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FYE - 31/12/04

BRAHMA

KUMARIS

WORLD

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SPIRITUAL

UNIVERSITY (U.K.)

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2004

(CHARITY No. 269971)

BRAHMA KUMARIS
WORLD SPIRITUAL UNIVERSITY (U.K.)

(CHARITY NO. 269971)

Financial Statements

YEAR ENDED 31 DECEMBER 2004

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Legal and Administrative Information

Trustees:	Mr Christopher Drake Dr David Goodman Mrs Shashi Mehra Mr Mahesh Patel Mr Ratan Thadani Mr Sanjay Tulsidas Mr Govind Vaswani Mrs Kavita Vaswani Mr Girish Wadhvani
Chief Administrator:	Dadi Janki Kripalani
Secretary:	Miss Jayanti Kirpalani
Registered and Administration Office:	Global Co-operation House 65-69 Pound Lane London NW10 2HH
Banker:	HSBC Bank Plc 584 Wembley High Road Wembley Middx HA0 2DB
Legal Adviser:	Trivedy & Viridi 52 Lower Clapton Road London E5 0RN
Auditors:	Messrs. Jay & Co London Ltd Chartered Accountants and Registered Auditors 15 Alexandria Road Ealing London W13 0NP
Charity Number:	269971

TRUSTEES REPORT

The trustees present their report together with the financial statements of the charity for the year ended 31 December 2004.

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 Trustees, Chief Administrator, Secretary and various management committees set up to run every department of the organisation.

Changes to Trustees

The following trustees were appointed during the year:

Mr Mahesh Patel	(appointed 16 th May 2005)
Mr Sanjay Tulsidas	(appointed 16 th May 2005)
Mr Girish Wadhvani	(appointed 16 th August 2005)

The trustees of Brahma Kumaris extend their gratitude to the trustees listed below who resigned:

Mr Neville Hodgkinson	(resigned 24 th June 2005)
Mr Satish Mohan Lal	(deceased 19 th June 2005)
Ms Joy Rendall	(resigned 1 st November 2004)

Governing Document

The charity's activities are governed by its Deed of Trust, dated 18th 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 identifying a property in the West End of London to extend its activities. 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.

TRUSTEES REPORT (Continued)

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.

Plans for 2005

In 2005 we envisage a similar range of activities as those held in 2004, both at Global Co-operation House, Global Retreat Centre and other centres.

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 pages 1 and 2. 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.

Fixed Assets

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

TRUSTEES REPORT (Continued)**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,

R Thadani

Mr Ratan Thadani
Trustee

27 Octoba 2005

Date

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

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

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.

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

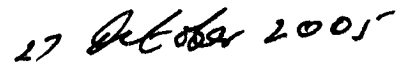
Opinion

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 December 2004 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 AND CO LONDON LTD
Chartered Accountants & Registered Auditors

15 Alexandria Road
Ealing
London W13 0NP



DATE

**STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004	2003
Incoming Resources		£	£
Donations		432,227	982,050
Income from legacies		10,000	1,150
Gift Aid		408,045	677,115
Payroll Giving		128,282	150,448
Tax refunds		85,823	198,868
Shakti co-op		14,400	14,400
Other income		36	40
Total Incoming Resources		<u>1,078,813</u>	<u>2,024,071</u>
 Activities in furtherance of the charity's objects			
Travel income recovered from members		289,901	245,813
Travel expenditure incurred on behalf of members		289,863	249,749
Net travel income/(expenditure)		<u>38</u>	<u>(3,936)</u>
 Management charge		<u>21,050</u>	<u>20,000</u>
Total Resources Expended		<u>21,088</u>	<u>16,064</u>
 Investment income and interest			
Bank interest received		104,208	98,528
Profit on disposal of fixed assets		74,463	-
		<u>178,671</u>	<u>98,528</u>
 Total incoming resources		<u>1,278,572</u>	<u>2,138,663</u>
 Less: Cost of generating funds			
Fund raising costs			
Advertising	3	<u>3,306</u>	<u>8,305</u>
 Net incoming resources available for charitable expenditure		<u>1,275,266</u>	<u>2,130,358</u>
 Charitable expenditure - Costs of activities in furtherance of the objects of the charity:			
Direct charitable expenditure	2	<u>870,316</u>	<u>869,120</u>
Management and administration	4	<u>90,488</u>	<u>13,742</u>
Total expenses for the year		<u>960,804</u>	<u>882,862</u>
 Surplus income for the year		314,462	1,247,496
Income and expenditure brought forward		<u>14,274,642</u>	<u>13,027,146</u>
General fund carried forward		<u>14,589,104</u>	<u>14,274,642</u>
Revaluation reserve		<u>1,161,382</u>	<u>1,161,382</u>
Accumulated fund carried forward		<u>15,750,486</u>	<u>15,436,024</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 2004

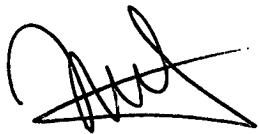
	Note	2004 £	2003 £
Fixed Assets			
Tangible assets	6	<u>12,074,930</u>	<u>12,045,390</u>
Current Assets			
Debtors	7	102,742	130,542
Cash at bank and in hand	10	<u>3,626,426</u>	<u>3,290,182</u>
		<u>3,729,168</u>	<u>3,420,724</u>
Creditors: amounts falling due within one year	8	<u>53,612</u>	<u>30,090</u>
Net Current Assets		<u>3,675,556</u>	<u>3,390,634</u>
Total Assets Less Current Liabilities		<u>15,750,486</u>	<u>15,436,024</u>
Represented by:			
Accumulated Funds			
General fund	12	<u>15,750,486</u>	<u>15,436,024</u>

Approved on behalf of the Board of Trustees on

27 October 2005

R Thadani

.....
Mr Ratan Thadani



.....
Mr Sanjay Tulsidas

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

**CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004	2003
		£	£
Net cash inflow from operating activities	9	<u>613,926</u>	<u>1,568,999</u>
Returns on investments and servicing of finance			
Interest received		<u>104,208</u>	<u>98,528</u>
Net cash inflow		<u>718,134</u>	<u>1,667,527</u>
Investing activities			
Payments to acquire fixed assets		(516,352)	(2,066,194)
Proceeds from sale of fixed assets		<u>134,462</u>	<u>-</u>
Increase/(Decrease) in cash and cash equivalent	10,11	<u>336,244</u>	<u>(398,667)</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

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 and gift aid 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:	2004	2003
Direct charitable expenditure	£	£
Rent and rates	81,199	73,975
Electricity, fuel and gas	52,909	48,306
Insurance	46,701	24,580
Telephone and fax	25,441	25,310
Printing and stationery	27,723	24,354
Postage	4,357	4,738
Travel	1,877	2,459
Motor expenses	21,407	16,741
Repairs and maintenance	118,724	111,710
Kitchen and catering	13,477	13,514
Garden expenses	6,462	6,193
Depreciation	426,813	431,655
Computer consumables	3,054	2,541
Irrecoverable VAT	37,034	81,922
General expenses	3,138	1,122
	870,316	869,120
All direct charitable expenditure relate to 'other direct expenditure'.		
3. Costs of generating funds	2004	2003
	£	£
Advertising and promotions	3,306	8,305
	3,306	8,305
4. Costs of management and administration of the charity	2004	2003
	£	£
Foreign currency exchange	87,910	-
Legal and professional	2,287	13,318
Bank charges	291	424
	90,488	13,742
5. Travel expenditure	2004	2003
	£	£
Travel income recovered from members	289,901	245,813
Travel expenditure incurred on behalf of members	(289,863)	(249,749)
Net travel income/(expenditure)	38	(3,936)

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

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 2004	12,117,211	2,072,105	929,845	210,600	36,404	15,366,165
Additions during the year	121,149	277,147	89,859	28,197	0	516,352
Disposals in the year	(60,000)	0	0	0	0	(60,000)
At 31 December 2004	<u>12,178,360</u>	<u>2,349,252</u>	<u>1,019,704</u>	<u>238,797</u>	<u>36,404</u>	<u>15,942,517</u>
Depreciation:						
At 1 January 2004	1,962,647	476,953	685,722	161,348	34,104	3,320,774
Charge for the year	305,959	28,758	53,209	36,588	2,299	426,813
At 31 December 2004	<u>2,268,606</u>	<u>505,711</u>	<u>738,931</u>	<u>197,936</u>	<u>36,403</u>	<u>3,747,587</u>
Net book value:						
At 31 December 2004	<u>9,909,754</u>	<u>1,843,541</u>	<u>280,773</u>	<u>40,861</u>	<u>1</u>	<u>12,194,930</u>
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>

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)

7. Debtors	2004	2003
	£	£
Sundry debtors	2,657	1,125
Prepayments and accrued income	100,085	129,417
	<u>102,742</u>	<u>130,542</u>

8. Creditors: amount falling due within one year	2004	2003
	£	£
Sundry creditors	20,000	20,000
Other creditors	33,612	10,090
	<u>53,612</u>	<u>30,090</u>

9. Reconciliation of the Operating Profit to Net Cash Inflow from Operating Activities

Operating income	135,791	1,148,968
Depreciation charges	426,813	431,655
(Decrease)/Increase in debtors	27,800	(10,128)
Increase/(Decrease) in creditors	23,522	(1,496)
Net cash inflow from operating activities	<u>613,926</u>	<u>1,568,999</u>

10. Analysis of Changes in Cash and Cash Equivalents

	£	£
Balance at 1 January 2004	3,290,182	3,688,849
Net cash inflow/(outflow)	336,244	(398,667)
Balance at 31 December 2004	<u>3,626,426</u>	<u>3,290,182</u>

11. Analysis of the Balances of Cash and Cash Equivalents

	2004	2003	Change in the Year
	£	£	£
Cash at bank and in hand	<u>3,626,426</u>	<u>3,290,182</u>	<u>336,244</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. General Fund	2004	2003
	£	£
Balances brought forward at start of the year	14,274,642	13,027,146
Net incoming resources for the year	<u>314,462</u>	<u>1,247,496</u>
Balances carried forward at end of the year	<u><u>14,589,104</u></u>	<u><u>14,274,642</u></u>

All funds were unrestricted.

13. Staff and Executive Committee's Remuneration

No salaries or fees are paid to staff and Executive Committee for their voluntary services to the charity.

The average number of volunteers during the year was 69 (2004 – 71).

14. Post Balance Sheet Event and Capital Commitment

The charity has acquired another retail place in the UK situated at 98/99 Marine Parade, Worthing, for £950,000.

The excess cash revenue is earmarked for further expansion of the BKWSU activities by acquiring land and property in areas where it has less presence.

15. Related Party Transactions

The Brahma Kumaris World Spiritual University (BKWSU) is associated to the Brahma Kumaris Information Services Limited (BKIS) by virtue of three of its trustees being directors of the company. However BKIS is run autonomously, with all decisions taken by company officials, predominantly the Managing Director.

BKWSU levies management charges to BKIS. The charge was £21,050 (2004: £20,000) and the balance was fully paid at the year end. The charge is independently assessed and set at an arms length.