

**The Hari Prasad Shastri
Charitable Trust**

Annual Report and Accounts

Year ended 5 April 2022

Charity Registration Number:
254532 (England and Wales)

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Reference and administrative information

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
Registered address	69 Highlever Road London W10 6PR
Charity registration number	254532
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	The Royal Bank of Scotland plc 78 Notting Hill Gate London W11 3HS
Solicitors	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 2022.

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 2021/2022 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. The group meetings, which had been suspended as a result of Covid lockdowns, resumed on 5th September 2021. During the lockdown period programmes were 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. The Trustees maintain 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). Experience with the rented accommodation has proved beneficial to the Trustees enabling them to understand better their future accommodation requirements.

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

- 1) A 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.
- 2) A donation of £1,500 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) A donation of £2,408 was made to Sunderland Women's Centre to enable them to deliver a 14 week ESOL course where women learners can study from Entry Level 1 up to Level 2 Edexcel qualifications. The course is aimed at improving all aspects of English language including, Speaking and Listening and Reading and Writing to enable disadvantaged women to improve their knowledge and skills.
- 4) A grant of £19,975 was provide to support Big Change's Tranquilliti 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 noted in last year's report the accommodation rented and the flat owned by the charity are in a building that has been identified as having combustible cladding. This is currently being replaced. The managing 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 and higher service charges The Charity was also liable to pay for reflooring the balconies in non-combustible material in the sum of £4,572 (less than £6,500/flat quoted last year).

RESERVES POLICY AND FUTURE PLANS

The Charity had sufficient funds at 5th April 2022 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 2022/23.

At the turn of the financial year ending April 2022, a contribution of £36,000 was made to Karuna Trust to support women from poor backgrounds of Bangladesh to continue with education to the age of 18 (with additional support while schools were closed during the Covid pandemic) as a means to prevent them being trafficked and/or forced into marriage as children and save them and their peers from the consequent abuse and deprivation that arises from this practice.

Prior to the publication of this report during the year 2022/23 a contribution of £30,000 was made to support ARK schools music programme. The benefits on education, discipline and general self-esteem and well-being for pupils learning to play a musical instrument are well established and the Trust is pleased to be able to support this initiative in line with its objectives to support education for the welfare of all.

The manuscript for a second book of lectures by Dr A M Halliday is now complete is undergoing a final edit prior to publication.

As measures to control the spread of Covid have relaxed, the Trust has commenced with meetings and is again arranging study retreats for those interested in the philosophy according to the principles taught by Dr Shastri.

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 2022, the quoted investments were valued at £4,516,773, an increase of £775,722 from the value as at 5 April 2021. This reflects both additions to investments in the year as well as investment gains. The bank balance of £98,131 represent a decrease of £16,965 from the balances at 5 April 2021 mainly arising increased dividend income from quoted investments.

Net investment gains for the year were £855,685 (2021 net investment gains of £266,092). This includes investment gain of £70,463 in relation to the investment property (see note 7). The net income over expenditure for the year amounted to £827,203 (2021 – £244,977) with a loss for the year before investment gains of £28,482 (2021 – loss for the year before investment gains of £21,115).


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:



P. REYNOLDS
Treasurer & Trustee

Date of approval by the Trustees

15/1/23

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 2022.

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
Date: 17 January 2023

Statement of financial activities Year to 5 April 2022

	Notes	Unrestricted funds	
		2022 £	2021 £
Income from:			
Donations and legacies		760	—
Investments	1	125,953	89,627
Total income		126,713	89,627
Expenditure on:			
Raising funds			
. Investment managers' fees		9,496	8,591
Charitable activities			
. Spiritual education	2	49,816	50,151
. Other grant making	2	95,883	52,000
Total expenditure		155,195	110,742
Net (expenditure) before gains on investments	4	(28,482)	(21,115)
Net gains on investments	7	855,685	266,092
Net income and net movement in funds		827,203	244,977
Reconciliation of funds:			
Fund balances brought forward at 6 April		4,524,681	4,279,704
Fund balances carried forward at 5 April		5,351,884	4,524,681

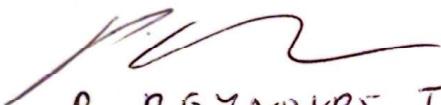
All of the charity's activities derived from continuing operations during the above two financial periods and were unrestricted in their nature.

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

Balance sheet as at 5 April 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	6	—		—	
Investments	7	<u>5,241,773</u>		<u>4,395,584</u>	
			5,241,773		4,395,584
Current assets					
Debtors	8	14,806		16,221	
Cash at bank		<u>98,131</u>		<u>115,096</u>	
Total current assets			112,937		131,317
Liabilities					
Creditors: amounts falling due within one year:	9	<u>(2,826)</u>		<u>(2,220)</u>	
Net current assets			110,111		129,097
Total net assets			<u>5,351,884</u>		<u>4,524,681</u>
The funds of the charity					
Unrestricted general funds			<u>5,351,884</u>		<u>4,524,681</u>

Approved by the trustees and signed on their behalf by:


P. REYNOLDS Treasurer & Trustee
Approved on:
15/01/23

Principal accounting policies Year to 5 April 2022

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 2022 the significant judgement or estimate key to the information presented in the accounts was the valuation of the investment property held by the trust.

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.

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 2023, 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.

Principal accounting policies Year to 5 April 2022

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 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

	2022 £	2021 £
Income from listed investments	120,821	84,505
Rent from investment property	5,070	4,800
Interest receivable	62	322
	125,953	89,627

2 Expenditure on charitable activities

	2022 £	2021 £
Spiritual education		
. Other costs	450	1,477
. Support costs (note 3)	49,366	48,674
	49,816	50,151
Other grant making		
. Grants payable	95,883	52,000
	145,699	102,151

3 Support costs

	2022 £	2021 £
Independent examiner's fees	3,228	2,652
Premises costs	46,138	44,561
Legal costs	—	1,461
	49,366	48,674

4 Net (expenditure) before gains on investments

This is stated after charging:

	2022 £	2021 £
Independent examiner's fees	3,228	2,652
Amounts payable under operating leases	39,810	35,979

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 £
Cost			
At 6 April 2021 and 5 April 2022	1,091	929	2,020
Depreciation			
At 6 April 2021 and 5 April 2022	1,091	929	2,020
Net book values			
At 6 April 2021 and 5 April 2022	—	—	—

7 Investments

At the year end, investments comprised:

	2022 £	2021 £
Listed investments	4,516,773	3,741,047
Investment property	725,000	654,537
	5,241,773	4,395,584

Listed investments

	2022 £	2021 £
Market value of listed investments at 6 April	3,725,386	3,033,547
Additions at cost	63,613	182,447
Disposal proceeds	(78,971)	243,300
Net investment gains	785,222	266,092
Market value of listed investments at 5 April	4,510,911	3,725,386
Cash with investment managers for reinvestment	5,862	15,661
	4,516,773	3,741,047

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

7 Investments (continued)

Listed investments held at 5 April comprised the following:

	2022 £	2021 £
UK Listed investments	4,495,606	3,709,562
Overseas listed investments	15,305	15,825
Cash held for reinvestment	5,862	15,661
	4,516,773	3,741,047

At 5 April 2022 the following individual holdings had a market value in excess of 5% of the entire portfolio as at that date.

	£	%
Charifund	2,040,167	45.2%
SJP International Corporate Bond	242,214	5.4%
SJP Corporate Bond	438,617	9.7%
SJP Equity Income	329,641	7.3%
SJP UK & International Income	237,130	5.3%
SJP Global Equity Income	254,261	5.6%

Investment property

	2022 £	2021 £
At 1 January 2021	654,537	654,537
Gain on revaluation	70,463	—
At 5 April 2022	725,000	654,537

The investment property was purchased on 21 July 2016 and was initially valued at cost. The Trustees sought a valuation of the property in the year and therefore the value represents the fair value at the reporting date.

8 Debtors

	2022 £	2021 £
Rent deposits	3,570	3,570
Prepayments	11,236	12,651
	14,806	16,221

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	2,826	2,220
	2,826	2,220

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 1,345,805 Rupees (approximating £13,515) at 5 April 2022, have not been included on the balance sheet.