

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

**Group Strategic Report, Report of the Trustees and
Audited Consolidated Financial Statements**

For the year ended 31st December 2018

for

NILKANTH ESTATES

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

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For the year ended 31st December 2018**

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Nilkanth Estates

Report of the Trustees (including Group Strategic Report) For the year ended 31st December 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report, Strategic Report and the audited financial statements of Nilkanth Estates (the 'Charity' or 'Company') and the group for the year ended 31st December 2018.

Nilkanth Estates (company number 08154119, incorporated in England on 24 July 2012) and its wholly owned subsidiary, Brandon House Limited (company number 10612051, incorporated in England on 9 February 2017), are both charitable organisations established as companies limited by guarantee. The Charity is based in the UK and has its head office in Neasden, London.

OBJECTIVES AND ACTIVITIES

The group's purposes, as set out in the Objects clause contained in the Charity's and its subsidiary'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 group was set up to further.

Ensuring our work delivers our aims

The trustees review the aims, objectives and activities of the Charity each year. This review looks at what the charity has achieved and the outcomes of its 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 Group and are involved in all our activities. The trustees also give their time freely.

**Report of the Trustees
For the year ended 31st December 2018**

GROUP STRATEGIC REPORT

Achievement and performance

Nilkanth Estates own and manage a debt-free diverse property portfolio with a carrying value of £78.4 million, of which properties with a net book value of £47.9 million 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 £30.5 million are held for investment purposes. Our expenditure objective is two-fold:

- 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 Group achieved its aims and objectives by providing properties with a carrying value of £47.9 million rent-free to BAPS and The Sarjudas Foundation (and its wholly owned subsidiaries and group undertakings). Both these charities have the same aims and objectives as Nilkanth Estates.

The properties provided by the Group to BAPS include Mandirs situated in:

Neasden, London	Coventry	Chigwell, London	Havant
Leeds	Leicester	Loughborough	Luton
Manchester	Nottingham	Preston	Southend-On-Sea
South London	Wellingborough		

The activities undertaken at the above properties further the charities' common aims and objectives for the public benefit and include a variety of weekly activities, spiritual forums for children and adults, courses in ethnic language, music, and dance, and events which cultivate personal talents and interpersonal skills and promote the strengthening of relationships within communities and families.

Financial review

The Group is funded by the following main activities:

- (i) Rental income
- (ii) Donations received
- (iii) Treasury management.

The Group 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 Group holds cash balances to manage fluctuations in cash flow.

In 2018, the Group received donations of £6.5m from Sarjudas Foundation, a registered charity with similar aims and objectives as the Charity (2017 - £10.7m) and after net investment income of £971,000 (2017 - £777,000), donations paid of £nil (2017 - £1.24m) and depreciation costs on its fixed asset properties and governance costs of £991,000 (2017 - £835,000), and net gain on investments of £1.57m (2017- £nil), the Group's retained net income for year was £8.1m (2017 - £9.4m) thereby increasing accumulated reserves to £80m.

Nilkanth Estates

Report of the Trustees

For the year ended 31st December 2018

During 2018, the Group spent a total of approximately £1.4m (2017 - £2.3m) on operating costs and donations made from unrestricted funds, of which charitable donations amounting to £nil (2017 - £1.24m) were made to BAPS from unrestricted funds.

During the year, Nilkanth Estates acquired a freehold property in East London for £5.1m which it will make available for use by BAPS, for furtherance of their common aims and objectives. It also acquired another property in London for £555,000 for similar purposes.

Investment performance

In 2018, the Group's property investment portfolio valued at £30.4m (cost - £12.8m) generated a total return of c.4.4% on value which the trustees consider is reasonable for its property portfolio and broadly around market expectations.

Liability Insurance

The Group 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 Group for at least one year. Surplus funds from donations and rental income are accumulated and used to build new temples or maintain existing ones.

In establishing this policy, the Board of Trustees conducts an annual review of the level of unrestricted reserves in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the level of reserves that are sufficient:

- to allow time for re-organisation in the event of a downturn in income or asset values;
- to protect on-going work programme; and
- to allow the Group to meet its objectives

Risks and issues considered by the Board of Trustees in making this judgement on the level of unrestricted reserves include:

- likelihood of a downturn in income streams;
- period required to re-establish income streams;
- period required to downsize the Group operations;
- whether there is adequate control over budgets
- potential decrease in the value of the investment portfolio; and
- requirements for a reasonable level of working capital.

As the Group's operating expenditure does not exceed £400,000 per annum, the Trustees are of the view that maintaining cash reserves of at least £1.5m will provide sufficient resources in the event of adverse conditions.

The Trustees have confirmed that, after careful review of the reserves policy, as at 31 December 2018, the Group's liquidity position was substantially in excess of its reserves policy. In considering the adequacy of the reserves, the Trustees have considered the largely discretionary nature of its expenditure and the amount of cash held and investment income derived.

At 31 December 2018, the Group's accumulated reserves, all of which are unrestricted, amounted to £80m and are largely matched by its portfolio of investment properties and fixed asset properties.

**Report of the Trustees
For the year ended 31st December 2018**

Principal risks and uncertainties

The main risks for the Group are:

- generation of rental income from its investment properties to fund its own operating costs and support the operations 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 Group 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 Group 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, the Group has an unencumbered investment property portfolio with a value of £30m 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 Trustees are responsible for ensuring effective risk management, and that internal controls are in place to appropriately manage the risk exposure of the Group. In doing so, the Board has considered the major risks to which the Group is exposed, the potential impact and probability associated with each risk, and the mitigating actions needed to reduce each risk to a level that the Trustees considers to be acceptable.

The major financial risks are each subject to ongoing monitoring and management. Income and cost control are subject to ongoing review on at least a quarterly basis with prior approval of the Board needed for significant cost activities.

The following sections provide details regarding the Group'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 Group has no trade or other receivables it has no credit risk. For cash and bank balances, the Group minimises credit risk by dealing exclusively with high credit rating financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group 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 Group's financial instruments will fluctuate because of changes in market interest rates. The Group has no interest-bearing borrowings and as such has no exposure to interest rate risk. As the Group has no significant interest-bearing financial assets, its income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest bearing financial assets are mainly short term in nature.

**Report of the Trustees
For the year ended 31st December 2018**

(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 Group does not have any transactional currency exposures arising from its investment properties, Fixed asset properties or donations received as all its activities are within the UK.

Internal Control

The Trustees have overall responsibility for ensuring that the Group has appropriate systems of internal controls across the entire organisation.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Internal control processes implemented by the Trustees include:

- Production of monthly management accounts and review of financial results and performance indicators by the Trustees at monthly meetings.
- Delegation of authority and segregation of duties.
- Identification and management of risk.

Future plans

Nilkanth Estates continue to seek suitable investment properties to develop its portfolio.

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

STRUCTURE, MANAGEMENT AND GOVERNANCE

Governing document

Nilkanth 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, Memorandum and Articles of Association.

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. These individuals work alongside existing Trustees for a period of three years before being considered for appointment. All trustees give their time voluntarily and receive no benefits from the charity. As the trustees are the key management personnel of the charity and are not remunerated, there is no remuneration policy for key management personnel.

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

**Report of the Trustees
For the year ended 31st December 2018**

Operation

The Board of Trustees, which can have up to 7 members, administers the Group. 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 Group. 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 Group 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 Group and the context within which it operates. These are jointly led by the Chair of the Board of Trustees.

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

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.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report, the Group Strategic Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England & Wales 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 Charity and the Group, and of the incoming resources and application of resources of the Charity and the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice on Accounting and Reporting;
- 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 charity will continue to operate.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Nilkanth Estates

Report of the Trustees

For the year ended 31st December 2018

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 Group'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 Group 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.

Events since the end of the year

Nilkanth Estates acquired three investment properties at a total cost of £984,000 in the month of August 2019.

Related parties and relationships with other organizations

Nilkanth Estates is related to both Sarjudas Foundation and BAPS Swaminarayan Sanstha, and there are a number of trustees in common, and all three charities share the same objectives. In 2018, Sarjudas Foundation donated £6.5m to Nilkanth Estates (2017: £10.7m) and 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 a property in London for £555,000 for similar purposes.

BAPS occupy several properties owned by Nilkanth Estates for which no rent is payable.

Reference and administrative details

Registered Company number: 08154119 (England and Wales)

Registered Charity number: 1148431

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

Country of registration: England

Nilkanth Estates

**Report of the Trustees
For the year ended 31st December 2018**

Principal Office:

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Neasden
London
NW10 8LD

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Fax: 020 8965 6313
Email: info@uk.baps.org
info@londonmandir.baps.org
Web: londonmandir.baps.org

Independent Honorary Auditors:

P.S.J. Alexander & Co
Chartered Accountants & Registered Auditors
1 Doughty Street
London
WC1N 2PH

Principal Bankers:

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

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

Solicitors:

Hugh Cartwright & Amin
12 John Street
London
WC1N 2EB

AUDITORS

The honorary 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 28th September 2019 and signed on the board's behalf by:



Mr J M Patel - Trustee

Report of the Independent Auditors to the Trustees of Nilkanth Estates

Opinion

We have audited the financial statements of Nilkanth Estates (the 'charitable parent company' or 'parent') and its subsidiary (the 'group') for the year ended 31st December 2018 which comprise the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the consolidated financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31st December 2018 and of its group's and parent's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Strategic and Trustees' report but does not include the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts & Report) Regulations 2008 requires us to report to you if, in our opinion:

Report of the Independent Auditors to the Trustees of Nilkanth Estates

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereafter.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

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: 25th September 2019

Nilkanth Estates

Consolidated and Charity Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31st December 2018

	Notes	The Group – unrestricted funds		The Charity - unrestricted funds	
		2018	2017	2018	2017
		£	£	£	£
Income from:					
Donations and legacies	2	6,510,252	10,709,752	6,507,001	10,706,751
Investment income	3	1,346,157	973,650	1,366,676	901,581
Total income		7,856,409	11,683,402	7,873,677	11,608,332
Expenditure on:					
Raising funds	4	374,698	196,707	138,455	97,333
Charitable activities:					
- donations	5	-	1,237,551	-	1,237,551
- other	5	991,551	834,693	988,300	831,692
Total expenditure		1,366,249	2,268,951	1,126,755	2,166,576
Net (expenditure)/income before net losses on investments	6	6,490,160	9,414,451	6,746,922	9,441,756
Net gains/(losses) on investments		1,570,690	-	1,570,690	-
Impairment provision		-	-	(284,000)	-
Net movement in funds		8,060,850	9,414,451	8,033,612	9,441,756
Unrestricted funds brought forward		71,932,705	62,518,254	71,960,010	62,518,254
Unrestricted funds carried forward	15	£79,993,555	£71,932,705	£79,993,622	£71,960,010

The total funds of the Company were unrestricted. There were no restricted or designated funds during the year or for the previous year.

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

Nilkanth Estates

Consolidated and Charity Balance Sheets as at 31 December 2018

Company number 08154119

		The Group		The Charity	
	Notes	2018	2017	2018	2017
		£	£	£	£
Fixed assets:					
Tangible assets	10	47,909,261	42,557,835	47,909,261	42,557,835
Investment properties	11	30,472,984	26,792,868	22,271,653	18,591,537
Investments in subsidiaries	12	-	-	-	-
		<u>78,382,245</u>	<u>69,350,703</u>	<u>70,180,914</u>	<u>61,149,372</u>
Current assets:					
Debtors	13	365,351	173,157	8,568,977	8,393,301
Cash at bank and in hand		1,460,115	2,706,949	1,301,677	2,614,913
		<u>1,825,466</u>	<u>2,880,106</u>	<u>9,870,654</u>	<u>11,008,214</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(214,156)	(298,104)	(57,946)	(197,576)
		<u>1,611,310</u>	<u>2,582,002</u>	<u>9,812,708</u>	<u>10,810,638</u>
Net current assets					
		<u>79,993,555</u>	<u>71,932,705</u>	<u>79,993,622</u>	<u>71,960,010</u>
Total assets less current liabilities					
		<u>£79,993,555</u>	<u>£71,932,705</u>	<u>£79,993,622</u>	<u>£71,960,010</u>
Funds:					
Unrestricted income funds	15	£79,993,555	71,932,705	£79,993,622	71,960,010
		<u>£79,993,555</u>	<u>£71,932,705</u>	<u>£79,993,622</u>	<u>£71,960,010</u>
Total funds					
		<u>£79,993,555</u>	<u>£71,932,705</u>	<u>£79,993,622</u>	<u>£71,960,010</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2018.

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:

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and,
- 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.

Nilkanth Estates

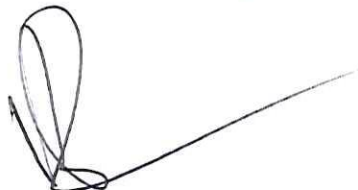
**Consolidated and Charity Balance Sheets, continued
as at 31 December 2018**

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 ²⁴ September 2019 and were signed on its behalf by:



J M PATEL
Trustee



A P PATEL
Trustee

Nilkanth Estates

**Consolidated and Charity Statement of Cash Flows
as at 31 December 2018**

		The Group		The Charity	
		2018	2017	2018	2017
	Notes	£	£	£	£
Net cash provided by/ (used in) operating activities	16	7,195,317	11,537,363	7,128,915	11,515,327
Cash flows from investing activities:					
Purchase of tangible fixed assets		(6,547,035)	(1,563,837)	(6,547,035)	(1,563,837)
Purchase of investment property		(1,895,116)	(8,681,868)	(1,895,116)	(480,537)
Proceeds from sale of investment property		-	93,500	-	93,500
Loan to subsidiary to acquire property		-	-	-	(8,271,331)
Net cash provided by/(used in) investing activities		(8,442,151)	(10,152,205)	(8,442,151)	(10,222,205)
Change in cash and cash equivalents in the year		(1,246,834)	1,385,158	(1,313,236)	1,293,122
Cash and cash equivalents at the beginning of the year		2,706,949	1,321,791	2,614,913	1,321,791
Cash and cash equivalents at the end of the year	17	£1,460,115	£2,706,949	£1,301,677	£2,614,913

**Notes to the Consolidated financial statements
For the year ended 31 December 2018**

1. Accounting policies

(a) Basis of preparation

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.

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

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line by line basis. Transactions and balances between the Charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the Charity's balance sheet.

(b) Public benefit entity

The Charity and its wholly owned subsidiary meet the definition of a public benefit entity under Charity's SORP (FRS 102).

(c) Going concern

The trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual consolidated financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(d) Income

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

Voluntary income comprises revenues generated from various forms of donations.

Investment income includes income generated from property investment and interest received on cash deposits.

(e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the group has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the group which is the amount the group would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the Consolidated financial statements
For the year ended 31 December 2018

1. Accounting policies (continued)

(f) 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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the investment management costs.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs including governance costs and depreciation of tangible fixed assets.

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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(g) Allocation of support costs

All support costs are allocated to the expenditure on charitable activities as none of these costs are allocable to the costs of raising funds, which are the investment management costs.

Support costs include governance costs, which are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the group's activities.

(h) Taxation

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

(i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities based on the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Freehold buildings 2% on cost

Freehold land is not depreciated.

(j) Investment properties

Investment properties are measured at fair value at each reporting date and are not depreciated.

Cash investments

Cash held in fixed term deposit accounts exceeding one year are classified as fixed asset investments as they are generally held with the overall intention of long-term retention for the continuing benefit of the group in the form of income and capital appreciation.

Nilkanth Estates

Notes to the Consolidated financial statements For the year ended 31 December 2018

1. Accounting policies (continued)

(k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

(m) Creditors and provisions

Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

(n) 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 restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for restricted purposes.

2. Income from donations and legacies

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Donations	6,500,000	10,700,000	6,500,000	10,700,000
Donated services	10,252	9,752	7,001	6,751
	<u>£6,510,252</u>	<u>£10,709,752</u>	<u>£6,507,001</u>	<u>£10,706,751</u>

3. Income from investments

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Rental income – operating leases	1,346,157	973,650	953,634	901,581
Interest receivable	-	-	413,042	-
	<u>£1,346,157</u>	<u>£ 973,650</u>	<u>£1,366,676</u>	<u>£ 901,581</u>

Notes to the Consolidated financial statements
For the year ended 31 December 2018

4. Cost of raising funds – investment management costs

	Group		Charity	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	£	£	£	£
Rates	125,550	88,975	321	2,226
Gas and electricity	20,770	13,313	(5,604)	2,044
Repairs and maintenance	129,773	38,031	88,074	37,331
Insurance	59,335	55,435	55,435	55,435
Legal and professional fees	37,470	360	-	-
Advertising	-	254	-	-
Printing and stationery	13	-	-	-
Consultancy fees	1,452	-	-	-
Bank charges	309	329	216	287
Sundries	26	10	13	10
	<u>£ 374,698</u>	<u>£ 196,707</u>	<u>£138,455</u>	<u>£ 97,333</u>

5. Expenditure on charitable activities

	Group		Charity	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	£	£	£	£
Donations	-	1,237,551	-	1,237,551
Depreciation	981,299	824,941	981,299	824,941
Governance costs	10,252	9,752	7,001	6,751
	<u>£ 991,551</u>	<u>£ 2,072,244</u>	<u>£ 988,300</u>	<u>£2,069,243</u>

All the above costs other than donations are support costs.

6. Net income/(expenditure) for the year

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

	Group		Charity	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	£	£	£	£
Depreciation of fixed assets - owned	981,299	824,941	981,299	824,941
Auditors' remuneration (excluding VAT):				
Audit (honorary – see below)	10,252	9,752	7,001	6,751
Impairment provision	-	-	(284,000)	-
Net gain on investments	1,570,690	-	1,570,690	-
	<u>1,570,690</u>	<u>824,941</u>	<u>1,570,690</u>	<u>824,941</u>

The Group's auditors provided their services on an honorary basis and have not charged any fees for the current or previous year. The value of their donated services shown above have been recognised as donation received.

Notes to the Consolidated financial statements
For the year ended 31 December 2018

7. Staff costs

Other than the Trustees of the Charity and Directors of the subsidiary, the Group had no employees.

8. Trustees' remuneration and expenses

Neither the Charity trustees nor the Directors of the subsidiary were paid any remuneration, nor did they receive any other benefits from employment with the Group in the year (2017: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2017: £nil).

No trustee expenses were incurred in the year (2017: £nil).

9. Taxation

The group is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Tangible fixed assets

Group and Charity

	Freehold Property £	Assets under construction £	Total £
<u>Cost</u>			
At start of the year	55,555,795	864,174	56,419,969
Additions in year	5,748,844	798,191	6,547,035
Disposals in year	-	-	-
Reclassification	1,411,810	(1,662,365)	(250,555)
At end of the year	62,716,449	-	62,716,449
<u>Depreciation</u>			
At start of the year	13,862,134	-	13,862,134
Charge for the year	981,299	-	981,299
Eliminated on disposal	-	-	-
Reclassification/Transfer	(36,245)	-	(36,245)
At end of the year	14,807,188	-	14,807,188
<u>Net Book Values:</u>			
At end of the year	£47,909,261	£ -	£47,909,261
At start of the year	£41,693,661	£ 864,174	£42,557,835

Included in cost or valuation of land and buildings is freehold land of £959,173 (2017 - £9,152,000) which is not depreciated.

All of the above assets are used for charitable purposes.

Nilkanth Estates

Notes to the Consolidated financial statements For the year ended 31 December 2018

11. Investment properties

	The Group		The Charity	
	2018	2017	2018	2017
	£	£	£	£
Market value				
At start of the year	26,792,868	18,204,500	18,591,537	18,204,500
Additions	1,895,116	8,681,868	1,895,116	480,537
Disposals	-	(93,500)	-	(93,500)
Revaluation	1,570,690	-	1,570,690	-
Reclassification	214,310		214,310	-
At end of the year	£30,472,984	£26,792,868	£22,271,653	£18,591,537
Net Book Values:				
At end of the year	£30,472,984	£26,792,868	£22,271,653	£18,591,537
At start of the year	£26,792,868	£18,204,500	£18,591,537	£18,204,500

Investment properties with an original cost of £21m (Charity - £12.8m) have been valued at £30.5m (Charity - £22.3m) by the directors.

Notes to the Consolidated financial statements
For the year ended 31 December 2018

12. Investments in subsidiaries

Nilkanth Estates owns 100% of Brandon House Limited which was incorporated in England and Wales on 9 February 2017. Brandon House Limited is a company limited by guarantee. Brandon House Limited owns three light industrial units and Beddington Conference Centre ('BCC'). The units have been rented out to a single tenant on a 10-year lease at an initial rent of £200,000 for the first year rising to £400,000 from the second year with rent review after 5 years. BCC has been rented out on a 'tenancy at will' at a rent of £35,000 per annum.

A summary of the results of the Charity's subsidiary, Brandon House Limited (Company no. 10612051) is shown below:

	2018	2017
	£	£
Donations and legacies received	3,251	3,001
Investment income	392,523	72,069
Total income	395,774	75,070
Expenditure:		
- on raising funds	(236,243)	(99,374)
- other	(3,251)	(3,001)
- interest payable	(413,042)	-
Loss for the financial year	£ (256,762)	£ (27,305)
Investment property	8,201,331	8,201,331
Current Assets	355,186	143,223
Creditors due within one year	(156,210)	(100,528)
Creditors due after more than one year	(8,684,373)	(8,271,331)
Net liabilities	£ (284,066)	£ (27,305)

13. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year:				
Trade Debtors	10,447	5,696	-	-
Other debtors	334,391	123,725	148,090	112,803
Prepayments & accrued income	20,513	43,736	20,514	9,167
	£ 365,351	£ 173,157	£ 168,604	£ 121,970
Amounts falling due after more than one year:				
Amounts owed by group undertakings	£ -	£ -	£8,400,373	£ 8,271,331
Aggregate amounts	£ 365,351	£ 173,157	£8,568,977	£ 8,393,301

Notes to the Consolidated financial statements
For the year ended 31 December 2018

14. Creditors: Amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	61,663	154,421	28,831	154,421
Other creditors	95,826	43,155	29,115	43,155
Accruals & deferred income	56,667	100,528	-	-
	<u>£ 214,156</u>	<u>£ 298,104</u>	<u>£ 57,946</u>	<u>£197,576</u>

15. Funds

	Group	Charity
	£	£
Unrestricted funds		
Balance at 1 January 2018	71,932,705	71,960,010
Net movement for the year	8,060,850	8,033,612
Balance at 31 December 2018	<u>£79,993,555</u>	<u>£79,993,622</u>

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

	Group	Charity
	£	£
Unrestricted funds - 2018		
Incoming resources	7,856,409	7,873,677
Resources expended	(1,366,249)	(1,126,755)
Net gains/(losses) on investments	1,570,690	1,570,690
Impairment provision	-	(284,000)
Net movement attributable to Charity	<u>£8,060,850</u>	<u>£8,033,612</u>

Comparatives for net movement in funds:

	Group	Charity
	£	£
Unrestricted funds		
Balance at 1 January 2018	62,518,254	62,518,254
Net movement attributable to Charity	9,414,451	9,441,756
Balance at 31 December 2018	<u>£71,932,705</u>	<u>£71,960,010</u>

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

	Group	Charity
	£	£
Unrestricted funds - 2017		
Incoming resources	11,683,402	11,608,332
Resources expended	(2,268,951)	(2,166,576)
Gains and losses	-	-
Net movement attributable to Charity	<u>£9,414,451</u>	<u>£9,441,756</u>

Notes to the Consolidated financial statements
For the year ended 31 December 2018

16. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	£	£	£	£
Net income for the reporting period as per statement of financial activities)	8,060,850	9,414,451	8,033,612	9,441,756
Depreciation	981,299	824,941	981,299	824,941
Gain on investments	(1,570,690)	-	(1,570,690)	-
Impairment provision	-	-	284,000	-
Interest receivable	-	-	(413,042)	-
Properties donated (non-cash)	-	1,237,551	-	1,237,551
(Increase)/(decrease) in debtors	(192,194)	378,796	(46,634)	429,983
(Decrease)/increase in creditors	(83,948)	(318,376)	(139,630)	(418,904)
Net cash provided by/(used in) operating activities	<u>£7,195,317</u>	<u>£11,537,363</u>	<u>£7,128,915</u>	<u>£ 11,515,327</u>

17. Analysis of cash and cash equivalents

Group	At 1 January <u>2018</u>	Cash flows	At 31 December <u>2018</u>
Cash at bank and in hand	£2,706,949	(1,246,834)	£1,460,115
Charity	At 1 January <u>2018</u>	Cash flows	At 31 December <u>2018</u>
Cash at bank and in hand	£2,614,913	(1,313,236)	£1,301,677

18. Operating lease commitments

The Charity has no operating lease commitments (2017: none).

19. Capital commitments

	<u>2018</u>	<u>2017</u>
	£	£
Contracted but not provided for in the financial statements	<u>237,000</u>	<u>-</u>

20. Related party transactions

The company has provided properties with a carrying value of £47.9m 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. There are also common trustees/directors among the three entities.

20. Related party transactions, continued

Nilkanth Estates also received donations amounting to £6,500,000 (2016: £10,700,000) from The Sarjudas Foundation during the year.

In 2017, Nilkanth Estates donated two freehold properties with carrying values of £1,237,551 to BAPS. The latter is to construct two temples in these locations. Capital expenditure incurred so far by Nilkanth Estates in connection to these two temple projects, amounting to £684,488, were reimbursed by BAPS to Nilkanth Estates.

During the year, Nilkanth Estates received rental income from Akshar Educational Trust, a charitable trust with several common trustees/directors, amounting to £240,000 (2017: £233,333). Mr. A. Vyas, a trustee of Nilkanth Estates, is a principal partner in Vyman Solicitors and the latter acted in the purchase of properties during the year by Nilkanth Estates pro bono.

In 2017, Nilkanth Estates provided a loan of £8,271,331 to Brandon House Limited, its wholly owned subsidiary. Of this loan, £8,201,331 was used to fund the purchase of the investment property held by this company. Interest on the loan is 3% per annum and the loan is repayable on an indeterminate period. Interest received during the period amounted to £413,042.

Nilkanth Estates has also provided financial support to Brandon House Limited so that the latter remains a going concern.

	2018	2017
	£	£
Balance receivable from Brandon House Ltd	8,684,373	8,271,331
Impairment provision	<u>(284,000)</u>	<u>-</u>
	<u>8,400,373</u>	<u>8,271,331</u>

Brandon House Limited received rental income amounting to £35,000 (2017: £23,781) during the period from Beddington Conference Centre Limited. Mr V H Patel, a trustee of Brandon House Limited, is also the sole shareholder and director of Beddington Conference Centre Limited. The amount receivable at year-end from the latter was £Nil (2017: £23,781).

21. Subsequent Events

Nilkanth Estates acquired three investment properties at a cost of £984,000 in the month of August 2019.

22. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1. The registered office address is 105-119 Brentfield Road, London NW0 8LD.