

**The Hari Prasad Shastri  
Charitable Trust**

**Annual Report and Accounts**

Year ended 5 April 2021

Charity Registration Number:  
254532 (England and Wales)

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## Reference and administrative information

<b>Trustees</b>	Mr C J B Watson Dr R M P Reynolds Mrs L G Watson Mr N A R Fox Dr P P M Reynolds
<b>Registered address</b>	69 Highlever Road London W10 6PR
<b>Charity registration number</b>	254532
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	The Royal Bank of Scotland plc 78 Notting Hill Gate London W11 3HS
<b>Solicitors</b>	Payne Hicks Beach 10 New Square Lincoln's Inn London WC2A 3QG

The trustees present their annual report together with the financial statements of the Charity for the year ended 5 April 2021.

### **BACKGROUND AND CONSTITUTION**

The Charity is constituted by a Deed of Arrangement dated 24th November 1967 relating to the residuary estate of Hari Prasad Shastri who died on 29th January 1956.

The object of the Charity is to provide funds to or for the benefit of or otherwise in support of such purposes and objects as shall be exclusively charitable with powers to apply the same or any part or parts thereof in such shares and proportions for the said objects and purposes as the Trustees shall in their sole uncontrolled discretion think fit.

In accordance with the original wishes of the late Hari Prasad Shastri the trustees assist in education generally but with preference to support spiritual education according to the Universal Principles that he taught.

### **ORGANISATION**

The Charity does not have employees and is managed by the Trustees. The Trustees during the financial year 2020/2021 were Mr C J B Watson, Dr R M P Reynolds, Mrs L G Watson, Mr N A R Fox, Dr P P M Reynolds.

### **PROGRESS DURING THE YEAR**

The Trustees are meeting their objective of achieving a balanced return between the need to generate income and long term capital growth. The gross income during the year was sufficient to cover the charitable donations made by the Trustees.

The Trust is privileged to be guardian of a significant amount of unique archival material comprising personal items belonging to and papers by Dr H P Shastri, Miss M Waterhouse and Dr A M Halliday. This is used as a resource to further the charitable objectives of the Trust.

Suitable space is needed for storage and research into this archival material. This research is carried out voluntarily by the Trustees and other interested individuals. About a third of the expenditure of the year under review was directed towards renting a suitable space for these activities.

This space is also used to fulfil the charitable purposes of the Trust to support spiritual education for genuinely interested parties, using the archive material as a resource where appropriate). In keeping with Government guidelines on the control of the Covid-19 Pandemic, regular study meetings were discontinued from 17th March 2020. The meetings will resume when permitted. During the lockdown period programmes have been prepared and distributed for individual use at home.

The Trustees also use the rented accommodation for their formal Trustee Meetings and meetings with individuals or representatives of bodies applying for financial support from the Trust. From mid-March 2020, the Trustees maintained contact when necessary to discuss charity matters by e-mail and conference calls.

**PROGRESS DURING THE YEAR** (continued)

The lease has been extended on the space currently being rented by the Trustees for another year. The space is continuing to work well for the Trust at the moment. However, as reported previously it is expected that the long-term requirements for Trust accommodation may change (see Future Plans).

During the financial year the H P S Charitable Trust made the following donations:

- 1) A contribution of £30,000 was made to ARK Schools to assist with the purchase of laptops and Internet access for disadvantaged pupils to enable them to continue with their education at home while schools were closed during the lockdown.
- 2) A donation of £2000 was made to Pipal Tree (formerly Chora Chori) for supporting the protection and education of trafficked children in Nepal. Pipal Tree is raising funds for the "Lily's Leaves" social enterprise in Kathmandu to support it for the first three years of its existence and until it can derive its own income that will underpin training and other social welfare activities without reliance on grants.
- 3) Two donations of £10,000 each were made to support Big Change's Tranquility project. This is helping to develop a tool to help teachers identify pupils who may be struggling with mental health issues to the detriment of their education, so that timely and appropriate support may be provided.

All these projects are in line with Dr Shastri's wishes to support spiritual education and education generally for the welfare of all.

As stated in previous reports, the Trust has in mind to move from rented accommodation and acquire a more suitable space for their future use. At the end of the year 2019/20 an offer was made to purchase a flat in the same block as the accommodation rented for the Trust's use and the flat the Trust purchased for letting at an affordable rent. However during the legal investigations problems with the combustibility of the cladding was established and given the current uncertainties over Covid-19, Brexit and the London property market, the offer was withdrawn. However legal costs were incurred. (See also 'Reserves Policy and Future Plans')

Experience with the rented accommodation has proved beneficial to the Trustees enabling them to understand better their future accommodation requirements.

**RESERVES POLICY AND FUTURE PLANS**

The Charity had sufficient funds at 5th April 2021 to enable it to maintain its level of charitable distributions. The H P S Charitable Trust is again considering possible recipients for grants and other Trust activities for the year 2021/22.

The Covid Pandemic has created significant problems in the education sector, and disadvantaged children in particular are adversely affected. These pupils often have limited or no access to online equipment necessary for home-learning. Mental health is an issue particularly for those whose home environment may be dysfunctional.

### **RESERVES POLICY AND FUTURE PLANS** (continued)

With that in mind the Trust is discussing various funding opportunities for 2020/21 with Big Change and other organisations whose work is in line with the overall objectives of the Charity. In the year commencing April 2021 a further donation of £36,000 was made to the Karuna Trust to support the Aryaloka Project to provide education in computer skills to help the poor women (mostly) of India escape the poverty trap. It provides free IT training to Dalit people for them to gain a state recognised IT certificate. Outcomes have been very positive.

Other future plans include the publication of a further not-for-profit book, electronically and in hard copy, for public benefit. The manuscript for this is complete and will undergo final edit shortly.

As soon as the government guidelines for the control of Covid-19 permit it, the Trust will again arrange meetings and study retreats for those interested in the philosophy according to the principles taught by Dr Shastri.

As noted above the accommodation rented and the flat owned by the charity are in a building that has been identified as having combustible cladding. This is due to be replaced in the year 2021/22 and the management agent has been successful in securing a Government grant under the Building Safety Fund to pay for the recladding works. However the Charity has been exposed to an increase in building insurance costs (added £1314) and higher service charges, and is also liable to pay for recovering the balconies in non-combustible material (around £6,500/flat) and appropriate funds have been set aside to cover these anticipated costs.

### **TRUSTEES' RESPONSIBILITIES**

Charity legislation requires the Trustees to prepare accounts for each financial year of the Charity which show a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In accordance with charity legislation the Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Charity. They also have responsibility for safeguarding the assets of the Charity and for taking reasonable steps to prevent and detect fraud and other irregularities.

### **FINANCIAL REPORT FOR THE YEAR**

As at 5 April 2021, the quoted investments were valued at £3,741,047, an increase £707,500 from the value as at 5 April 2020. This reflects both additions to investments in the year as well as investment gains. The bank balances of £115,096 represent a decrease of £462,934 from the balances at 5 April 2020 mainly arising from transfer to the investment portfolio.

Net investment gains for the year were £266,092 compared to net investment losses of £673,843 in the year ended 5 April 2020. The net income over expenditure for the year amounted to £244,977 (2020 – net income of £655,195) with a loss for the year before investment gains of £21,115 (2020 – net surplus for the year before investment losses of £18,647).

**TRUSTEES**

Mr C J B Watson, Dr R M P Reynolds, Mrs L G Watson, Mr N A R Fox, Dr P P M Reynolds served throughout the year. No trustee had any beneficial interest in any contract with the Charity during the year.

**INDEPENDENT EXAMINER AND ACCOUNTANTS**

The Trustees has approved Buzzacott LLP Chartered Accountants to conduct the preparation (and audit if required by Charity Commission) of the Trust's accounts.

For and on behalf of The Hari Prasad Shastri Charitable Trust:

A handwritten signature in black ink, appearing to be 'P. P. M Reynolds', with a stylized flourish at the end.

Dr P. P. M Reynolds

Date of approval by the Trustees

21st Nov 2021

**Independent examiner's report to the trustees of The Hari Prasad Shastri Charitable Trust**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 5 April 2021.

**Responsibilities and basis of report**

As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

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

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

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



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London EC2V 6DL

Dated: 23 November 2021



## Statement of financial activities Year to 5 April 2021

	Notes	Unrestricted funds	
		2021 £	2020 £
<b>Income from:</b>			
Donations and legacies		—	465
Investments	1	<b>89,627</b>	114,945
<b>Total income</b>		<b>89,627</b>	115,410
<b>Expenditure on:</b>			
Raising funds			
. Investment managers' fees		<b>8,591</b>	9,048
Charitable activities			
. Spiritual education	2	<b>50,151</b>	50,215
. Other grant making	2	<b>52,000</b>	37,500
<b>Total expenditure</b>		<b>110,742</b>	96,763
<b>Net (expenditure) income before gains (losses) on investments</b>	4	<b>(21,115)</b>	18,647
Net (gains) losses on investments	7	<b>266,092</b>	(673,843)
<b>Net (income) expenditure and net movement in funds</b>		<b>244,977</b>	(655,196)
<b>Reconciliation of funds:</b>			
Fund balances brought forward at 6 April		<b>4,279,704</b>	4,934,900
Fund balances carried forward at 5 April		<b>4,524,681</b>	4,279,704

All of the charity's activities derived from continuing operations during the above two financial periods and were unrestricted in their nature.

All gains and losses recognised in the year are included in the above statement of financial activities.

**Balance sheet** as at 5 April 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	6	—		—	
Investments	7	<b>4,395,584</b>		<u>3,688,084</u>	
			<b>4,395,584</b>		3,688,084
<b>Current assets</b>					
Debtors	8	<b>16,221</b>		15,751	
Cash at bank		<b>115,096</b>		<u>578,030</u>	
<b>Total current assets</b>			<b>131,317</b>		593,781
<b>Liabilities</b>					
Creditors: amounts falling due within one year:	9	<b>(2,220)</b>		<u>(2,160)</u>	
<b>Net current assets</b>			<b>129,097</b>		591,621
<b>Total net assets</b>			<b><u>4,524,681</u></b>		<u>4,279,705</u>
<b>The funds of the charity</b>					
Unrestricted general funds			<b><u>4,524,681</u></b>		<u>4,279,705</u>

Approved by the trustees and signed on their behalf by:



P. P. M Reynolds

Approved on:

21st Nov 2021

## **Principal accounting policies** Year to 5 April 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### **Basis of preparation**

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts. The accounts are presented in sterling and are rounded to the nearest pound.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The trustees deem that in the year ended 5 April 2021 the significant judgement or estimate key to the information presented in the accounts was the valuation of the investment property held by the trust.

Less certainty, and a higher degree of caution, should be attached to the valuation of the investment properties as at 5 April 2021 than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation of investment properties will remain under frequent review.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

In making this assessment, the trustees have given regard to the impact of the Coronavirus outbreak on the operations and financial position of the charity. They acknowledge the likely future impact on investment performance and yields, however given the level of cash balances at the year end in comparison to ongoing operating costs, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

**Assessment of going concern** (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 5 April 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see Note 7 to the accounts and the risk management section of the trustees' report for more information).

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**Expenditure recognition and the basis of apportioning costs**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, 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 comprises the following:

- a) Expenditure on raising funds consists of the fees paid to investment managers in connection with the management of the charity's investments.
- b) Expenditure on charitable activities includes expenditure on the charity's primary charitable purposes as described in the trustees' report including grants payable as part of the trust's charitable activities as well as any support costs or governance costs. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for.

All expenditure is stated inclusive of irrecoverable VAT.

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are written off over their estimated useful lives on the following basis:

- |                    |                   |
|--------------------|-------------------|
| ♦ Office furniture | 25% straight line |
| ♦ Office equipment | 33% straight line |

**Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

### **Investment properties**

Investment properties are measured initially at cost and subsequently at fair value at the reporting date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The investment property at 130 Barlby Road, London is valued at cost paid on acquisition in 2017. The trustees are satisfied that this remains consistent with the fair value at the reporting date.

### **Cash flow**

The financial statements do not include a cash flow statement because the charity is exempt from the requirement to prepare such a statement under the Charities SORP (FRS102).

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They are discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Financial instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

*Financial assets* – Prepayments and deposits are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments, and are measured at amortised cost.

### **Fund accounting**

The unrestricted fund represents funds available for the general charitable purposes of the charity at the discretion of the trustees.

**1 Income from investments**

	2021 £	2020 £
Income from listed investments	84,505	110,049
Rent from investment property	4,800	4,800
Interest receivable	322	96
	<b>89,627</b>	<b>114,945</b>

**2 Expenditure on charitable activities**

	2021 £	2020 £
Spiritual education		
. Publishing costs	—	120
. Other costs	1,477	5,324
. Support costs (note 3)	48,674	44,771
	<b>50,151</b>	<b>50,215</b>
Other grant making		
. Grants payable	52,000	37,500
	<b>102,151</b>	<b>87,715</b>

**3 Support costs**

	2021 £	2020 £
Independent examiner's fees	2,652	2,160
Premises costs	44,561	42,111
Legal costs	1,461	500
	<b>48,674</b>	<b>44,771</b>

**4 Net (income) expenditure before (gains) losses on investments**

This is stated after charging:

	2021 £	2020 £
Independent examiner's fees	2,652	2,160
Amounts payable under operating leases	35,979	32,642

## 5 Remuneration of trustees and key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The trustees receive no remuneration or reimbursement of expenses in connection with their duties.

## 6 Tangible fixed assets

	Office furniture £	Office equipment £	Total £
<b>Cost</b>			
At 6 April 2020 and 5 April 2021	1,091	929	<b>2,020</b>
<b>Depreciation</b>			
At 6 April 2020 and 5 April 2021	1,091	929	<b>2,020</b>
<b>Net book values</b>			
At 6 April 2020 and 5 April 2021	—	—	—

## 7 Investments

At the year end, investments comprised:

	2021 £	2020 £
Listed investments	<b>3,741,047</b>	3,033,547
Investment property	<b>654,537</b>	654,537
	<b>4,395,584</b>	3,688,084

### Listed investments

	2021 £	2020 £
Market value of listed investments at 6 April	<b>3,033,547</b>	4,166,324
Additions at cost	<b>182,447</b>	75,593
Disposal proceeds	<b>243,300</b>	(548,243)
Net investment (gains) losses	<b>266,092</b>	(673,843)
Market value of listed investments at 5 April	<b>3,725,386</b>	3,019,831
Cash with investment managers for reinvestment	<b>15,661</b>	13,716
	<b>3,741,047</b>	3,033,547

All listed investments held are dealt in on a recognised stock exchange.



## 7 Investments (continued)

Listed investments held at 5 April comprised the following:

	2021 £	2020 £
UK Listed investments	3,709,562	3,007,228
Overseas listed investments	15,825	12,603
Cash held for reinvestment	15,661	13,716
	<b>3,741,047</b>	<b>3,033,547</b>

At 5 April 2021 the following individual holdings had a market value in excess of 5% of the entire portfolio as at that date.

	£	%
Charifund	1,333,929	35.8%
SJP International Corporate Bond	231,923	6.2%
SJP Corporate Bond	401,731	10.8%
SJP Equity Income	336,275	9.0%
SJP UK & International Income	222,485	6.0%
SJP Global Equity Income	249,170	6.7%

### *Investment property*

	2010 £	2020 £
Freeheld UK property	<b>654,537</b>	<b>654,537</b>

The investment property was purchased on 21 July 2016 and is valued at cost. The Trustees are of the opinion that there has been no material change in the market value of the investment property since that date.

Less certainty, and a higher degree of caution, should be attached to the valuation of the investment properties as at 5 April 2021 than would normally be the case given the unknown future impact that COVID-19 might have on the real estate market, the valuation of investment properties will remain under frequent review.

## 8 Debtors

	2021 £	2020 £
Rent deposits	3,570	3,570
Prepayments	12,651	12,181
	<b>16,221</b>	<b>15,751</b>

**9 Creditors: amounts falling due within one year**

	2021 £	2020 £
Accruals	<b>2,220</b>	2,160
	<b>2,220</b>	2,160

**10 Money owing to the charity**

The charity was bequeathed a legacy from the Estate of the late Mrs Lily Jacob, however The Reserve Bank of India has so far refused permission for the original legacy of 111,000 Rupees, together with accrued interest, to be remitted to the UK. The funds, inclusive of interest received, held at Standard Chartered Bank, Calcutta are estimated by the trustees to amount to 1,170,004 Rupees (approximating £12,332) at 5 April 2021, have not been included on the balance sheet.