

CHARITY NO: 1061589

M Z & K Z SHAH FOUNDATION
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
for the
YEAR ENDED 31ST DECEMBER 2020

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

GOVERNING DOCUMENT	Deed of Trust
CHARITY NUMBER	1061589
TRUSTEES	Mr Mukesh Shah MBE (Chairman) Mr Kiran Shah Mr Anup Shah
PRINCIPAL OFFICE	TORWOOD 8 Beech Hill Avenue Hadley Wood Barnet Herts EN4 0LW
INDEPENDENT EXAMINER	Rajan Shah Raj Shah & Co Chartered Accountants 46 Heddon Court Avenue Cockfosters Barnet Herts EN4 9NG
BANKERS	Barclays Bank plc 5/6 High Street Hitchin Herts SG5 1BJ Santander UK plc Bootle Merseyside L30 4GB

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

The trustees present their annual report and financial statements for the year ended 31st December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16th July 2014.

STRUCTURE, GOVERNANCE & MANAGEMENT

M Z & K Z Shah Foundation is constituted by Deed of Trust and is a registered charity number 1061589. The Deed of Trust was amended by a Deed of variation dated 10th March 1997 and 16th May 2016.

New trustees are appointed by a resolution of the trustees passed at a special meeting of the trustees. The trustees can serve for an indefinite period as long as a minimum of three trustees remain in office at any time.

The administration of the Charity is carried out from the home of Mr Mukesh Shah, one of the trustees, at no charge.

The trustees annually review the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation especially in connection with maintaining free reserves. The trustees are satisfied that adequate procedures are in place to mitigate any risks in the event of any adverse conditions.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Foundation has five principal objects, namely:

1. The provision of relief to the poor, the handicapped, the disabled, the sick and the aged;
2. The advancement of education;
3. The advancement of the Jain Religion;
4. The provision of land and buildings including educational and recreational facilities for public use.
5. To provide relief for victims of disaster.

The areas of benefit are any part of the world.

The trust deed gives the trustees the power to apply the funds in such a manner as they think fit to or for the benefit of any of the charitable objects listed above. The trustees currently have a policy of supporting activities targeted towards the provision of relief to the poor, the handicapped, the disabled, the sick and the aged as well as the advancement of education and more recently to the provision of relief to victims of disaster.

ACHIEVEMENTS AND PERFORMANCE

The Foundations drive towards funding the Nepal Earthquake disaster has continued during the year. A total sum of £14,200 was directed towards school rebuilding and community school strengthening projects.

A further contribution of £26,400 was made to the Shree M P Shah Municipal Vrudhashram, Jamnagar, India towards old peoples home development project.

A contribution of £10,000 was made through the Help Change Lives Charity towards the provision of reusable sanitary pads in the Kakamega village region in Kenya.

TRUSTEES' ANNUAL REPORT FOR THE SIXTEEN MONTH PERIOD ENDED 31ST DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE - continued

The drive towards the provision of education facilities for the poor and needy was enhanced by making a further contribution of £21,500 to the Oshwal Education Trust based in Jamnagar, India.

A contribution of £45,600 was made to the Ratna Nidhi Charitable Trust, India to fund a free medical camp project held in the Chandrapur region of India.

Two further donations totalling £23,000 were also made to the Ratna Nidhi Charitable Trust, India towards the Covid food relief programme in Mumbai.

The Trustees have been working closely with Nitu Shah who has been very active with the borehole drilling projects for the provision of clean drinking water in the remoter regions of Kenya. A payment of £35,000 was made to Pass Africa Limited to fund the drilling and equipping of boreholes in the Makueni region of Kenya.

The Foundation has continued its involvement in a major project involving the collection of unused and unwanted educational books and their eventual transportation to India for distribution to schools in the remoter and poorer regions.

PLANS FOR THE FUTURE

The Trustees are committed to the support of all of the projects noted above and other worthwhile causes with help of their family and supporters in Kenya, India and other parts of the world.

The Trustees efforts since its inception have been directed more towards the relief of victims of disaster, the provision of education facilities for the needy and poor as well as providing for the old, sick and disabled. The trustees consider that their own religious ethos enables them to provide an essential and valued public benefit to people in need regardless of their religion or belief.

There are several Institutions in the UK, who with their worldwide affiliations are more suited to enhancing the promotion of Jainism. The Trustees have carefully considered this aspect of its objects clause and feel that their focus towards helping the poor, needy and sick derives greater public benefit. Accordingly the Foundation will be writing to the Charity Commission to have this objects clause removed.

FINANCIAL REVIEW & RESERVES POLICY

Unspent income reserves at the balance sheet date amounted to £210,906 (31st December 2019: £177,055).

The trustees are well aware of the need to maintain reserves at a reasonable level and feel that this will be achieved from the surplus arising from the rental income being generated from the charity's investment asset and from sizeable donations which will be made by two of the trustees whenever required to enable the Charity to meet its stated objectives.

The trustees are confident that the Charity will continue to receive adequate funding albeit from the surplus investment income arising from its investment asset as well as the continued funding from the trustees to enable it to carry on with its stated objectives for the foreseeable future.

Signed on behalf of the Board of Trustees

Mukesh Shah (Chairman)

Date: 27th December 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF M Z & K Z SHAH FOUNDATION

I report on the financial statements of M Z & K Z Shah Foundation for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charity's Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters that I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity, for my work, for this report or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of financial statements in accordance with the requirements of the Charities Act 2011 ("The Act")

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination, I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- a) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- b) the financial statements do not accord with those records; or
- c) the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Raj Shah & Co, Barnet, Herts EN4 9NG
Date: 27th December 2021

Rajan Shah
Chartered Accountant

STATEMENT OF FINANCIAL ACTIVITIES
(including) INCOME AND EXPENDITURE ACCOUNT

	Notes	Year ended 31st December 2020			Year ended 31st Dec 2019
		£ Expendable Endowment Funds	£ Unrestricted Funds	£ Total Funds	£ Total Funds
INCOMING RESOURCES	1c				
Voluntary income					
Donations including those on gift aid		-	175,852	175,852	133,621
Income tax recovered on gift aid donations		-	31,423	31,423	-
Investment income					
Rental income - excluding VAT		15,000	-	15,000	15,000
Interest		19	223	242	405
TOTAL INCOMING RESOURCES		15,019	207,498	222,517	149,026
RESOURCES EXPENDED	1d				
Charitable expenditure - contribution towards:					
Nepal Earthquake - School rebuilding projects		-	14,200	14,200	79,385
Ratna Nidhi Charitable Trust India - Covid food relief - Mumbai		-	23,000	23,000	-
Ratna Nidhi Charitable Trust India - Medical camp - Chandrapur		-	45,600	45,600	-
Oshwal Education Trust, Jamnagar, India		-	21,500	21,500	21,750
Old peoples home building project - Jamnagar		-	26,400	26,400	28,650
Sanitary pads appeal - Kenya		-	10,000	10,000	-
Borehole drilling projects - Makueni - Kenya		-	35,000	35,000	-
Rehabilitation of disabled children - Kenya		-	-	-	4,200
Local education support - Shishukunj UK		-	-	-	5,745
Other minor causes		-	-	-	2,285
Governance costs	1e & 7	292	82	374	903
TOTAL RESOURCES EXPENDED		292	175,782	176,074	142,918
NET INCOMING RESOURCES		14,727	31,716	46,443	6,108
OTHER RECOGNISED GAINS AND LOSSES					
Gain on investment unrealised		10,000	-	10,000	-
NET MOVEMENT IN FUNDS		24,727	31,716	56,443	6,108
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		136,658	177,055	313,713	307,605
Transfers between funds		(2,135)	2,135	-	-
TOTAL FUNDS CARRIED FORWARD		159,250	210,906	370,156	313,713

BALANCE SHEET AS AT 31ST DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Investment property	1f & 3	160,000	150,000
CURRENTS ASSETS			
Sundry debtor		-	640
Cash at bank		210,906	176,415
		210,906	177,055
CREDITORS - Amounts falling due within one year			
Bank loan	3	-	(6,825)
Accruals		(750)	(750)
		(750)	(7,575)
NET CURRENT ASSETS		210,156	169,480
TOTAL ASSETS LESS CURRENT LIABILITIES		370,156	319,480
CREDITORS - Amounts falling after more than one year			
Bank loan	3	-	(5,767)
NET ASSETS	5	370,156	313,713
Represented by:			
FUNDS OF THE CHARITY			
Expendable endowment funds	1b & 5a	159,250	136,658
Unrestricted income funds	1b & 5a	210,906	177,055
TOTAL FUNDS		370,156	313,713

Approved by the Board of trustees on 27th December 2021 and signed on its behalf by:

Mukesh Shah (Chairman)

NOTES TO THE ACCOUNTS**FOR THE YEAR ENDED 31ST DECEMBER 2020****1 ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements are as follows:

a Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention with the exception of investment property which is included at market valuation. The financial statements have been prepared in accordance with Statement of Recommended Practice - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued in October 2019) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The trustees consider that there are no material uncertainties about the charitable Trust's ability to continue as a going concern.

b Fund accounting

Unrestricted funds are available to spend on activities that further any of the activities of the charitable Trust

The expendable endowment was created when the trust acquired the investment property. All of the excess of the realised income over expenditure on the endowment is always transferred to unrestricted funds.

c Income

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty.

Tax recovered on gift aid donations is recognised when a claim is made and received.

Investment income and interest are generally recognised when received.

d Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

All expenditure is accounted for on an accruals basis.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

e Governance costs

Governance costs comprise all costs involving the public accountability of the charity and compliance with regulation and good practice. These include costs related to independent examination and legal fees together with an apportionment of overhead and support costs.

f Investment property

Investment property is accounted for as follows -

Investment property is initially recognised at cost which includes purchase cost and any directly attributed expenditure.

Investment properties whose fair value can be measured reliably are measured at fair value.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on the investment are calculated as the difference between sales proceeds and its opening carrying value or its purchase price if acquired subsequent to the first day of the financial period.

2 TRUSTEES AND EMPLOYEES

2020 Number	2019 Number
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These comprise:

Trustees	3	3
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The three trustees are all involved in the management and administration of the charitable company. No salaries or expenses were paid during the year (2019: £Nil)

3 INVESTMENT PROPERTY

2020 £	2019 £
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Market value brought forward	150,000	150,000
Net Surplus on revaluation	10,000	-
Market value carried forward	<u>160,000</u>	<u>150,000</u>
Historical cost at balance sheet date	<u>104,084</u>	<u>104,084</u>

In the opinion of the trustees the market value of the investment property at the balance sheet date was at £160k.

4 CREDITORS - BANK LOAN

The bank loan which was secured on the investment property was redeemed in the current year. The repayment was made by the two trustees Mukesh and Kiran Shah. This repayment has been treated as a gift aid donation to the Trust.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

5 ANALYSIS OF NET ASSETS	2020 £	2020 £	2019 £	2019 £
a) The net assets comprise the following funds:	EXPENDABLE ENDOWMENT	UNRESTRICTED FUNDS	EXPENDABLE ENDOWMENT	UNRESTRICTED FUNDS
Fixed asset investment	160,000	-	150,000	-
Bank loan	-	-	(12,592)	-
Accruals	(750)	-	(750)	-
Sundry debtor	-	-	-	640
Cash at bank	-	210,906	-	176,415
	<u>159,250</u>	<u>210,906</u>	<u>136,658</u>	<u>177,055</u>

b) Unrealised gains included in net assets amount to £55,916 (2019: £45,916). These relate to the fixed asset investment property only (see note 5c below).

c) Reconciliation of movements in unrealised gains on fixed asset investments	2020 £	2019 £
Unrealised gains as at 1st January 2020	45,916	45,916
Net gain on revaluation at the year end	10,000	-
Unrealised gains as at 31st December 2020	<u>55,916</u>	<u>45,916</u>

6 TRANSACTIONS WITH TRUSTEES AND RELATED PERSONS

The investment property is let at a market rent of £15k per annum to Motor Parts Direct Limited, a trading company in which two Trustees (Messrs Mukesh and Kiran Shah) have shareholdings and are also its directors.

7 EXPENDITURE	2020 £	2019 £
Governance costs comprise:		
Bank loan interest	145	785
Loan redemption charges	145	-
Bank charges	84	118
	<u>374</u>	<u>903</u>