

269971

BRAHMA

KUMARIS

WORLD



SPIRITUAL

UNIVERSITY (U.K.)

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2003

(CHARITY No. 269971)

**BRAHMA KUMARIS**  
**WORLD SPIRITUAL UNIVERSITY (U.K.)**

(CHARITY NO. 269971)

*Financial Statements*

YEAR ENDED 31 DECEMBER 2003

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## Legal and Administrative Information

<b>Trustees:</b>	Mr Satish Mohan Lal (Chairperson) Mr Christopher Drake Dr David Goodman Mr Neville Hodgkinson Mrs Shashi Mehra Miss Joy Rendall Mr Ratan Thadani Mr Govind Vaswani Mrs Kavita Vaswani
<b>Chief Administrator:</b>	Dadi Janki Kripalani
<b>Secretary:</b>	Miss Jayanti Kirpalani
<b>Registered and Administration Office:</b>	Global Co-operation House 65 Pound Lane London NW10 2HH
<b>Banker:</b>	HSBC Bank Plc 584 Wembley High Road Wembley Middx HA0 2DB
<b>Legal Adviser:</b>	Messrs. Khakkar & Co 8A Cranbrook Road Ilford Essex IG1 4DJ
<b>Auditors:</b>	Messrs. Jay & Co London Ltd Chartered Accountants and Registered Auditors 15 Alexandria Road Ealing London W13 0NP
<b>Charity Number:</b>	269971

## **TRUSTEES REPORT**

The trustees present their report together with the financial statements of the charity for the year ended 31 December 2003.

### **Objectives and structure**

The charity's objectives are set out to be primarily for promoting the enhancement of religion and religious education. Its activities are primarily undertaken by the Chief Administrator, Secretary, trustees and various management committees set up to run every department of the organisation.

### **Governing Document**

The charity's activities are governed by its Deed of Trust, dated 18<sup>th</sup> July 1975, subsequently amended.

### **Background Information**

Brahma Kumaris World Spiritual University (U.K.) continues its operations and activities at Global Co-operation House (London), Global Retreat Centre (Oxfordshire) and other centres. A wide range of events, including a number of Hindu and other auspicious religious events and daily spiritual discourses, continue to be carried out throughout the year.

### **Reserves policy and major risks**

The charity intends to use all excess reserves towards future projects that fall within the objects of the charity, particularly the extension to its headquarter at Pound Lane. The Trustees are constantly reviewing the risks and addressing them on an ongoing basis. The trustees have also examined other operational and business risks which the charity faces and confirm that they have established systems to mitigate the significant risks.

### **Policies Adopted**

This is primarily done through religious events celebrated, daily spiritual discourses and a number of courses.

### **Review of Activities**

A variety of activities continue to take place throughout the year in Global Cooperation House, Global Retreat Centre and other centres.

In January we celebrated an auspicious day for the organisation, in memory of the Founding Father. In February a programme was held to celebrate Shiva Ratri (Shiva Jayanti), explaining the significance of the incarnation of God Shiva. Holi, another Hindu festival, was celebrated in March with the emphasis on colour and newness. Rakshabandhan was also celebrated in August as a more ceremonial and traditional occasion. Janamashtmi - Celebration of the Birth of Shri Krishna - was celebrated with songs, dance and raas (traditional Hindu dance), giving the feeling of the time of Shri Krishna's Birth. Diwali - Festival of Lights - was celebrated in October with the emphasis on enlightening the soul. Various other programmes to celebrate Christmas, such as the annual pantomime, took place at Global Cooperation House.

Special meditation/prayer hour to give the gift of good wishes and positive thoughts to the world continues to take place on the third Sunday of every month by students and friends of Brahma Kumaris throughout the world. Various courses such as the Meditation Course, Positive Thinking Course, Self Empowerment and Stress Management Course continue in Hindi, Gujarati and English to give benefit to many, giving people a greater understanding of the self, the Supreme Soul and 'a better' lifestyle.

## **TRUSTEES REPORT (Continued)**

### Plans for 2004

In 2004 we envisage a similar range of activities as those held in 2003, both at Global Co-operation House, Global Retreat Centre and other centres. A significant amount of time and money will be spent on the extension of the head office at Pound Lane.

### Investment Policy

The trustees have the power to invest in such assets as they see fit. However, the current policy is to invest in bank deposits.

### Volunteers

The Trustees record their appreciation and thanks to the large number of volunteers, full time volunteers residing whether within the charity premises or otherwise and also part time volunteers, without whose help the results would not have been achieved.

### Trustees

The trustees in office during the year and at the date of this report are set out on page 1. The trustees have been elected by the board of trustees and serve until retirement.

### Financial Results

The results for the year are set out on page 6. The increase in donation coincides with the expansion of the head office at Pound Lane.

### Fixed Assets

The changes in fixed assets during the period are summarised in Note 6 to the financial statements.

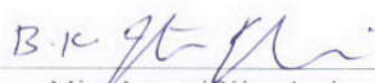
### Trustees' Responsibilities for the Financial Statements

The Charities Act 1993 requires the trustees to keep proper books of account for each accounting period consisting of a statement of financial activities and a balance sheet. They are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the financial statements the trustees are expected to:

- a) select suitable accounting policies and apply them consistently, making judgements and estimates that are reasonable and prudent.
- b) follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statements, or to disclose any departures therefrom; and
- c) prepare the financial statements on a going concern basis unless it is appropriate to assume that the charity will be unable to continue to meet its objectives.

By order of the Trustees,



Miss Jayanti Kirpalani  
Secretary

26.10.04

Date

## **REPORT OF THE AUDITORS TO THE TRUSTEES OF BRAHMA KUMARIS WORLD SPIRITUAL UNIVERSITY (U.K.)**

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

### **Respective Responsibilities of Trustees and Auditors**

As described on page 3, you are responsible as trustees for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the Charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the Charity is exposed, covers all existing risks and controls, or to form an opinion on the effectiveness of the Charity's risk management and control procedures.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts and whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Continued page 5**

Opinion

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 December 2003 and of the incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

*Jay & Co London Ltd*

**JAY AND CO LONDON LTD**

**Chartered Accountants & Registered Auditors**

**15 Alexandria Road**

**Ealing**

**London W13 0NP**

*26 October 2004*

**DATE**

**STATEMENT OF FINANCIAL ACTIVITIES FOR  
THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003	2002
<b>Incoming Resources</b>			
Donations		982,050	1,633,293
Income from legacies		1,150	8,370
Gift Aid		677,115	675,879
Give As You Earn		150,448	186,666
Tax refunds		198,868	185,502
Shakti co-op		14,400	14,400
Other income		40	101
<b>Total Incoming Resources</b>		<u>2,024,071</u>	<u>2,704,211</u>
<b>Activities in furtherance of the charity's objects</b>			
Travel income recovered from members		245,813	237,110
Travel expenditure incurred on behalf of members		249,749	(239,263)
Net travel expenditure		<u>(3,936)</u>	<u>(2,153)</u>
Management charge		20,000	20,000
<b>Total Resources Expended</b>		<u>16,064</u>	<u>17,847</u>
<b>Investment income and interest</b>			
Bank interest received		98,528	133,700
Total incoming resources		<u>2,138,663</u>	<u>2,855,758</u>
<b>Less: Cost of generating funds</b>			
<b>Fund raising costs</b>			
Advertising	3	8,305	1,903
<b>Net incoming resources available for charitable expenditure</b>		<u>2,130,358</u>	<u>2,853,855</u>
<b>Charitable expenditure - Costs of activities in furtherance of the objects of the charity:</b>			
Direct charitable expenditure	2	869,120	625,736
Management and administration	4	13,742	3,034
Total expenses for the year		<u>882,862</u>	<u>628,770</u>
<b>Surplus income for the year</b>		1,247,496	2,225,085
Income and expenditure brought forward		13,027,146	10,802,061
<b>Accumulated fund carried forward</b>		<u>14,274,642</u>	<u>13,027,146</u>

Note:

All amounts relate to continuing activities.

The funds were all unrestricted.

The attached notes 1 to 15 form part of these financial statements.



**BALANCE SHEET AS AT 31 DECEMBER 2003**

	Note	2003 £	2002 £
<b>Fixed Assets</b>			
Tangible assets	6	<u>12,045,390</u>	<u>10,410,851</u>
<b>Current Assets</b>			
Debtors	7	130,542	120,414
Cash at bank and in hand	10	<u>3,290,182</u>	<u>3,688,849</u>
		<u>3,420,724</u>	<u>3,809,263</u>
Creditors: amounts falling due within one year	8	<u>30,090</u>	<u>31,586</u>
<b>Net Current Assets</b>		<u>3,390,634</u>	<u>3,777,677</u>
<b>Total Assets Less Current Liabilities</b>		<u>15,436,024</u>	<u>14,188,528</u>
<b>Represented by:</b>			
<b>Accumulated Funds</b>			
General fund	12	14,274,642	13,027,146
Revaluation reserve		<u>1,161,382</u>	<u>1,161,382</u>
		<u>15,436,024</u>	<u>14,188,528</u>

Approved by the Board of Trustees on 26.10.04

Satish Mohan Lal Mr Satish Mohan Lal

Joy Rendall Miss Joy Rendall

Kavita Vaswani Mrs Kavita Vaswani

12 Thadani Mr Ratan Thadani

Neville Hodgkinson Mr Neville Hodgkinson

Govind Vaswani Mr Govind Vaswani

Shashi Mehra Mrs Shashi Mehra

The attached notes 1 to 15 form part of these financial statements.

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**CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

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	Note	2003	2002
		£	£
Net cash inflow from operating activities	9	<u>1,568,999</u>	<u>2,404,208</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		<u>98,528</u>	<u>133,700</u>
<b>Net cash inflow</b>		<u>1,667,527</u>	<u>2,537,908</u>
<b>Investing activities</b>			
Payments to acquire fixed assets		<u>2,066,194</u>	<u>(2,281,523)</u>
<b>(Decrease)/Increase in cash and cash equivalent</b>	10,11	<u>(398,667)</u>	<u>256,385</u>

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The attached notes 1 to 15 form part of the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003**

### **1. Accounting Policies**

#### **Basis of Preparation of Accounts**

The financial statements are prepared under the historical cost convention and are in accordance with applicable Accounting Standards. In preparing the financial statements the charity follows best practice as set out in Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) issued in October 2000.

#### **Incoming Resources**

Income is accounted for on an accruals basis, except for donated income, gift aid and covenanted income, are taken to income when received.

#### **Resources Expended**

Expenditure is included on an accrual basis. The majority of costs are directly attributable to specific activities.

Cost of managing and administering the charity - these represent costs incurred in management and administration and compliance with statutory and constitutional requirements.

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold properties	-	2.5% on cost
Leasehold properties	-	over period of lease
Furniture fittings and equipment	-	10% on cost
Computer	-	33.33% on cost
Motor vehicles	-	20% on cost

The charity's policy is to write off the book value of each tangible asset over its estimated remaining life. Reviews are made periodically of the estimated remaining useful lives of individual productive assets, taking into account commercial and technological obsolescence as well as normal wear and tear.

Provision is made for all permanent diminution in the value of building improvements.

#### **Foreign Currency Translation**

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Assets and liabilities are translated into sterling at the exchange rate ruling at the Balance Sheet date. All exchange differences are taken to the Statement of Financial Activities.

#### **Fund Accounting**

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Costs of activities in furtherance of the objects of the charity:	2003	2002
<b>Direct charitable expenditure</b>		
	£	£
Rent and rates	73,975	67,994
Electricity, fuel and gas	48,306	26,796
Insurance	24,580	24,516
Telephone and fax	25,310	23,496
Printing and stationery	24,354	14,914
Postage	4,738	4,219
Travel	2,459	1,232
Motor expenses	16,741	20,141
Repairs and maintenance	111,710	53,204
Kitchen and catering	13,514	12,635
Garden expenses	6,193	5,656
Depreciation	431,655	338,742
Computer consumables	2,541	1,484
Irrecoverable VAT	81,922	28,957
General expenses	1,122	1,750
	869,120	625,736
All direct charitable expenditure relate to 'other direct expenditure'.		
3. Costs of generating funds	2003	2002
	£	£
Advertising and promotions	8,305	1,903
4. Costs of management and administration of the charity	2003	2002
	£	£
Legal and professional	13,318	2,242
Bank charges	424	792
	13,742	3,034
5. Travel expenditure	2003	2002
	£	£
Travel income recovered from members	245,813	237,110
Travel expenditure incurred on behalf of members	(249,749)	(239,263)
Net travel expenditure	(3,936)	(2,153)

The travel expenditure relates to costs recovered for arranging pilgrimage to the founding Father's place of meditation, by students of BKWSU.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Tangible Fixed Assets

	Freehold Properties	Leasehold Property	Furniture Fittings & Equipment	Computer	Motor vehicle	Total
Cost:	£	£	£	£	£	£
At 1 January 2003	10,204,536	2,052,367	862,252	144,411	36,404	13,299,970
Additions during the year	1,912,674	19,738	67,593	66,189	0	2,066,194
At 31 December 2003	<u>12,117,210</u>	<u>2,072,105</u>	<u>929,845</u>	<u>210,600</u>	<u>36,404</u>	<u>15,366,164</u>
<b>Depreciation:</b>						
At 1 January 2003	1,659,717	442,897	631,954	122,747	31,804	2,889,119
Charge for the year	302,930	34,056	53,768	38,601	2,300	431,655
At 31 December 2003	<u>1,962,647</u>	<u>476,953</u>	<u>685,722</u>	<u>161,348</u>	<u>34,104</u>	<u>3,320,774</u>
<b>Net book value:</b>						
At 31 December 2003	<u>10,154,563</u>	<u>1,595,152</u>	<u>244,123</u>	<u>49,252</u>	<u>2,300</u>	<u>12,045,390</u>
At 31 December 2002	<u>8,544,819</u>	<u>1,609,470</u>	<u>230,298</u>	<u>21,664</u>	<u>4,600</u>	<u>10,410,851</u>

All fixed assets are used for direct charitable purposes.

The trustees have adopted to follow the transitional provisions of FRS15 and accordingly the properties have not been revalued since 1995.

Included in freehold properties is £150,000 for 24 Oakbrook Road, Sheffield, which carries a legal charge against the property concerned.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>7. Debtors</b>	<b>2003</b>	<b>2002</b>	
	£	£	
Sundry debtors	1,125	550	
Prepayments and accrued income	129,417	119,864	
	<u>130,542</u>	<u>120,414</u>	
<b>8. Creditors: amount falling due within one year</b>	<b>2003</b>	<b>2002</b>	
	£	£	
Sundry creditors	20,000	20,000	
Other creditors	10,090	11,586	
	<u>30,090</u>	<u>31,586</u>	
<b>9. Reconciliation of the Operating Profit to Net Cash Inflow from Operating Activities</b>			
Operating income	1,148,968	2,091,385	
Depreciation charges	431,655	338,742	
Increase in debtors	(10,128)	(24,361)	
Decrease in creditors	(1,496)	(1,558)	
<b>Net cash inflow from operating activities</b>	<u>1,568,999</u>	<u>2,404,208</u>	
<b>10. Analysis of Changes in Cash and Cash Equivalents</b>	£	£	
Balance at 1 January 2003	3,688,849	3,432,464	
Net cash (outflow)/inflow	(398,667)	256,385	
Balance at 31 December 2003	<u>3,290,182</u>	<u>3,688,849</u>	
<b>11. Analysis of the Balances of Cash and Cash Equivalents</b>			
	<b>2003</b>	<b>2002</b>	<b>Change in the Year</b>
	£	£	£
Cash at bank and in hand	<u>3,290,182</u>	<u>3,688,849</u>	<u>(398,667)</u>