

# **Ambika Paul Foundation**

Report and Financial Statements

Year Ended

30 April 2021

Charity Number 276127

# Ambika Paul Foundation

Report and financial statements  
for the year ended 30 April 2021

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## Trustees

The Lord Paul of Marylebone  
Lady Aruna Paul  
The Honourable Ms Anjli Paul  
The Honourable Ambar Paul  
The Honourable Akash Paul

## Charity registered number

276127

## Principal address

Caparo House, 103 Baker Street, London, W1U 6LN

## Auditors

Bishop Fleming Bath Limited, Minerva House, Lower Bristol Road, Bath, BA2 9ER

## Bankers

Bank of Baroda, 32 City Road, London, EC1Y 2BD

Santander International, PO Box 545, 19-21 Commercial St, St Helier, Jersey, JE4 8XG

## Investment managers

Schroder Investment Management Limited, 33 Gutter Lane, London, EC2V 8AS

Julius Baer International Limited, 1 St. Martin's Le-Grand, London, EC1A 4AS

# **Ambika Paul Foundation**

## **Report of the trustees for the year ended 30 April 2021**

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The trustees of the Ambika Paul Foundation present their report together with the audited financial statements for the year ended 30 April 2021.

The trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the Foundation's governing document and the provisions of the 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).

### **Structure, governance and management**

The Ambika Paul Foundation is constituted as a charitable unincorporated organisation under a trust deed executed on 10 April 1978 and is registered with the Charity Commissioners (registration number 276127).

The trustees are appointed by the Board of Trustees. The power to appoint new trustees rests with the existing trustees. On appointment, the decision making process of the trust is explained to new trustees by one of the existing trustees who also provides an overview of the administrative procedures employed by the trust.

Trustees meet at regular intervals during each year to give consideration to the status of the trust's funding, reserves, risks, investments and grant making. The trust has no paid staff, however, the trustees call upon the unpaid services of certain employees of the Caparo Group of companies, a related party, for the provision of administrative support.

### **Trustees**

The trustees set out on the contents page served throughout the year and to the date of this report.

### **Objectives and activities**

As set out in more detail in the trust deed, the purposes of the Foundation are to apply income and capital from the trust fund for the benefit of any charitable organisation or purposes as the trustees consider appropriate. The trust fund is an expendable endowment fund and the trustees have the power to reinvest any income in line with the original donation's principles. The trustees seek suitable grant opportunities with a particular emphasis on education, culture and health.

### **Grant making policy**

Grants made by the Foundation are at the discretion of the Board of Trustees. The Board considers making a grant and if approved, notifies the intended recipient.

### **Achievements and performance for the public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities.

The Foundation enjoyed a satisfactory financial year, with the value of investments recovering from the adverse impact on financial markets of the early phases of the Covid-19 pandemic in 2020. As detailed in note 6 the Foundation did not award any grants during the year (2020: £3,983,700) but paid down some of the Foundation's existing commitments. Investments in 2020 consisted of Social Projects of £2,000 and Educational Projects of £3,981,700.

As a result of awarding no grants during the year, expenditure saw a significant reduction on 2020, with a positive contribution due to favourable foreign exchange rate movement in relation to the prior period grants the foundation was committed to donate to the Massachusetts Institute of Technology.

### **Plans for future periods for the public benefit**

Funds continue to be accumulated in order to fund projects which promote education, culture and health. The trustees continue to consider proposals for their suitability for funding, on an ongoing basis.

# Ambika Paul Foundation

## Report of the trustees for the year ended 30 April 2021 (*continued*)

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### Financial review

The Foundation's financial activities are set out on page 7. Income, all of which was investment income, decreased slightly to £242,237 (2020: £332,150). Expenditure was £35,126 (2020: £3,976,011) before an adjustment of £310,646 (profit) relating to exchange rate adjustments on outstanding commitments (2020: £29,550 (loss)). Net income before investment gains for the year was £517,757 (2020: £3,673,410 (loss)). There was a significant gain on investment assets of £1,491,224 (2020: £1,508,902 (loss)).

The balance sheet on page 8 shows that the funds of the Foundation comprise securities, and short term bank balances, managed so as to obtain the best rates of interest and mitigating investment risk. Income is either reinvested or spent on fulfilling the Foundation's charitable objectives, as the trustees consider appropriate. The policy of the Foundation is to maintain cash at bank at a level that is adequate to cover grants payable and operational expenditure and the trustees review regularly these investments with a view to maintaining income without unacceptable investment risk.

The fund balance at 30 April 2021 was £7,807,670 (2020: £5,798,690) and consisted primarily of cash and fixed term deposit balances of £2,051,528 (2020: £4,324,402) and securities of £7,625,941 (2020: £5,991,353), offset by committed charitable donations of £1,905,706 (2020: £4,560,235).

### Investment policy

There are no restrictions on the trustees' powers of investment. The trustees' policy is to protect the capital value of the Foundation's assets against inflation and to aim to produce maximum annual growth to be available for distribution.

### Reserves policy

The total funds at 30 April 2021 were £7,807,670 of which £1,164,088 were unrestricted reserves. The trustees maintain unrestricted reserves at a level judged by them to be adequate to meet their commitments, allowing for short term fluctuations in income.

The Foundation has minimal ongoing operational expenditure requirements and continues to consider opportunities to donate funds consistent with its charitable objectives. As it holds significant expendable endowment funds, the trustees are satisfied that its unrestricted reserves are currently adequate. If the Foundation's asset position alters significantly, the trustees will establish a defined level of reserves to maintain should that be required.

### Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

# Ambika Paul Foundation

## Report of the trustees for the year ended 30 April 2021 (*continued*)

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### Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practise (United Kingdom Accounting Standards and applicable law). Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Bishop Fleming Bath Limited were reappointed as auditors.

### On behalf of the Board of Trustees



**The Honourable Ambar Paul**  
Trustee

Date 21 February 2022

# Ambika Paul Foundation

## Independent auditor's report to the trustees

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### Independent Auditor's Report to the Trustees of Ambika Paul Foundation

#### Opinion

We have audited the financial statements of Ambika Paul Foundation (the 'charity') for the year ended 30 April 2021 which comprise Statement of Financial Activities, Statement of Financial Position, Statement of Cash flows and notes to the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2021, and of its incoming resources and application of resources, 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 Charities Act 2011.

#### 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

# Ambika Paul Foundation

## Independent auditor's report to the trustees (*continued*)

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Charity's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Charity's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

# Ambika Paul Foundation

## Independent auditor's report to the trustees (*continued*)

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In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011 and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of income;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

# Ambika Paul Foundation

## Independent auditor's report to the trustees (*continued*)

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### Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Bishop Fleming Bath Limited*

Bishop Fleming Bath Limited  
Statutory Auditor  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER  
United Kingdom

22 February 2022

Bishop Fleming Bath Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Ambika Paul Foundation

## Statement of financial activities for the year ended 30 April 2021

|                                                | Note | Unrestricted<br>funds<br>£ | Expendable<br>endowment<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|------------------------------------------------|------|----------------------------|---------------------------------------|--------------------|--------------------|
| <b>Income</b>                                  |      |                            |                                       |                    |                    |
| Donations                                      | 2    | -                          | -                                     | -                  | -                  |
| Investments                                    | 4    | 242,237                    | -                                     | 242,237            | 332,150            |
| <b>Total income</b>                            |      | 242,237                    | -                                     | 242,237            | 332,150            |
| <b>Expenditure</b>                             |      |                            |                                       |                    |                    |
| Raising funds                                  | 5    | 19,429                     | -                                     | 19,429             | 18,866             |
| Charitable activities                          | 6    | 15,697                     | (310,646)                             | (294,949)          | 3,986,694          |
| <b>Total expenditure</b>                       |      | 35,126                     | (310,646)                             | (275,520)          | 4,005,560          |
| Net income before investment<br>gains/(losses) |      | 207,111                    | 310,646                               | 517,757            | (3,673,410)        |
| <b>Other recognised<br/>(losses)/gains</b>     |      |                            |                                       |                    |                    |
| Net gains/(losses) on investment<br>assets     | 7    | 195,759                    | 1,295,465                             | 1,491,224          | (1,508,902)        |
| <b>Net income and movement in<br/>funds</b>    |      | 402,870                    | 1,606,111                             | 2,008,981          | (5,182,312)        |
| <b>Reconciliation of funds:</b>                |      |                            |                                       |                    |                    |
| Total funds at 1 May 2020                      |      | 761,218                    | 5,037,472                             | 5,798,690          | 10,981,002         |
| <b>Total funds at 30 April 2021</b>            |      | 1,164,088                  | 6,643,583                             | 7,807,671          | 5,798,690          |

All recognised gains and losses are included in the Statement of Financial Activities for the year.  
All amounts relate to continuing activities.

The notes on pages 9 to 16 form part of these financial statements.

# Ambika Paul Foundation

## Statement of Financial Position at 30 April 2021

|                                                            | Note | 2021<br>£        | 2021<br>£          | 2020<br>£          | 2020<br>£          |
|------------------------------------------------------------|------|------------------|--------------------|--------------------|--------------------|
| <b>Fixed assets</b>                                        |      |                  |                    |                    |                    |
| Investments                                                | 7    |                  | 7,625,941          |                    | 5,991,353          |
| <b>Current assets</b>                                      |      |                  |                    |                    |                    |
| Debtors                                                    | 8    | 42,868           |                    | 49,770             |                    |
| Current asset investments                                  | 9    | 2,040,804        |                    | 4,316,984          |                    |
| Cash at bank                                               |      | 10,724           |                    | 7,418              |                    |
|                                                            |      | <u>2,094,395</u> |                    | <u>4,374,172</u>   |                    |
| <b>Creditors: amounts falling due within one year</b>      | 10   | <u>(468,101)</u> |                    | <u>(2,484,910)</u> |                    |
| <b>Net current assets</b>                                  |      |                  | <u>1,626,294</u>   |                    | <u>1,889,262</u>   |
| <b>Total assets less current liabilities</b>               |      |                  | <u>9,252,235</u>   |                    | <u>7,880,615</u>   |
| <b>Creditors: amounts falling after more than one year</b> |      |                  |                    |                    |                    |
| Grants payable                                             | 11   |                  | <u>(1,444,565)</u> |                    | <u>(2,081,925)</u> |
| <b>Total net assets</b>                                    |      |                  | <u>7,807,671</u>   |                    | <u>5,798,690</u>   |
| <i>Represented by:</i>                                     |      |                  |                    |                    |                    |
| <b>Charity funds</b>                                       |      |                  |                    |                    |                    |
| Unrestricted funds                                         | 13   |                  | 1,164,088          |                    | 761,218            |
| Expendable endowment funds                                 | 13   |                  | 6,643,583          |                    | 5,037,472          |
| <b>Total funds</b>                                         |      |                  | <u>7,807,671</u>   |                    | <u>5,798,690</u>   |

These financial statements were approved by the trustees and authorised for issue on



**The Honourable Ambar Paul**  
Trustee

The notes on pages 9 to 16 form part of these financial statements.

# Ambika Paul Foundation

## Statement of Cash flows for the year ended 30 April 2021

|                                                                     |             | 2021<br>£          | 2020<br>£        |
|---------------------------------------------------------------------|-------------|--------------------|------------------|
| <b>Cash flows from operating activities</b>                         |             |                    |                  |
|                                                                     | <b>Note</b> |                    |                  |
| Net income and movement in funds                                    |             | 2,008,890          | (5,182,312)      |
| Investment management fees                                          |             | 19,429             | 18,862           |
| Dividends received                                                  |             | (172,793)          | (272,989)        |
| Interest received                                                   |             | (52,114)           | (84,331)         |
| Decrease/ (increase) in receivables                                 |             | 6,902              | 29,903           |
| Increase / (decrease) in payables                                   |             | (2,654,169)        | 3,824,382        |
| Unrealised (gains) / losses on investments                          |             | (1,470,343)        | 1,553,317        |
|                                                                     |             | <hr/>              | <hr/>            |
| <b>Net cash generated from / (expended by) operating activities</b> |             | <b>(2,314,109)</b> | <b>(110,168)</b> |
|                                                                     |             | <hr/>              | <hr/>            |
| <b>Cash flows from investing activities</b>                         |             |                    |                  |
| Dividends received                                                  |             | 26,726             | 36,429           |
| Investment management fees                                          |             | (19,429)           | (18,862)         |
| Proceeds from sale of investments                                   |             | 1,579,713          | 782,213          |
| Purchase of investments                                             |             | (1,595,004)        | (852,631)        |
| Investment in fixed term deposits                                   |             | (2,040,804)        | (4,316,984)      |
| Proceeds from maturity of fixed term deposits                       |             | 4,369,098          | 4,463,623        |
|                                                                     |             | <hr/>              | <hr/>            |
| <b>Net cash (invested in) / received from investing activities</b>  |             | <b>2,320,301</b>   | <b>93,788</b>    |
|                                                                     |             | <hr/>              | <hr/>            |
| <b>Change in cash and cash equivalents in the year</b>              |             | <b>6,193</b>       | <b>(16,380)</b>  |
|                                                                     |             | <hr/>              | <hr/>            |
| Cash and cash equivalents brought forward                           |             | 202,042            | 218,422          |
|                                                                     |             | <hr/>              | <hr/>            |
| <b>Cash and cash equivalents carried forward</b>                    | 15          | <b>208,235</b>     | <b>202,042</b>   |
|                                                                     |             | <hr/>              | <hr/>            |

The notes on pages 9 to 16 form part of these financial statements.

# Ambika Paul Foundation

## Notes forming part of the financial statements for the year ended 30 April 2021

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### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments. They have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Ambika Paul Foundation constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

The charity's functional and presentational currency is the pound sterling.

#### *Income*

All donations are accounted for gross when receivable, as long as they are capable of financial measurement. Investment income is accounted for on an accruals basis.

#### *Expenditure*

Expenditure is accounted on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

The costs of generating funds comprise those costs directly attributable to managing the investment portfolio.

#### *Allocation of overhead and support costs*

Overhead and support costs for running the Foundation are not significant. They have been allocated to charitable activities in full as set out in note 6. In view of the amounts involved these costs are not reallocated to individual charitable projects.

#### *Value added tax*

As the charity is unable to reclaim Value Added Tax, all expenditure in these financial statements is shown inclusive of Value Added Tax paid.

# Ambika Paul Foundation

## Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Investments*

The investments are stated at fair value at the accounting reference date. Forward currency positions are stated at fair value as at the accounting reference date. No differentiation is made between realised and unrealised investment gains and losses as drawing a distinction would not add to the management or understanding of the investment portfolio.

#### *Expendable Endowment Fund*

Expendable endowments are those where the trust terms provide for conversion from capital into income only under certain circumstances.

Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains and losses arising on the investments form part of the fund. Investment management charges, fund raising costs and legal advice relating to the fund are charged against the fund.

#### *Unrestricted funds*

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

#### *Cash and Cash Equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 3 months. Any deposits with a maturity of between 3 and 12 months are shown as current asset investments. Cash held for investment purposes by the investment managers is classified as a fixed asset investment in the balance sheet but is included with cash and cash equivalents in the cash flow statement.

#### *Foreign currency translation*

Assets and liabilities denominated in foreign currencies are translated at the rate ruling at the accounting reference date. Any surplus or deficit on exchange has been credited or charged to the fund account.

#### *Financial Instruments*

Financial instruments are recognised in the charity's balance sheet when it becomes a party to the contractual provisions of the financial instrument.

### 2 Voluntary income

During the year, the charity received no donations (2020 £nil).

# Ambika Paul Foundation

## Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

### 3 Employees and trustees

The charity has no employees. The trustees did not receive any remuneration for their services or reimbursed expenses in either year. There are no key management personnel.

### 4 Investment income

|                              | 2021<br>£      | 2020<br>£      |
|------------------------------|----------------|----------------|
| Distributions reinvested:    |                |                |
| Schroder Charity Equity Fund | 163,396        | 211,390        |
| Julius Baer Fund             | 26,726         | 36,429         |
| Interest on cash deposits    | 52,114         | 84,331         |
|                              | <u>242,237</u> | <u>332,150</u> |

In 2021 the total investment income of £242,237 (2020: £332,150) was unrestricted.

### 5 Raising funds

|                            | 2021<br>£     | 2020<br>£     |
|----------------------------|---------------|---------------|
| Investment manager charges | 19,429        | 18,862        |
| Other costs                | -             | 4             |
|                            | <u>19,429</u> | <u>18,866</u> |

In 2021 of the total costs relating to raising funds, £nil (2020: £nil) was unrestricted.

### 6 Charitable activities

|                                   | 2021<br>£        | 2020<br>£        |
|-----------------------------------|------------------|------------------|
| <i>Expendable endowment funds</i> |                  |                  |
| Summary of charitable activity:   |                  |                  |
| Educational projects              | (310,646)        | 3,981,681        |
| Social projects                   | 0                | 2,000            |
|                                   | <u>(310,646)</u> | <u>3,983,681</u> |
| <i>Unrestricted funds:</i>        |                  |                  |
| Summary of charitable activity:   |                  |                  |
| Educational projects              | -                | -                |
| Social projects                   | -                | -                |
|                                   | <u>-</u>         | <u>-</u>         |

# Ambika Paul Foundation

## Notes forming part of the financial statements for the year ended 30 April 2021 (continued)

### 6 Charitable activities (continued)

#### Support costs:

|                                 |       |         |
|---------------------------------|-------|---------|
| Foreign exchange (gains)/losses | 8,659 | (5,555) |
| Bank interest and charges       | -     | 78      |
| Securities registration fee     | 78    | 84      |

#### Auditor's fee for audit services

|                |       |       |
|----------------|-------|-------|
| - current year | 6,960 | 6,600 |
| - prior year   | (0)   | (20)  |

|  |                  |                  |
|--|------------------|------------------|
|  | <u>(294,950)</u> | <u>3,986,694</u> |
|--|------------------|------------------|

The £310,646 credit against Education Projects relates to movements in foreign exchange in connection with a grant payable.

The Ambika Paul Foundation made no grants during the year (2020 - 4). Details are given as follows:

|                                                                 | 2021<br>£        | 2020<br>£        |
|-----------------------------------------------------------------|------------------|------------------|
| <b>Educational projects:</b>                                    |                  |                  |
| MIT – Kresge auditorium fund                                    | -                | 3,947,131        |
| Girl's Day School Trust (South Hampstead High School)           | -                | 5,000            |
| Foreign exchange differences arising on unpaid grant commitment | (310,646)        | 29,550           |
|                                                                 | <u>(310,646)</u> | <u>3,981,681</u> |

|                         | 2021<br>£ | 2020<br>£    |
|-------------------------|-----------|--------------|
| <b>Social projects:</b> |           |              |
| Bharatiya Vidya Bhavan  | -         | 1,000        |
| Brahma Kumaris          | -         | 1,000        |
|                         | <u>-</u>  | <u>1,000</u> |

# Ambika Paul Foundation

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

## 7 Fixed asset investments

|                                                | Securities<br>£  | Unlisted<br>securities<br>£ | Cash held for<br>reinvestment<br>£ | Total<br>investments<br>£ |
|------------------------------------------------|------------------|-----------------------------|------------------------------------|---------------------------|
| Market Value as at 1 May 2020                  | 5,796,729        | -                           | 194,624                            | 5,991,353                 |
| Purchases                                      | 1,568,277        | -                           | (1,568,277)                        | -                         |
| Sales                                          | (1,579,713)      | -                           | 1,579,713                          | -                         |
| Distributions reinvested                       | 172,793          | -                           | -                                  | 172,793                   |
| Funds withdrawn                                | -                | -                           | (10,000)                           | (10,000)                  |
| Other fund outflows and<br>expenses            | -                | -                           | (19,429)                           | (19,429)                  |
| Unrealised/realised (loss)/gain in the<br>year | 1,470,343        | -                           | 20,880                             | 1,491,224                 |
| Market value as at 30 April 2021               | <b>7,428,430</b> | -                           | <b>197,511</b>                     | <b>7,625,941</b>          |
| Historical cost as at 30 April 2021            | 3,029,710        | -                           | 194,624                            | 3,227,221                 |

Investments in individual entities held at the year end which are over 5% of the portfolio by value are:

|                              | 2021<br>£        | 2020<br>£ |
|------------------------------|------------------|-----------|
| Schroder Charity Equity Fund | <b>4,954,508</b> | 3,538,462 |

## 8 Debtors

|                      | 2021<br>£     | 2020<br>£ |
|----------------------|---------------|-----------|
| Dividends receivable | <b>38,065</b> | 20,736    |
| Interest receivable  | <b>4,803</b>  | 29,033    |
|                      | <b>42,868</b> | 49,770    |

All amounts shown under debtors fall due for payment within one year.

# Ambika Paul Foundation

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

## 9 Current asset investments

|                     | 2021<br>£        | 2020<br>£        |
|---------------------|------------------|------------------|
| Fixed term deposits | 2,040,804        | 4,316,984        |
|                     | <u>2,040,804</u> | <u>4,316,984</u> |

## 10 Creditors: amounts falling due in less than one year

|                | 2021<br>£      | 2020<br>£        |
|----------------|----------------|------------------|
| Accruals       | 6,960          | 6,600            |
| Grants payable | 461,141        | 2,478,30         |
|                | <u>468,101</u> | <u>2,484,910</u> |

Grants payable within one year are composed of a grant to the University of Wolverhampton for £100,000 and the Massachusetts Institute of Technology for £361,141 (\$500,000).

## 11 Creditors: amounts falling due in more than one year

|                | 2021<br>£        | 2020<br>£        |
|----------------|------------------|------------------|
| Grants payable | 1,444,565        | 2,081,925        |
|                | <u>1,444,565</u> | <u>2,081,925</u> |

Grants payable in more than one year are composed of a grant to the Massachusetts Institute of Technology for £1,444,565 (\$2,000,000) (2020: £1,981,925 (\$2,500,000)).

# Ambika Paul Foundation

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

## 12 Financial instruments

|                                                                                                                            | 2021<br>£        | 2020<br>£         |
|----------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| Financial assets measured at fair value through income and expenditure<br>- Securities, cash and current asset investments | 9,677,469        | 10,315,755        |
| Financial assets measured at amortised cost - Other debtors and<br>accrued income                                          | 42,868           | 49,770            |
|                                                                                                                            | <u>9,720,337</u> | <u>10,365,525</u> |
| Financial liabilities measured at fair value – Accruals and grant creditor                                                 | <u>1,912,666</u> | <u>4,566,835</u>  |

## 13 Funds

### Statement of funds – current year

|                               | Opening<br>balance<br>£ | Net<br>income/<br>(expense)<br>£ | Transfers<br>£ | Investment<br>gains/<br>(losses)<br>£ | Closing<br>balance<br>£ |
|-------------------------------|-------------------------|----------------------------------|----------------|---------------------------------------|-------------------------|
| Expendable<br>endowment funds | 5,037,471               | 310,646                          | -              | 1,295,465                             | 6,643,582               |
| Unrestricted funds            | 761,218                 | 207,111                          | -              | 195,759                               | 1,164,088               |
| <b>Total funds</b>            | <b>5,798,689</b>        | <b>517,757</b>                   | <b>-</b>       | <b>1,491,224</b>                      | <b>7,807,670</b>        |

# Ambika Paul Foundation

Notes forming part of the financial statements  
for the year ended 30 April 2021 (continued)

## 13 Funds (continued)

### Statement of funds – prior year

|                               | Opening<br>balance<br>£ | Net<br>income<br>£ | Transfers<br>£ | Investment<br>gains/<br>(losses)<br>£ | Closing<br>balance<br>£ |
|-------------------------------|-------------------------|--------------------|----------------|---------------------------------------|-------------------------|
| Expendable<br>endowment funds | 10,458,219              | (3,983,681)        | -              | (1,437,066)                           | 5,037,471               |
| Unrestricted funds            | 522,783                 | 310,271            | -              | (71,836)                              | 761,218                 |
| <b>Total Funds</b>            | <b>10,981,002</b>       | <b>(3,673,410)</b> | <b>-</b>       | <b>(1,508,902)</b>                    | <b>5,798,689</b>        |

## 14 Analysis of net assets between funds

### Current year

|                                   | Unrestricted<br>funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Balance<br>£ |
|-----------------------------------|----------------------------|-------------------------|-----------------------|
| Investments                       | 921,314                    | 6,704,627               | 7,625,941             |
| Current asset investments         | 296,143                    | 1,744,661               | 2,040,804             |
| Cash                              | 10,724                     | -                       | 10,724                |
| Debtors                           | 42,868                     | -                       | 42,868                |
| Creditors:                        |                            |                         |                       |
| Amounts due in less than one year | (106,960)                  | (361,141)               | (468,101)             |
| Amounts due in more than one year | -                          | (1,444,565)             | (1,444,565)           |
| <b>At 30 April 2021</b>           | <b>1,164,088</b>           | <b>6,643,582</b>        | <b>7,807,670</b>      |

### Prior year

|                                   | Unrestricted<br>funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Balance<br>£ |
|-----------------------------------|----------------------------|-------------------------|-----------------------|
| Investments                       | 1,055,746                  | 4,935,607               | 5,991,353             |
| Current asset investments         | 251,269                    | 4,065,715               | 4,316,984             |
| Cash                              | 57,418                     | -                       | 7,418                 |
| Debtors                           | 49,770                     | -                       | 49,770                |
| Creditors:                        |                            |                         |                       |
| amounts due in less than one year | (502,985)                  | (1,981,925)             | (2,484,910)           |
| amounts due in more than one year | (100,000)                  | (1,981,925)             | (2,081,925)           |
| <b>At 30 April 2020</b>           | <b>761,218</b>             | <b>5,037,472</b>        | <b>5,798,690</b>      |

# Ambika Paul Foundation

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

## 15 Analysis of cash and cash equivalents

|                                                           | 2021<br>£      | 2020<br>£      |
|-----------------------------------------------------------|----------------|----------------|
| Cash at bank and in hand                                  | 10,724         | 7,418          |
| Cash held as part of the Foundation's investment strategy | 197,511        | 194,624        |
|                                                           | <u>208,235</u> | <u>202,042</u> |

## 16 Related Parties

During the year, the Ambika Paul Foundation made a payment of £100,000 to the University of Wolverhampton, of which The Lord Paul of Marylebone is Chancellor. The payment had previously been provided for in prior years as well as an additional payment of £100,000 over the next year.

On 29 June 2020 Ambika Paul Foundation received a loan of \$2,500,000 from Lord and Lady Paul, both of whom are trustees of the charity. The loan was provided to enable efficient cashflow management to pay donation commitments. The loan was interest free and was repaid on 8 December 2020.

## 17 Charity Information

Ambika Paul Foundation is an unincorporated charity, registered at the Charity Commission in England and Wales. The principal office is Caparo House, 103 Baker Street, London, W1U 6LN.