

**MAHAVIR FOUNDATION LTD**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2007**

**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 2007

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**MAHAVIR FOUNDATION LTD****MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS** *(continued)*

<b>Registered charity name</b>	Mahavir Foundation Ltd
<b>Charity number</b>	296175
<b>Company registration number</b>	02132728
<b>Registered office</b>	11 Lindsey Drive Kenton Harrow Middlesex HA3 0TA
<b>The Trustee board</b>	Mr Nemish H Mehta (Chairman) Dr Vinod Kapashi Mrs Nisha M Mehta
<b>Secretary</b>	Mr Chandrakant N Shah
<b>The executive committee</b>	Dr Vinod Kapashi (President) Mr Surendra D Mehta (Vice President) Mr Chandrakant N Shah MBE (Secretary) Mr Navin K Shah (Treasurer up to 1 January 2008)) Mr Kirit Kothary (Treasurer from 1 January 2008) Mr Chandrakant Thakershi Doshi Mrs Daxa Doshi Mr Kishore Mehta Mr Pramod Mehta (appointed 4 August 2007) Mr Anit Shah Mr Mukesh Kapashi Mr Shantilal Somchand Shah Mr Aswin Laxmichand Vora Mrs Jayshree Vora (appointed 4 August 2007)
<b>Auditor</b>	Malde & Co Chartered Certified Accountants & Registered Auditors 99 Kenton Road Kenton Harrow Middlesex HA3 0AN
<b>Bankers</b>	CafCash Ltd Kings Hill West Mailling Kent ME19 4TA  National Westminster Bank plc PO BOX 6037 186 Brompton Road London SW3 1XJ

# **MAHAVIR FOUNDATION LTD**

## **EXECUTIVE COMMITTEE'S ANNUAL REPORT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2007**

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2007.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 3 of the financial statements.

### **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.

#### **ORGANISATIONAL STRUCTURE**

The Foundation currently has a board of three trustees. These are listed on page 1. The previous Chairman of the Board of Trustees, Mr Pravinbhai Shah stepped down as trustee as from the AGM on 4 August 2007. Mr Nemish Mehta took over the chairmanship of the trustee board from date.

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 4 August 2007.

The names of the current members of the Executive Committee are listed on page 1. The previous committee's term ended at the AGM on 4 August 2007. A new committee which is listed on page 1 was elected for a two-year term from that date. The membership of the new committee is same as the previous one except Mr Mahendra Kothary and Mrs Rashmi Desai from the previous committee did not seek re-election and Mr Pramod Mehta and Mrs Jayshree Vora were elected as the new members of the committee. The Executive Committee acknowledges Mr Kothary and Mrs Desai's contribution to the Foundation during their term.

Mrs Nayan Shah, Mr Praful Vora and Mr Ashwin Shah were co-opted to the committee.

The members of the executive committee listed on page 1 are the directors of the company. Mrs Rashmi Desai and Mr Mahendra Kothary were deemed to have resigned their directorships when they stood down from the executive committee. Mr Pramod Metha and Mrs Jayshree Vora were deemed to be appointed as directors of the company on 4 August 2007.

#### **RELATIONS WITH OTHER CHARITIES**

The Foundation is an affiliated member of The National Council of Vanik Associations (UK).

#### **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 objectives of the company are the advancement of Jain religion and Jain education in the United Kingdom and throughout the world.

## MAHAVIR FOUNDATION LTD

### EXECUTIVE COMMITTEE'S ANNUAL REPORT *(continued)*

#### YEAR ENDED 31 DECEMBER 2007

##### ACTIVITIES:

The Foundation undertook the following activities during the year and after the year-end:

- 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. It was sponsored by a MF Trustee (Mrs Nishaben Mehta) to celebrate the occasion of successful Updhan by her. There were 108 poojans and the programme was well attended.
- On 4 August 2007, Annual General Meeting of MF was held at the Kenton Methodist Church, Kenton. There was an election and 18 Committee members were elected. This included 3 co-opt members.
- 8 to 15 September 2007, Paryushan was celebrated at the Kingsbury High School.
- On 29 September 2007, an Emergency meeting of the Committee members was held at the Kenton Derasar to discuss matters relating to the Timbers site.
- On 7 October 2007, Rishabhdeva Bhagvan's Musical Pooja was held at the Kingsbury High School. Swamivatsalya at this programme was from the family of Prabhudas Rajpal Kothary.
- On 10 November 2007, a special talk was given on the importance of Diwali and New Year day. This was very enthusiastically received by the members.
- On 26 April 2008, a joint Mahavir Janma Kalyanak function was held at Harrow Leisure Centre. The programme was organised by all Jain organisations in London and MF played a vital part in bringing it together and also providing help at the time of the event, which was attended by about 1200 people.
- On 27 April 2008, Prmodaben Chitrabhanu's lecture was held at the Kenton Derasar.
- On 24 May 2008, Pujya Dharmanandji from JVB India gave a lecture at the Kenton Derasar.

Samuh Chityavandans were done at the Derasar on many occasions.

Also, Mahavir Foundation now performs Snatra Pooja (a worship ritual) on first Sunday of every month. This is being done in Kenton Road Derasar at 11 am.

#### 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 of religious books and DVD's at the centre. Jalpeshbhai looks after the centre.

# MAHAVIR FOUNDATION LTD

## EXECUTIVE COMMITTEE'S ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2007

#### 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 not just and may have been against the Law and recommended that the Foundation should appeal against the decision of the Lands 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 your Committee decided to make representation in the open court and seek the permission to appeal.

The Hearing seeking permission to appeal took place on 30th July 2007. The court refused permission to appeal on the basis that they in essence considered the decision of the Land Tribunal to be correct.

Following this disappointment, your committee decided to put the site for sale. Hitherto, we have received a number of offers, but none have materialised.

#### FINANCIAL REVIEW

##### FINANCE AND ACCOUNTS

The Income and Expenditure Account and Balance Sheet of the Charity for the year ended 31 December 2007 are attached. The Main sources of income are:

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

##### 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 5.

##### 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 trustees 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.

# MAHAVIR FOUNDATION LTD

## EXECUTIVE COMMITTEE'S ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2007

#### PLANS FOR FUTURE PERIODS

##### FUTURE STRATEGY

After the disappointing judgement by Justice Mummery refusing Mahavir Foundation the permission to appeal against the outcome from the Land Tribunal's decision, the Foundation lodged an appeal against Justice Mummery's decision in the open court. Unfortunately, the Court upheld Justice Mummery's judgement and refused permission to appeal. This is explained in detail under 'Derasar Project' of this report. Following this disappointment, the Foundation has no alternative but to sell the Harrow Weald site. The property has therefore been put for sale and two Estate Agents are widely advertising the property. The recent downturn in financial and property market may affect the sale-value and it may take longer time to sell the property.

The future strategy can be worked out once the property at Harrow Weald is sold. However, the Kenton Road Derasar remains quite popular and the Foundation is considering expansion of the present site.

##### RESPONSIBILITIES OF THE TRUSTEES

The trustees 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 trustees to prepare financial statements for each financial year. Under that law the trustees 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 trustees 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 trustees 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 trustees 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 trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees 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.

**MAHAVIR FOUNDATION LTD**

**EXECUTIVE COMMITTEE'S ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2007**

**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  
Middlesex  
HA3 0TA

Signed by order of the trustees

MR CHANDRAKANT N SHAH  
Charity Secretary

..... August 2008

# **MAHAVIR FOUNDATION LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHAVIR FOUNDATION LTD**

**YEAR ENDED 31 DECEMBER 2007**

We have audited the financial statements of Mahavir Foundation Ltd for the year ended 31 December 2007 on pages 11 to 17, which have been prepared under the historical cost convention and the accounting policies set out on pages 13 to 14.

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 TRUSTEES AND AUDITORS**

The responsibilities of the trustees 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 Trustees on page 7.

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 trustees 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 trustees 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.

### **OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom

## MAHAVIR FOUNDATION LTD

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

#### YEAR ENDED 31 DECEMBER 2007

Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2007 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

MALDE & CO  
Chartered Certified Accountants  
& Registered Auditors

..... August 2008

**MAHAVIR FOUNDATION LTD****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 DECEMBER 2007**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds:					
Voluntary income	2	67,241	–	67,241	55,821
Investment income	3	1,556	10,697	12,253	9,461
<b>TOTAL INCOMING RESOURCES</b>		<u>68,797</u>	<u>10,697</u>	<u>79,494</u>	<u>65,282</u>
<b>RESOURCES EXPENDED</b>					
Governance costs	4	(18,979)	(8,577)	(27,556)	(103,371)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(18,979)</u>	<u>(8,577)</u>	<u>(27,556)</u>	<u>(103,371)</u>
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR/NET INCOME/(EXPENDITURE) FOR THE YEAR</b>					
	5	49,818	2,120	51,938	(38,089)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>310,548</u>	<u>389,050</u>	<u>699,598</u>	<u>737,686</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>360,366</u>	<u>391,170</u>	<u>751,536</u>	<u>699,597</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 2007**

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	7	508,710	508,710
<b>CURRENT ASSETS</b>			
Debtors	8	10,724	11,887
Cash at bank		236,424	252,991
		<u>247,148</u>	<u>264,878</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(4,322)</u>	<u>(73,990)</u>
<b>NET CURRENT ASSETS</b>		<b>242,826</b>	190,888
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>751,536</b>	699,598
<b>NET ASSETS</b>		<b>751,536</b>	699,598
<b>FUNDS</b>			
Restricted income funds	10	391,170	389,050
Unrestricted income funds	11	360,366	310,548
<b>TOTAL FUNDS</b>		<b>751,536</b>	699,598

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 ..... August 2008 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 2007

#### 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 trustees 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 policy**

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 trustees 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 trustees 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 2007

#### 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 £	Total Funds 2007 £	Total Funds 2006 £
<b>Donations</b>			
General Fund Collection	22,360	22,360	14,347
Paryushan Celebrations	26,844	26,844	22,204
General Donations	6,771	6,771	5,622
Derasar receipts	–	–	676
Income Tax Recoverable	8,600	8,600	10,781
Subscriptions	666	666	191
<b>Other income</b>			
Audit Service Donated	2,000	2,000	2,000
	<u>67,241</u>	<u>67,241</u>	<u>55,821</u>

#### 3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Bank interest receivable	<u>1,556</u>	<u>10,697</u>	<u>12,253</u>	<u>9,461</u>

**MAHAVIR FOUNDATION LTD****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2007****4. GOVERNANCE COSTS**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Salaries and wages	8,297	–	8,297	8,215
Premises costs	4,237	–	4,237	5,498
Audit fees	2,000	–	2,000	2,000
Legal fees	–	8,577	8,577	85,689
General Expenses	2,858	–	2,858	1,448
Public Liability Insurance	1,587	–	1,587	521
	<u>18,979</u>	<u>8,577</u>	<u>27,556</u>	<u>103,371</u>

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

This is stated after charging:

	2007 £	2006 £
Auditors' fees	<u>2,000</u>	<u>2,000</u>

**6. STAFF COSTS AND EMOLUMENTS**

**Total staff costs were as follows:**

	2007 £	2006 £
Wages and salaries	8,297	8,215
Social security costs	–	–
	<u>8,297</u>	<u>8,215</u>

**Particulars of employees:**

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

	2007 No	2006 No
Number of part time Caretakers	<u>1</u>	<u>1</u>

No employee received emoluments of more than £60,000 during the year (2006 - Nil).

**MAHAVIR FOUNDATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Equipment £	Total £
<b>COST</b>			
At 1 January 2007 and 31 December 2007	<u>508,710</u>	<u>4,193</u>	<u>512,903</u>
<b>DEPRECIATION</b>			
At 1 January 2007 and 31 December 2007	<u>–</u>	<u>4,193</u>	<u>4,193</u>
<b>NET BOOK VALUE</b>			
At 31 December 2007	<u>508,710</u>	<u>–</u>	<u>508,710</u>
At 31 December 2006	<u>508,710</u>	<u>–</u>	<u>508,710</u>

**8. DEBTORS**

	2007 £	2006 £
Income tax recoverable	<b>8,600</b>	–
Other debtors	<b>933</b>	10,664
Prepayments	<b>1,191</b>	1,223
	<u><b>10,724</b></u>	<u>11,887</u>

**9. CREDITORS: Amounts falling due within one year**

	2007 £	2006 £
Other creditors	<b>1,069</b>	–
Accruals	<b>3,253</b>	73,990
	<u><b>4,322</b></u>	<u>73,990</u>

**10. RESTRICTED INCOME FUNDS**

	Balance at 1 Jan 2007 £	Incoming resources £	Outgoing resources £	Balance at 31 Dec 2007 £
Derasar Fund	<b>389,011</b>	<b>10,697</b>	<b>(8,577)</b>	<b>391,131</b>
Gujarat Earthquake Fund	<b>39</b>	–	–	<b>39</b>
	<u><b>389,050</b></u>	<u><b>10,697</b></u>	<u><b>(8,577)</b></u>	<u><b>391,170</b></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 less the donations already made for that purpose.

**MAHAVIR FOUNDATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**11. UNRESTRICTED INCOME FUNDS**

	Balance at 1 Jan 2007 £	Incoming resources £	Outgoing resources £	Balance at 31 Dec 2007 £
General Funds	<u>310,548</u>	<u>68,797</u>	<u>(18,979)</u>	<u>360,366</u>

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net current assets £	Total £
<b>Restricted Income Funds:</b>			
Derasar Fund	288,590	102,541	391,131
Gujarat Earthquake Fund	–	39	39
	<u>288,590</u>	<u>102,580</u>	<u>391,170</u>
<b>Unrestricted Income Funds</b>	<u>220,120</u>	<u>140,246</u>	<u>360,366</u>
<b>Total Funds</b>	<u>508,710</u>	<u>242,826</u>	<u>751,536</u>

**13. CONTINGENCIES**

The Foundation has received specific donations for the building of a Derasar at the Harrow Weald site. However, as explained in detail in the trustee's report this project is no longer possible. At a meeting of the donors and the executive committee on 21 June 2008, the donors gave a unanimous undertaking that their donation can be applied to a future Derasar project. In the opinion of the Executive Committee such an undertaking is given in good faith, and thus is not legally binding, since specific written approval from all the donors stating that their donation can be retained by the Foundation to be applied to a future Derasar project, has not been obtained. Consequently, at the balance sheet date there is a contingent liability to repay donations not exceeding £210,000 to the donors.

**14. 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 2007**

**The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 9 to 10.**

**MAHAVIR FOUNDATION LTD****DETAILED STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED 31 DECEMBER 2007**

	2007 £	2006 £
<b>INCOMING RESOURCES</b>		
<b>VOLUNTARY INCOME</b>		
General Fund Collection	22,360	14,347
Paryushan Celebrations	26,844	22,204
General Donations	6,771	5,622
Derasar receipts	–	676
Income Tax Recoverable	8,600	10,781
Life Memberships	606	101
Annual Memberships	60	90
Audit Service Donated	2,000	2,000
	<u>67,241</u>	<u>55,821</u>
<b>INVESTMENT INCOME</b>		
Bank interest receivable	1,556	735
Bank interest receivable on Restricted Funds	10,697	8,726
	<u>12,253</u>	<u>9,461</u>
<b>TOTAL INCOMING RESOURCES</b>	<u>79,494</u>	<u>65,282</u>
<b>RESOURCES EXPENDED</b>		
<b>GOVERNANCE COSTS</b>		
Salaries and wages	8,297	8,215
Premises costs	4,237	5,498
Audit fees	2,000	2,000
Legal fees	8,577	85,689
General Expenses	2,858	1,448
Public Liability Insurance	1,587	521
	<u>27,556</u>	<u>103,371</u>
<b>TOTAL RESOURCES EXPENDED</b>	<u>27,556</u>	<u>103,371</u>
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR</b>	<u>51,938</u>	<u>(38,089)</u>