9,680
Prepayments	<u>1,223</u>	<u>1,509</u>
	<u>11,887</u>	<u>11,189</u>

9. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Accruals	<u>73,990</u>	<u>3,773</u>

£72,761 of the 2006 accruals figure represents legal costs relating to the Derasar project.

10. RESTRICTED INCOME FUNDS

	Balance at 1 Jan 2006 £	Incoming resources £	Outgoing resources £	Balance at 31 Dec 2006 £
Derasar Fund	465,298	9,402	(85,689)	389,011
Gujarat Earthquake Fund	<u>39</u>	—	—	<u>39</u>
	<u>465,337</u>	<u>9,402</u>	<u>(85,689)</u>	<u>389,050</u>

Derasar Fund: This comprises donations raised for specific religious purposes of constructing a Jain Temple

Gujarat Earthquake Relief Fund: This comprises donations received for the specific purpose of providing assistance to the victims of the Gujarat Earthquake in 2001

MAHAVIR FOUNDATION LTD**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2006****11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets	Net current assets	Total
	£	£	£
Restricted Income Funds:			
Derasar Fund	288,590	100,421	389,011
Gujarat Earthquake Fund	–	39	39
	<u>288,590</u>	<u>100,460</u>	<u>389,050</u>
Unrestricted Income Funds	220,120	90,428	310,548
Total Funds	<u>508,710</u>	<u>190,888</u>	<u>699,598</u>

12. CONTINGENCIES

During the period the Foundation lost its appeal in respect of the removal of the restrictive covenants in relation to Timber's Clinic. As a result the Foundation are required to pay the legal costs of the objectors. The claim is in the region of £26,000, however, the Foundation's solicitors are currently challenging the quantum of these costs.

On 5 October 2003 the Foundation entered into a contract with Rajesh Sompura for his services as an architect and selecting and preparing the material for the proposed Derasar. Mr Sompura had bought some raw material and started carving work on the marble in India. When the objection to building the Derasar gained momentum he was asked to stop work. Mr Sompura is seeking payment for a maximum amount of £25,000 for the work done. The executive committee have strongly refuted this claim and are currently negotiating a settlement with Mr Sompura.

Prudent provisions have been made in the accounts in respect of the above items.

13. RELATED PARTY TRANSACTIONS

The company has entered into a lease agreement with Dr V Kapashi in respect of the property at 557 Kenton Road, Kenton, Harrow, Middlesex. The annual rent payable is £10. The rent of £10 for the current year was paid and this amount was donated back to the Foundation.

MAHAVIR FOUNDATION LTD
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2006

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 7 to 8.

MAHAVIR FOUNDATION LTD**DETAILED STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	£	£
INCOMING RESOURCES		
VOLUNTARY INCOME		
General Fund Collection	14,347	51
Paryushan Celebrations	22,204	14,680
General Donations	5,622	5,095
Derasar Receipts	676	–
Income Tax Recoverable	10,781	9,406
Life Memberships	101	404
Annual Memberships	90	185
Audit Service Donated	2,000	2,000
	<u>55,821</u>	<u>31,821</u>
INVESTMENT INCOME		
Bank interest receivable	735	615
Bank interest receivable on Restricted Funds	8,726	8,428
	<u>9,461</u>	<u>9,043</u>
TOTAL INCOMING RESOURCES	<u>65,282</u>	<u>40,864</u>
RESOURCES EXPENDED		
GOVERNANCE COSTS		
Salaries and wages	8,215	7,847
Premises costs	5,498	5,921
Audit fees	2,000	2,000
Legal fees	85,689	18,699
General expenses	1,448	1,741
Public liability insurance	521	1,060
Tsunami donation made	–	1,001
	<u>103,371</u>	<u>38,269</u>
TOTAL RESOURCES EXPENDED	<u>103,371</u>	<u>38,269</u>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR	<u>(38,089)</u>	<u>2,595</u>

MAHAVIR FOUNDATION LTD

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2006

2006
£

2005
£