

**The Hari Prasad Shastri
Charitable Trust**

Annual Report and Accounts

Year ended 5 April 2020

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 accounts of the charity for the year ended 5 April 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 10 to 13 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011 and 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).

GOVERNANCE, STRUCTURE AND MANAGEMENT

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.

Organisation and Governance

The charity does not have employees and is managed by the trustees. The trustees during the financial year 2019/20 were as set out on page 1.

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 in connection with their duties.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's trust deed. 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.

Risk management

The trustees have examined the major risks which the charity faces and confirm that systems are in place to mitigate its exposure to those risks.

The principal risks identified by the trustees are:

- ♦ The variability of investment returns poses a key financial risk to the charity. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.
- ♦ The operational risk from ineffective grant awards. This is mitigated through close involvement of trustees in the awarding of grants and the ongoing review of projects funded through the charity's grant making.

ACTIVITIES, SPECIFIC OBJECTS AND RELEVANT POLICIES

Charitable objectives and activities

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.

Public benefit

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities

The trustees are meeting their objective of achieving a balanced return between the need to generate income and long term capital growth. Shanti Sadan made no application for grant support in this financial year and it is understood that they currently have no requirement for funding from the Trust.

The Trust is privileged to be guardian of a significant amount of unique archival material comprising personal items belonging to and papers by Dr Hari Prasad Shastri, Marjorie 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 for the year under review was directed towards renting 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. Up to three study-group meetings each week have been held in the year under review. In keeping with Government guidelines on the control of the Covid-19 Pandemic, regular study meetings have been discontinued until further notice from 17th March 2020.

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

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

During the financial year the Trust made the following donations:

- 1) £36,000 was donated 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. Feedback from the Project managers continues to confirm that the project is exceeding expectations in bettering their employment opportunities as well as life prospects.
- 2) A donation of £1,500 was made to Chora Chori for supporting the protection and education of trafficked children in Nepal.

Spiritual education costs include a contribution of £2,888 was made to cover the expenses incurred providing accommodation away from London for a retreat to study Direct Experience of Reality by Dr Shastri. Eight people attended.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

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

The Charity covered the cost of advertising the book of lectures by AM Halliday that they published in the year 2018/19. Advertisements were placed in appropriate American and UK magazines targeted at readers interested in learning about Mindfulness, meditation and Self-awareness.

FINANCIAL REVIEW

Financial report for the year

At 5 April 2020 the quoted investments were valued at £3,033,547 a decrease of £1,132,777 from the value at 5 April 2019. The bank balances of £578,030 represent an increase of £477,646 from the balances at 5 April 2019 with a capital drawdown of £450,000 made from the investment portfolio.

Net investment losses for the period were £673,843 compared to net investment gains of £104,847 in the year ended 5 April 2019, with the valuation of the portfolio impacted by the reaction of financial markets to the COVID-19 outbreak shortly before the year end. The reduction in funds for the year amounted to £655,195 (2019 – net income of £108,851) with a surplus for the year before investment losses of £18,648 (2019 – net surplus before investment gains of £4,004).

Reserves policy and future plans

The charity held reserves of £4,279,705 at the balance sheet date of which £3,688,084 relate directly to funds held in the listed investment portfolio and investment property. The trustees deem that the charity had sufficient funds at 5 April 2020 to enable it to maintain its level of charitable distributions. The trustees are aware that the charity Shanti Sadan is unlikely to require support from the Trust for the foreseeable future. It is with this in mind that the Trust is again considering alternative possible recipients for grants and other Trust activities for the year 2020/21.

The COVID-19 Pandemic has created significant problems in the education sector, and disadvantaged children in particular are adversely affected. These pupils often have limited or no access to online equipment necessary for home-learning. Mental health is an issue particularly for those whose home environment may be dysfunctional.

With that in mind the Trust is discussing various funding opportunities for 2020/21 with ARK, Big Change and other organisations whose work is in line with the overall objectives of the Charity.

Other future plans include the publication of further not-for-profit books (possibly electronically and in hard copy) for public benefit and work is almost complete on the preparation of a second book. As soon as the government guidelines for the control of COVID-19 permit it,

FINANCIAL REVIEW (continued)

Reserves policy and future plans (continued)

the Trust will arrange meetings and study retreats for those interested in the philosophy according to the principles taught by Dr Shastri.

As stated in previous reports, the Trust has in mind to move from rented accommodation and acquire a more suitable space for their future use. At the end of the year 2019/20 an offer was made to purchase a flat for the Trust's use. However, during the legal investigations problems with the combustibility of the cladding was established and given the current uncertainties over Covid-19, Brexit and the London property market, the offer was withdrawn however legal costs were incurred. Experience with the rented accommodation has proved beneficial to the Trustees enabling them to understand better their future accommodation requirements.

Assessment of going concern

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

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

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 2021, 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 the investment policy and the risk management sections of the trustees' report for more information).

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

Dr P. P. M Reynolds

Date of approval: 16 November 2020

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 2020.

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.

Shachi Blakemore

07 December 2020

Buzzacott LLP
Chartered Accountants
130 Wood Street
London EC2V 6DL

Statement of financial activities Year to 5 April 2020

	Notes	Unrestricted funds	
		2020 £	2019 £
Income from:			
Donations and legacies		465	1,430
Investments	1	114,946	112,183
Total income		115,411	113,613
Expenditure on:			
Raising funds			
. Investment managers' fees		9,048	8,675
Charitable activities			
. Spiritual education	2	50,215	44,866
. Other grant making	2	37,500	56,068
Total expenditure		96,763	109,609
Net income before (losses) gains on investments	4	18,648	4,004
Net (losses) gains on investments	7	(673,843)	104,847
Net (expenditure) income and net movement in funds		(655,195)	108,851
Reconciliation of funds:			
Fund balances brought forward at 6 April		4,934,900	4,826,049
Fund balances carried forward at 5 April		4,279,705	4,934,900

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 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	6	—		—	
Investments	7	3,688,084		4,820,861	
			3,688,084		4,820,861
Current assets					
Debtors	8	15,751		15,755	
Cash at bank		578,030		100,384	
Total current assets		593,781		116,139	
Liabilities					
Creditors: amounts falling due within one year:	9	(2,160)		(2,100)	
Net current assets			591,621		114,039
Total net assets			4,279,705		4,394,900
The funds of the charity					
Unrestricted general funds			4,279,705		4,394,900

Approved by the trustees and signed on their behalf by:

Dr P. P. M Reynolds

Approved on: 16 November 2020

Principal accounting policies Year to 5 April 2020

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 2020 the significant judgement or estimate key to the information presented in the accounts was the valuation of the investment property held by the trust.

As at the year end date, increased market volatility was beginning to emerge due to the impact of COVID-19. Less certainty, and a higher degree of caution, should be attached to the valuation of the investment properties as at 5 April 2020 than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation of investment properties will remain under frequent review.

Assessment of going concern

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

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

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 5 April 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see Note 7 to the accounts and the risk management section of the trustees' report for more information).

Income recognition

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

Income comprises donations and legacies and investment income.

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

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

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

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

Expenditure recognition and the basis of apportioning costs

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure comprises the following:

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

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

Fixed asset investments

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

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

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

Investment properties

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

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

Cash flow

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

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

Financial instruments

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

Financial assets – Prepayments and deposits are not financial instruments.

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

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

Fund accounting

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

1 Income from investments

	2020 £	2019 £
Income from listed investments	110,050	107,315
Rent from investment property	4,800	4,800
Interest receivable	96	68
	114,946	112,183

2 Expenditure on charitable activities

	2020 £	2019 £
Spiritual education		
. Direct costs	5,444	3,730
. Support costs (note 3)	44,771	41,136
	50,215	44,866
Other grant making		
. Grants payable	37,500	56,068
	87,715	100,934

3 Support costs

	2020 £	2019 £
Independent examiner's fees	2,160	2,100
Premises costs	42,111	39,036
Legal costs	500	—
	44,771	41,136

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

This is stated after charging:

	2020 £	2019 £
Independent examiner's fees	2,160	2,100
Amounts payable under operating leases	32,642	32,638

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 2019 and 5 April 2020	1,091	929	2,020
Depreciation			
At 6 April 2019 and 5 April 2020	1,091	929	2,020
Net book values			
At 6 April 2019 and 5 April 2020	—	—	—

7 Investments

At the year end, investments comprised:

	2020 £	2019 £
Listed investments	3,033,547	4,166,324
Investment property	654,537	654,537
	3,688,084	4,820,861

Listed investments

	2020 £	2019 £
Market value of listed investments at 6 April	4,166,324	4,058,116
Additions at cost	75,593	176,312
Disposal proceeds	(548,243)	(188,413)
Net investment (losses) gains	(673,843)	104,847
Market value of listed investments at 5 April	3,019,831	4,150,862
Cash with investment managers for reinvestment	13,716	15,462
	3,033,547	4,166,324

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

7 Investments (continued)

Listed investments held at 5 April comprised the following:

	2020 £	2019 £
UK Listed investments	3,007,228	4,138,259
Overseas listed investments	12,603	12,603
Cash held for reinvestment	13,716	15,462
	3,033,547	4,166,324

At 5 April 2020 the following individual holdings had a market value in excess of 5% of the entire portfolio as at that date.

	£	%
Charifund	1,161,815	30.7
SJP International Corporate Bond	344,242	9.1
SJP Corporate Bond	319,456	8.5
SJP Equity Income	217,465	5.8
SJP Property Bond	235,486	6.2
SJP UK & International Income	236,196	6.2
SJP Global Equity Income	318,198	8.4

Investment property

	2020 £	2019 £
Freeheld UK property	654,537	654,537

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

As at the year end date, increased market volatility was beginning to emerge due to the impact of COVID-19. Less certainty, and a higher degree of caution, should be attached to the valuation of the investment properties as at 5 April 2020 than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation of investment properties will remain under frequent review.

8 Debtors

	2020 £	2019 £
Rent deposits	3,570	3,570
Prepayments	12,181	12,185
	15,751	15,755

9 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals	2,160	2,100
	2,160	2,100

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 1,090,913 Rupees (approximating £11,659) at 5 April 2020, have not been included on the balance sheet.