

**CHARITY NO: 1061589**

**M Z & K Z SHAH FOUNDATION**  
**TRUSTEES' ANNUAL REPORT AND ACCOUNTS**  
**for the**  
**YEAR ENDED 31ST DECEMBER 2021**

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2021**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

<b>GOVERNING DOCUMENT</b>	Deed of Trust
<b>CHARITY NUMBER</b>	1061589
<b>TRUSTEES</b>	Mr Mukesh Shah MBE (Chairman)  Mr Kiran Shah  Mr Anup Shah
<b>PRINCIPAL OFFICE</b>	TORWOOD 8 Beech Hill Avenue Hadley Wood Barnet Herts EN4 0LW
<b>INDEPENDENT EXAMINER</b>	Rajan Shah Raj Shah & Co Chartered Accountants 46 Heddon Court Avenue Cockfosters Barnet Herts EN4 9NG
<b>BANKERS</b>	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 2021**

The trustees present their annual report and financial statements for the year ended 31st December 2021. 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**

This has year has by far been the best for the Foundation achieving donations and gift aid income tax relief totalling just over £395k.

Charitable contributions totalled in excess of £366k. Large donations were made towards the following causes.

- a** A contribution of £135,762 to the Highland Primary School refurbishment project in the town of Kericho, Kenya.
- b** A further contribution of £15k towards the repainting of two village primary schools in Kenya.

**TRUSTEES' ANNUAL REPORT FOR THE SIXTEEN MONTH PERIOD ENDED 31ST DECEMBER 2021****ACHIEVEMENTS AND PERFORMANCE** - continued

- c** A contribution of £6,688 towards the provision of 4 educational libraries in Kenya.
- d** Payments to two hospitals in USA totalling £43,671 for specialist medical care of a child. The treatment involved Orthopaedic Surgery and Selective Dorsal Rhizotomy.
- e** Payments totalling £60,229 for the supply of 180 oxygen machines to India and 50 machines to Kenya as part of Covid-19 relief programme.
- f** A contribution of £44,535 to the Lions Club of Nairobi towards the Covid 19 food relief appeal.
- g** Payment of £6k to a UK charity, Salve International, Street Outreach Programme helps us build strong trusting relationships with the children living on the streets in Uganda. A further contribution of £250 was made to a fundraising programme "Hands of Hope" for in support of Ugandan girls and women affected by crises in their own lives.
- h** Continued provision of education facilities for the poor and needy was enhanced by making a further contribution of £20k to the Oshwal Education Trust based in Jamnagar, India.
- i** Further contributions totalling £13.5k to UK charities in support of the provision of educational support and facilities in the remoter villages in India.
- j** Payments totalling £12,175 to the Arambha Foundation, Nepal towards a community school strengthening project and Covid - 19 relief support.
- k** Further contributions totalling £5k towards borehole drilling projects for the provision of clean drinking water in the remoter regions of Kenya
- l** A small contribution of £2k towards UK University accommodation for a student requiring financial support.
- m** A contribution of £1k to a UK charity working on community health projects in the remoter villages in India.
- n** Various small donations totalling £600 in support of local UK projects.

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.

**TRUSTEES' ANNUAL REPORT FOR THE SIXTEEN MONTH PERIOD ENDED 31ST DECEMBER 2021**

**FINANCIAL REVIEW & RESERVES POLICY**

Unspent income reserves at the balance sheet date amounted to £254,614 (31st December 2020: £210,906).

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: 30th October 2022

**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 2021 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**

Since the gross income of the charity exceeds £250,000, your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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: 30th October 2022

Rajan Shah  
Chartered Accountant

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including) INCOME AND EXPENDITURE ACCOUNT**

		Year ended 31st December 2021			Year ended 31st Dec 2020
	Notes	£ Expendable Endowment Funds	£ Unrestricted Funds	£ Total Funds	£ Total Funds
<b>INCOMING RESOURCES</b>	<b>1c</b>				
<b>Voluntary income</b>					
Donations including those on gift aid		-	349,993	349,993	175,852
Income tax recovered on gift aid donations		-	45,399	45,399	31,423
<b>Investment income</b>					
Rental income - excluding VAT		15,000	-	15,000	15,000
Interest		-	20	20	242
<b>TOTAL INCOMING RESOURCES</b>		15,000	395,412	410,412	222,517
<b>RESOURCES EXPENDED</b>	<b>1d</b>				
<b>Charitable expenditure</b>		-	366,410	366,410	175,700
<b>Governance costs</b>	<b>1e &amp; 6</b>		294	294	374
<b>TOTAL RESOURCES EXPENDED</b>		-	366,704	366,704	176,074
<b>NET INCOMING RESOURCES</b>		15,000	28,708	43,708	46,443
<b>OTHER RECOGNISED GAINS AND LOSSES</b>					
Gain on investment unrealised		-	-	-	10,000
<b>NET MOVEMENT IN FUNDS</b>		15,000	28,708	43,708	56,443
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		159,250	210,906	370,156	313,713
Transfers between funds		(15,000)	15,000	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		159,250	254,614	413,864	370,156

## BALANCE SHEET AS AT 31ST DECEMBER 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investment property	1f & 3	<u>160,000</u>	<u>160,000</u>
<b>CURRENTS ASSETS</b>			
Cash at bank		254,614	210,906
		<u>254,614</u>	<u>210,906</u>
<b>CREDITORS - Amounts falling due within one year</b>			
Accruals		(750)	(750)
		<u>(750)</u>	<u>(750)</u>
<b>NET CURRENT ASSETS</b>		<u>253,864</u>	<u>210,156</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		413,864	370,156
<b>NET ASSETS</b>	4	<u><u>413,864</u></u>	<u><u>370,156</u></u>
Represented by:			
<b>FUNDS OF THE CHARITY</b>			
Expendable endowment funds	1b & 4a	159,250	159,250
Unrestricted income funds	1b & 4a	254,614	210,906
<b>TOTAL FUNDS</b>		<u><u>413,864</u></u>	<u><u>370,156</u></u>

Approved by the Board of trustees on 30th October 2022 and signed on its behalf by:

Mukesh Shah (Chairman)



**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER 2021****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 2021

**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**

2021 Number	2020 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**

2021 £	2020 £
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Market value brought forward	160,000	150,000
Net Surplus on revaluation	-	10,000
Market value carried forward	<u>160,000</u>	<u>160,000</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.

## NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST DECEMBER 2021

<b>4 ANALYSIS OF NET ASSETS</b>	<b>2021 £</b>	<b>2021 £</b>	<b>2020 £</b>	<b>2020 £</b>
	<b>EXPENDABLE ENDOWMENT</b>	<b>UNRESTRICTED FUNDS</b>	<b>EXPENDABLE ENDOWMENT</b>	<b>UNRESTRICTED FUNDS</b>
a) The net assets comprise the following funds:				
Fixed asset investment	160,000	-	160,000	-
Accruals	(750)	-	(750)	-
Cash at bank	-	254,614	-	210,906
	<u>159,250</u>	<u>254,614</u>	<u>159,250</u>	<u>210,906</u>

- b) Unrealised gains included in net assets amount to £55,916 (2020: £55,916). These relate to the fixed asset investment property only (see note 4c below).

<b>c) Reconciliation of movements in unrealised gains on fixed asset investments</b>	<b>2021 £</b>	<b>2020 £</b>
Unrealised gains as at 1st January 2021	55,916	45,916
Net gain on revaluation at the year end	-	10,000
Unrealised gains as at 31st December 2021	<u>55,916</u>	<u>55,916</u>

**5 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.

<b>6 EXPENDITURE</b>	<b>2021 £</b>	<b>2020 £</b>
Governance costs comprise:		
Bank loan interest	-	145
Loan redemption charges	-	145
Bank charges	294	84
	<u>294</u>	<u>374</u>