

**The Hari Prasad Shastri
Charitable Trust**

Annual Report and Accounts

Year ended 5 April 2023

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 2023.

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 of 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 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.

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.

PROGRESS DURING THE YEAR (continued)

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 £30,000 was made to the Karuna Trust to support the Aryaloka Project to provide secondary education to women to give them independence, help to support their families and allow them to avoid underage marriage and the abuses which arise from this practice. Part of the programme develops mentoring skills so that it gradually becomes self-sustaining. The community had been badly devastated by the effects of Cyclone Amphan and Covid 19 and the project has enabled a strong network of girls to help rebuild their lives and secure their futures. Outcomes have been very positive.
- 2) A donation of £5,000 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 grant of £30,000 was made to ARK Schools – Absolute Return for Kids project to give disadvantaged pupils access to music in their schools which is beyond the reach of limited school budgets, the core curriculum and overstretched teachers. The pupils have benefited from learning to play an instrument or be part of a choir and have improved their ability to learn, participate with others, their sense of wellbeing and self-discipline.
- 4) The Trust covered the cost of accommodation of £2,702 for an annual study group attended by 8 including 4 trustees. Each year the group takes 4 to 6 days away to study in depth a spiritual classic from the tradition taught by Dr Shastri or an original work or translation by him or one of his pupils.

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

The work to re clad the building (to replace the cladding with non-combustible materials post-Grenfell) in which the Trust rents space is now complete and the Trustees are pleased to report that due to change of materials and additional funding support from the government a substantial portion of the annual service charge has been refunded to the Charity.

RESERVES POLICY AND FUTURE PLANS

The Charity had sufficient funds at 5th April 2023 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 2023/24. The income to support The Hari Prasad Shastri Charitable Trust is entirely from the return on investments. The Trustees have been mindful of the negative effect of current high levels of inflation on the investments they hold and have taken the decision to reduce slightly the value of grants awarded this year to preserve the value of the amount invested in real terms.

The manuscript for a second book of lectures by Dr A M Halliday has had a final edit and will be published during 2023.

The Trust holds two to three meetings a week and an annual study retreat for those interested in the spiritual philosophy based on archive material in its care according to the principles taught by Dr Shastri.

The trustees continue to stay in contact with recipients of previous funding (typically but not confined to charitable organisations registered in England and Wales) to receive reports on progress and establish their future requirements. Enquiries seeking grants are received from time-to-time and are carefully considered in line with the objects of the Charity.

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 2023, the quoted investments were valued at £4,317,284, a decrease of £199,489 from the value as at 5 April 2022. This reflects both disposals of investments in the year as well as investment losses. The bank balance of £118,772 represent a decrease of £20,641 from the balances at 5 April 2022.

Net investment losses for the year were £192,250 (2022 net investment gains of £855,685). The net expenditure for the year amounted to £179,602 (2022 – net income of £827,203) with a gain for the year before investment losses of £12,918 (2022 – loss for the year before investment gains of £28,482).

Trustees' report Year ended 5 April 2023

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.

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

A handwritten signature in red ink, appearing to read 'S. B. Watson', with a long horizontal flourish extending to the right.

23 October 2023

Date of approval by the Trustees

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 2023.

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: 24 October 2023

Statement of financial activities Year to 5 April 2023

	Notes	Unrestricted funds	
		2023 £	2022 £
Income from:			
Donations and legacies		570	760
Investments	1	138,715	125,953
Total income		139,285	126,713
Expenditure on:			
Raising funds			
· Investment managers' fees		8,888	9,496
Charitable activities			
· Spiritual education	2	52,479	49,816
· Other grant making	2	65,000	95,883
Total expenditure		126,367	155,195
Net income/(expenditure) before gains on investments	4	12,918	(28,482)
Net (losses)/gains on investments	7	(192,520)	855,685
Net (expenditure)/income and net movement in funds		(179,602)	827,203
Reconciliation of funds:			
Fund balances brought forward at 6 April		5,351,884	4,524,681
Fund balances carried forward at 5 April		5,172,282	5,351,884

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 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	6	—		—	
Investments	7	<u>5,042,284</u>		<u>5,241,773</u>	
			5,042,284		5,241,773
Current assets					
Debtors	8	16,626		14,806	
Cash at bank		<u>118,772</u>		<u>98,131</u>	
Total current assets			135,398		112,937
Liabilities					
Creditors: amounts falling due within one year:	9	<u>(5,400)</u>		<u>(2,826)</u>	
Net current assets			129,998		110,111
Total net assets			<u>5,172,282</u>		<u>5,351,884</u>
The funds of the charity					
Unrestricted general funds			<u>5,172,282</u>		<u>5,351,884</u>

Approved by the trustees and signed on their behalf by:



Approved on: 23/10/23

Principal accounting policies Year to 5 April 2023

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 2023 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 2024, 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 2023

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.

Notes to the accounts Year to 5 April 2023

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 2022 and 5 April 2023	1,091	929	2,020
Depreciation			
At 6 April 2022 and 5 April 2023	1,091	929	2,020
Net book values			
At 6 April 2022 and 5 April 2023	—	—	—

7 Investments

At the year end, investments comprised:

	2023 £	2022 £
Listed investments	4,317,284	4,516,773
Investment property	725,000	725,000
	5,042,284	5,241,773

Listed investments

	2023 £	2022 £
Market value of listed investments at 6 April	4,516,773	3,725,386
Additions at cost	60,164	63,613
Disposal proceeds	(125,776)	(78,971)
Net investment (losses) gains	(192,520)	785,222
Market value of listed investments at 5 April	4,252,781	4,510,911
Cash with investment managers for reinvestment	64,503	5,862
	4,317,284	4,516,773

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

7 Investments (continued)

Listed investments held at 5 April comprised the following:

	2023 £	2022 £
UK Listed investments	4,252,781	4,495,606
Overseas listed investments	—	15,305
Cash held for reinvestment	64,503	5,862
	4,317,284	4,516,773

At 5 April 2023 the following individual holdings had a market value in excess of 5% of the entire portfolio as at that date.

	£	%
Charifund	1,915,487	45.0%
SJP Corporate Bond	445,937	10.5%
SJP Equity Income	311,795	7.3%
SJP UK & International Income	493,935	11.6%
SJP Global Equity Income	228,302	5.4%

Investment property

	2023 £	2022 £
At 1 January 2022	725,000	654,537
Gain on revaluation	—	70,463
At 5 April 2023	725,000	725,000

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

	2023 £	2022 £
Rent deposits	3,570	3,570
Prepayments	13,056	11,236
	16,626	14,806

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	5,400	2,826
	5,400	2,826

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 £14,133) at 5 April 2023, have not been included on the balance sheet.