

REGISTERED COMPANY NUMBER: 08154119 (England and Wales)
REGISTERED CHARITY NUMBER: 1148431

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016
FOR
NILKANTH ESTATES

PSJ Alexander & Co
Chartered Accountants & Statutory Auditors
1 Doughty Street
London
WC1N 2PH

NILKANTH ESTATES

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Cash Flow Statement	11
Notes to the Financial Statements	12 to 17
Reconciliation of Income and Expenditure	18
Reconciliation of Funds	19 to 20
Detailed Statement of Financial Activities	21

NILKANTH ESTATES

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

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Nilkanth Estates (the 'Charity' or 'company') for the year ended 31st December 2016.

Nilkanth Estates is a charitable organisation established as a company limited by guarantee and incorporated in England.

Its principal activity is the investment in and management of properties.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our charitable company's purposes, as set out in the Objects clause contained in the Company's Memorandum of Association are:

1. to advance the Akshar Purushottam Swaminarayan denomination of the Hindu religion based upon the teachings and principles of Bhagwan Swaminarayan; and to foster the practice and worship of the Akshar Purushottam Swaminarayan denomination of the Hindu religion as revealed by Bhagwan Swaminarayan;
2. preserve and safeguard the health of all persons and in particular of young persons who are in danger of becoming addicted to or dependent upon illegal drugs of any description, alcohol, solvents or other addictive substances; advance education for the public benefit;
3. promote community participation in healthy recreation so as to develop participants' physical, mental and spiritual capacities; and
4. for those purposes without prejudice to the generality of the foregoing, to allow other charities having similar objects to occupy any of its premises at nil or nominal rent.

Our aims fully reflect the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Volunteers

Volunteers are an important resource for the Charity and are involved in all of our activities. The trustees also give their time freely.

STRATEGIC REPORT

Achievement and performance

Nilkanth Estates own and manage a debt-free diverse property portfolio with a carrying value of £61million, of which properties with a net book value of £43million are used for charitable purposes specifically for use by Bochasanwasi Shri Akshar Purshottam Sanstha 'BAPS' in the advancement of our common objectives. Properties valued at £18.2 million are held for investment purposes. Our expenditure objective is twofold:

- increase investment income by increasing our property portfolio in order to support the operating costs where required by BAPS and other charities which share the common objective of advancement of the Akshar Purushottam Swaminarayan denomination of the Hindu faith;
- to fund the acquisition and development of properties for use by BAPS and other charities which share the common objective of advancement of the Akshar Purushottam Swaminarayan denomination of the Hindu faith.

Charitable activities

During the year, the Charity achieved its aims and objectives by providing properties with a carrying value of £43m to BAPS and The Sarjudas Foundation (and its wholly owned subsidiaries and group undertakings) rent-free. Both these charities have the same aims and objectives as Nilkanth Estates. The provision of such properties has allowed these charities and Nilkanth Estates to meet their purpose and to achieve their common aims and objectives.

Financial review

The Charity funds its expenditure from rental income derived from its investment property portfolio, and has the freedom to spend both income and capital, provided the core endowment of the fund is maintained. The Charity holds cash balances to manage fluctuations in cash flow.

In 2016, the Charity received donations of £6.8m from Sarjudas Foundation, a registered charity with similar aims and objectives as the Charity (2015- £2.6m) and after net investment income of £690,000 and depreciation costs on its fixed asset properties and governance costs of £865,000, retained net income of £6.6m for the year thereby increasing accumulated reserves to £62m.

During the year, Nilkanth Estates acquired a freehold property in East London for £5.8m which it will make available for use by BAPS for furtherance of their common aims and objectives. It also acquired properties in Southend for £511,000 and in London for £570,000 for similar purposes.

Investment performance

In 2016, the Company's property investment portfolio valued at £18.2m (cost - £10.7m) generated a total return of c.4.2% on value which the trustees consider is reasonable for its property portfolio and broadly around market expectations.

Liability Insurance

The Charity purchases trustee liability insurance on behalf of the trustees to protect them against claims that may arise from the performance of their charitable duties.

Reserve Policy

The Trustees review reserves annually. Their policy is to hold enough cash reserves to meet the operating costs of the Charity for at least one year. Surplus funds from donations and rental income are accumulated and used to build new temples or maintain existing ones.

At 31 December 2016, the Charity's accumulated reserves, all of which are unrestricted, amounted to £62.5m and are largely matched by its portfolio of investment properties and fixed asset properties.

Principal risks and uncertainties

The main risks for the Charity are:

STRATEGIC REPORT

Principal risks and uncertainties

- generation of rental income from its investment properties to fund its own operating costs and support the operation of other charities with common objects and activities. Income from letting its investment properties is dependent on the economic cycles, including their impact on tenant covenant quality, interest rates, inflation, property values and environmental and health and safety measures and its compliance. The Charity typically acquires properties in areas which its trustees believe can be readily let at reasonable income levels and with little risk of void periods. The trustees regularly carry out maintenance of its properties to comply with health and safety obligations and to ensure that its properties do not fall into a state of disrepair.

- The Charity relies on donations from Sarjudas Foundation to supplement its rental income surpluses in order to be able to finance the acquisition of both investment properties and properties acquired by the Charity and made available for use by BAPS and other charities with similar aims and objectives. Sarjudas Foundation is an established charity and the trustees see no reason why donations from that charity may cease, however, Nilkanth Estates has an unencumbered investment property portfolio with a value of £18.2m and could easily gear up with debt to finance further property acquisitions should donations from Sarjudas Foundation ease.

Financial and risk management objectives and policies

The following sections provide details regarding the Charity's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Such credit risk would arise primarily from trade and other receivables and as the Charity has no trade or other receivables it has no credit risk. For cash and bank balances, the Charity minimises credit risk by dealing exclusively with high credit rating financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Charity will encounter difficulty in meeting financial obligations due to shortage of funds. The Charity has no debt or other significant financial obligations and maintains sufficient liquid cash resources to meet its operating cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Charity's financial instruments will fluctuate because of changes in market interest rates. The Charity has no interest bearing borrowings and as such has no exposure to interest rate risk. As the Charity has no significant interest-bearing financial assets, its income and operating cash flows are substantially independent of changes in market interest rates. The Charity's interest bearing financial assets are mainly short term in nature.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Charity does not have any transactional currency exposures arising from its investment properties, fixed asset properties or donations received as all of its activities are within the UK.

Future plans

In July 2017, Sarjudas Foundation made a further donation to Nilkanth Estates amounting to £9.2m. Nilkanth Estates then made a loan of £8.2m to Brandon House Limited, a registered charity, to acquire a freehold property in South London from which to carry out activities aimed at fulfilling the common objectives as the Charity. The loan is interest free and repayable on demand.

With the support of donations from Sarjudas Foundation and surplus rental income from its investment properties, the Charity intends to acquire further investment properties and support the activities of BAPS who share common aims and objectives.

NILKANTH ESTATES

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Nilkantth Estates is a registered charity (number 1148431) under the Charities Act 2011 and is a charitable organisation incorporated in England on 24 July 2012 as a company limited by guarantee under Company number 08154119. The Charity is controlled by its governing document, a trust deed.

Public benefit

The trustees are mindful of the Charity Commission's guidance on public benefit 'Charities and Public Benefit' and, in particular the supplementary guidance for charities whose aims include advancing religion 'The Advancement of Religion for the Public Benefit' and have regard to that guidance when reviewing the Charity's aims and objectives and in planning future activities.

We are confident that, by providing financial resources to support the work of BAPS and other similar charities which share the common objective of advancement of the Akshar Purushottam Swaminarayan denomination of the Hindu faith, we help to promote the faith more effectively, at a national level, and in individual centres, and that in doing so provide a benefit to the public by:

- providing facilities for public worship, spiritual, moral and intellectual development both those who wish to benefit from what the what the Charity offers; and
- through its support of BAPS, promoting Hindu values and service by members of BAPS in and to their communities, to the benefit of individuals and society as a whole.

Operation

The Board of Trustees, which can have up to 7 members, administers the Charity. The board meets when necessary. An administrator is appointed by the trustees to manage the day-today operations of the Charity. To facilitate effective operations, the administrator has delegated authority, within terms of the delegation approved by the trustees, for operational matters such as finance.

Events since the end of the year

The charity received donations totalling £9.2m from Sarjudas Foundation. The Charity made a loan of £8.2m to Brandon House Limited, a registered charity, to acquire a freehold property in South London from which to carry out activities aimed at fulfilling the common objectives as the Charity. The loan is interest free and repayable on demand.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08154119 (England and Wales)

Registered Charity number

1148431

Registered office

105-119 Brentfield Road
Neasden
London
NW10 8LD

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

There are 5 Trustees and they have the trustee responsibility for meeting our charitable obligations.

Under the requirements of the Memorandum and Articles of Association of the Charity, trustees are elected to serve for a period of three years after which they must be re-elected. Subject to article 20A, the trustees may appoint new and additional trustees by a resolution of the Trustees passed at a Trustee meeting. The Trustees who served during the year are:

Trustees

Mr K Bhattessa	- Hotelier
Mr J M Patel	- Property investment, food manufacturing and distribution
Mr A P Patel	- Accountant
Dr M Shah	- Doctor
Mr S G Patel	- Monk (appointed 17/11/2016)
Mr A Vyas	- Solicitor (resigned 17/11/2016)

All trustees give their time voluntarily and receive no remuneration or benefits from the Charity.

Operation

The Board of Trustees, which can have up to 7 members, administers the Charity. There is one full time trustee (Mr S G Patel) who is supported by two full-time administrators appointed by the trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the administrators have delegated authority, within terms of the delegation approved by the trustees, for operational matters such as finance.

Most trustees are already familiar with the practical work of the Charity having been involved in various activities themselves as volunteers. Additionally, new trustees are invited and encouraged to attend a series of training sessions to familiarise themselves with the Charity and the context within which it operates. These are jointly led by the Chair of the Board of Trustees.

Attendance at board meetings

The board meets when necessary but seeks to meet fortnightly at least. During the year, all trustees attended 100% of all meetings.

Auditors

PSJ Alexander & Co
Chartered Accountants & Statutory Auditors
1 Doughty Street
London
WC1N 2PH

Solicitors

Hugh Cartwright & Amin
12 John Street
London WC1N 2EB

Bankers

The Royal Bank of Scotland plc
354 Station Road
Harrow HA1 3XZ

Punjab National Bank (International) Limited
188 Ealing Road, Wembley HA0 4QD

NILKANTH ESTATES

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Nilkanth Estates for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 charitable company'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.

AUDITORS

The auditors, PSJ Alexander & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 22 Sept 2017 and signed on the board's behalf by:



.....
Mr M Patel - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
NILKANTH ESTATES

We have audited the financial statements of Nilkanth Estates for the year ended 31st December 2016 on pages eight to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns.

PSJ Alexander & Co
Chartered Accountants & Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1 Doughty Street
London
WC1N 2PH

Date: 22 September 2017



NILKANTH ESTATES

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

	Notes	2016 Unrestricted fund £	2015 Total funds as restated £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	6,806,501	2,606,001
Investment income	4	<u>848,302</u>	<u>823,921</u>
Total		7,654,803	3,429,922
EXPENDITURE ON			
Raising funds	5	158,743	126,023
Other		<u>865,224</u>	<u>2,679,618</u>
Total		1,023,967	2,805,641
Net gains/(losses) on investments		<u>7,496,685</u>	<u>-</u>
NET INCOME		14,127,521	624,281
RECONCILIATION OF FUNDS			
As previously reported		51,064,350	47,766,452
Prior year adjustment	10	<u>(2,673,617)</u>	<u>-</u>
As Restated		48,390,733	47,766,452
TOTAL FUNDS CARRIED FORWARD		<u>62,518,254</u>	<u>48,390,733</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

NILKANTH ESTATES

BALANCE SHEET
AT 31ST DECEMBER 2016

	Notes	2016 Unrestricted fund £	2015 Total funds as restated £
FIXED ASSETS			
Tangible assets	11	43,056,490	36,836,741
Investment property	12	<u>18,204,500</u>	<u>10,707,815</u>
		61,260,990	47,544,556
CURRENT ASSETS			
Debtors	13	551,953	162,576
Cash at bank		<u>1,321,791</u>	<u>710,590</u>
		1,873,744	873,166
CREDITORS			
Amounts falling due within one year	14	(616,480)	(26,989)
NET CURRENT ASSETS		<u>1,257,264</u>	<u>846,177</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>62,518,254</u>	<u>48,390,733</u>
NET ASSETS		<u>62,518,254</u>	<u>48,390,733</u>
FUNDS	15		
Unrestricted funds		<u>62,518,254</u>	<u>48,390,733</u>
TOTAL FUNDS		<u>62,518,254</u>	<u>48,390,733</u>

The notes form part of these financial statements

NILKANTH ESTATES

BALANCE SHEET - CONTINUED
AT 31ST DECEMBER 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2016.

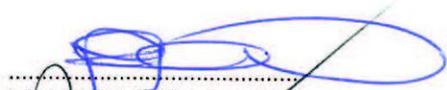
The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees on 22 Sept 2017 and were signed on its behalf by:


.....
Mr J M Patel -Trustee


.....
Mr A P Patel -Trustee

The notes form part of these financial statements

NILKANTH ESTATES

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Notes	2016 £	2015 as restated £
Cash flows from operating activities:			
Cash generated from operations	20	<u>7,689,673</u>	<u>3,194,416</u>
Net cash provided by (used in) operating activities		<u>7,689,673</u>	<u>3,194,416</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(7,078,472)	-
Purchase of investment property		-	(2,688,093)
Sale of tangible fixed assets		(7,496,685)	-
Sale of fixed asset investments		<u>7,496,685</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(7,078,472)</u>	<u>(2,688,093)</u>
Change in cash and cash equivalents in the reporting period		611,201	506,323
Cash and cash equivalents at the beginning of the reporting period		<u>710,590</u>	<u>204,267</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,321,791</u></u>	<u><u>710,590</u></u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

The statutory information of the incorporated charity can be found in the Directors' Report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with Charities SORP (FRS 102). The date of transition is 1 January 2015.

The transition to Charities SORP (FRS 102) has resulted in a small number of changes in accounting policies to those used previously.

The functional and presentation currency is UK Pound Sterling (£).

Going Concern

The directors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation

The charity is exempt from corporation tax on its charitable activities.

2. ACCOUNTING POLICIES - continued**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. DONATIONS AND LEGACIES

	2016	2015 as restated
	£	£
Donations	<u>6,806,501</u>	<u>2,606,001</u>

4. INVESTMENT INCOME

	2016	2015 as restated
	£	£
Rents received	<u>848,302</u>	<u>823,921</u>

5. RAISING FUNDS**Investment management costs**

	2016	2015 as restated
	£	£
Rates	19,553	33,986
Gas	8,664	4,906
Repairs and maintenance	57,803	44,663
Insurance	55,435	42,255
Professional fees	17,006	-
Bank charges	269	200
Sundries	<u>13</u>	<u>13</u>
	<u>158,743</u>	<u>126,023</u>

6. SUPPORT COSTS

	Governance costs £
Other resources expended	<u>6,501</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015 as restated
	£	£
Auditors' remuneration	6,501	6,001
Depreciation - owned assets	<u>858,723</u>	<u>2,673,617</u>

The honorary auditors received no fees during the current and previous years. The value of their donated services shown above have been recognised as donation received.

8. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2016 nor for the year ended 31st December 2015.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund as restated £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	2,606,001
Investment income	<u>823,921</u>
Total	3,429,922
EXPENDITURE ON	
Raising funds	126,023
Other	<u>2,679,618</u>
Total	2,805,641
NET INCOME	624,281
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>47,766,452</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>48,390,733</u></u>

10. PRIOR YEAR ADJUSTMENT

Certain properties previously included as investment properties have been transferred to tangible fixed assets as they are used by other charities for the furtherance of the Company's aims and objectives specifically in the advancement of the Akshar Purushottam Swaminarayan denomination of the Hindu religion, and are provided rent-free.

The net effect of the prior year adjustments in the current year are: (1) correction of opening balances of tangible fixed assets and investment properties as shown in notes 11 and 12 to the financial statements, and (2) a reduction in the net book value of tangible fixed assets and general fund by £2,673,617 following the depreciation charge made in respect of prior periods when the properties being transferred were held as investment properties and not depreciated.

11. TANGIBLE FIXED ASSETS

	Freehold property as restated £
COST	
At 1st January 2016	-
Prior-year adjustment (note 10)	<u>49,196,963</u>
At 1st January 2016 - restated	49,196,963
Additions	<u>7,078,472</u>
At 31st December 2016	<u>56,275,435</u>
DEPRECIATION	
At 1st January 2016	-
Prior-year adjustment (note 10)	<u>12,360,222</u>
At 1st January 2016 - restated	12,360,222
Charge for year	<u>858,723</u>
At 31st December 2016	<u>13,218,945</u>
NET BOOK VALUE	
At 31st December 2016	<u>43,056,490</u>
At 31st December 2015	<u>36,836,741</u>

Included in cost or valuation of land and buildings is freehold land of £9,618,000 which is not depreciated.

12. INVESTMENT PROPERTY

	as restated £
MARKET VALUE	
At 1st January 2016	50,218,173
Prior-year adjustment (note 10)	<u>(39,510,358)</u>
At 1st January 2016	10,707,815
Revaluation	<u>7,496,685</u>
At 31st December 2016	<u>18,204,500</u>
NET BOOK VALUE	
At 31st December 2016	<u>18,204,500</u>
At 31st December 2015	<u>10,707,815</u>

Investment properties with an original cost of £10.7m have been valued at £18.2m by the directors.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015 as restated
	£	£
Other debtors	481,953	77,398
Prepayments and accrued income	<u>70,000</u>	<u>85,178</u>
	<u>551,953</u>	<u>162,576</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015 as restated
	£	£
Trade creditors	1,480	26,989
Other creditors	<u>615,000</u>	<u>-</u>
	<u>616,480</u>	<u>26,989</u>

15. MOVEMENT IN FUNDS

	At 1/1/16 £	Prior year adjustment £	Net movement in funds £	At 31/12/16 £
Unrestricted funds				
General fund	51,064,350	(2,673,617)	14,127,521	62,518,254
	<u>51,064,350</u>	<u>(2,673,617)</u>	<u>14,127,521</u>	<u>62,518,254</u>
TOTAL FUNDS				
	<u>51,064,350</u>	<u>(2,673,617)</u>	<u>14,127,521</u>	<u>62,518,254</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	7,654,803	(1,023,967)	7,496,685	14,127,521
	<u>7,654,803</u>	<u>(1,023,967)</u>	<u>7,496,685</u>	<u>14,127,521</u>
TOTAL FUNDS				
	<u>7,654,803</u>	<u>(1,023,967)</u>	<u>7,496,685</u>	<u>14,127,521</u>

16. CAPITAL COMMITMENTS

	2016	2015 as restated
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>157,000</u>

17. RELATED PARTY DISCLOSURES

The company has provided properties with a carrying value of £43,056,000 to The Sarjudas Foundation (and its wholly owned subsidiaries and group undertakings) and BAPS Charities rent-free or for a nominal rent amount. The Sarjudas Foundation and BAPS Charities have the same aims and objectives and the same beneficiaries as Nilkanth Estates. Nilkanth Estates also received donations amounting to £6,800,000 (2015: £2,500,000) from The Sarjudas Foundation during the year. There are also common trustees/directors among the three entities.

During the year, Nilkanth Estates received rental income from Akshar Educational Trust, a charitable trust with a number of common trustees/directors, amounting to £200,000 (2015: £200,000). Accrued rental income as at 31st December 2016 amounted to £66,667 (2015: £66,667).

Balances due from/to other related entities as at year-end are as follows:

- Akshar (Design and Build) Limited: £3,688 Dr (2015: £10,000 Dr)
- Herbygreen Properties Limited: £615,000 Cr (2015: £Nil)

There are common trustees/directors between these entities and Nilkanth Estates.

Mr. A. Vyas, a trustee of Nilkanth Estates, is a principal partner in Vyman Solicitors and the latter acted in the purchase of two properties during the year by Nilkanth Estates pro bono.

18. ULTIMATE CONTROLLING PARTY

The company was under the control of the trustees.

19. POST BALANCE SHEET EVENTS

The Company acquired a freehold investment property for £480,536 and a fixed asset property for £555,816 after the year-end.

It also received donations amounting to £9.2m from Sarjudas Foundation and in turn made a loan of £8.2m to Brandon House Limited, a registered charity, to acquire a freehold property in South London from which to carry out activities aimed at fulfilling its common objectives with Nilkanth Estates. The loan is interest free and repayable on demand. Nilkanth Estates is the sole member of Brandon House Limited and both charities have a number of common trustees.

20. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	as restated £
Net income for the reporting period (as per the statement of financial activities)	14,127,521	624,281
Adjustments for:		
Depreciation charges	858,723	2,673,617
Gain on investments	(7,496,685)	-
Increase in debtors	(389,377)	(51,288)
Increase/(decrease) in creditors	<u>589,491</u>	<u>(52,194)</u>
Net cash provided by (used in) operating activities	<u>7,689,673</u>	<u>3,194,416</u>

NILKANTH ESTATES

RECONCILIATION OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		2,606,001	-	2,606,001
Investment income		<u>823,921</u>	<u>-</u>	<u>823,921</u>
Total		3,429,922	-	3,429,922
EXPENDITURE ON				
Raising funds		126,023	-	126,023
Other		<u>2,679,618</u>	<u>-</u>	<u>2,679,618</u>
Total		2,805,641	-	2,805,641
NET INCOME		<u><u>624,281</u></u>	<u><u>-</u></u>	<u><u>624,281</u></u>

NILKANTH ESTATES

RECONCILIATION OF FUNDS
AT 1ST JANUARY 2015
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		<u>47,530,080</u>	-	<u>47,530,080</u>
		47,530,080	-	47,530,080
CURRENT ASSETS				
Debtors		111,288	-	111,288
Cash at bank		<u>204,267</u>	-	<u>204,267</u>
		315,555	-	315,555
CREDITORS				
Amounts falling due within one year		(79,183)	-	(79,183)
NET CURRENT ASSETS				
		<u>236,372</u>	-	<u>236,372</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>47,766,452</u>	-	<u>47,766,452</u>
		<u>47,766,452</u>	-	<u>47,766,452</u>
FUNDS				
Unrestricted funds		<u>47,766,452</u>	-	<u>47,766,452</u>
TOTAL FUNDS		<u>47,766,452</u>	-	<u>47,766,452</u>

NILKANTH ESTATES

RECONCILIATION OF FUNDS
AT 31ST DECEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		36,836,741	-	36,836,741
Investment property		<u>10,707,815</u>	-	<u>10,707,815</u>
Total		47,544,556	-	47,544,556
CURRENT ASSETS				
Debtors		162,576	-	162,576
Cash at bank		<u>710,590</u>	-	<u>710,590</u>
		873,166	-	873,166
CREDITORS				
Amounts falling due within one year		(26,989)	-	(26,989)
NET CURRENT ASSETS		<u>846,177</u>	-	<u>846,177</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,390,733</u>	-	<u>48,390,733</u>
NET ASSETS		<u>48,390,733</u>	-	<u>48,390,733</u>
FUNDS				
Unrestricted funds		<u>48,390,733</u>	-	<u>48,390,733</u>
TOTAL FUNDS		<u>48,390,733</u>	-	<u>48,390,733</u>

NILKANTH ESTATES

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

	2016	2015
	£	as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	6,806,501	2,606,001
Investment income		
Rents received	<u>848,302</u>	<u>823,921</u>
Total incoming resources	7,654,803	3,429,922
EXPENDITURE		
Investment management costs		
Rates	19,553	33,986
Gas	8,664	4,906
Repairs and maintenance	57,803	44,663
Insurance	55,435	42,255
Professional fees	17,006	-
Bank charges	269	200
Sundries	<u>13</u>	<u>13</u>
	158,743	126,023
Other		
Freehold property	858,723	2,673,617
Support costs		
Governance costs		
Auditors' remuneration	<u>6,501</u>	<u>6,001</u>
Total resources expended	1,023,967	2,805,641
Net income before gains and losses	6,630,836	624,281
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>7,496,685</u>	<u>-</u>
Net income	<u>14,127,521</u>	<u>624,281</u>

This page does not form part of the statutory financial statements