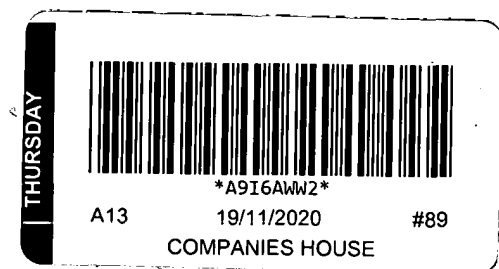


Charity Registration No. 312865 (England and Wales)

Company Registration No. 1055588 (England and Wales)

KRISHNAMURTI FOUNDATION TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020



KRISHNAMURTI FOUNDATION TRUST LIMITED

CONTENTS

	Page
Legal and administrative information	1
Trustees' report	2 - 11
Statement of trustees' responsibilities	12
Independent auditor's report	13 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 36

KRISHNAMURTI FOUNDATION TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 JULY 2020

Trustees	Ms. G. A. Baileys Mr. D. A. Hook Mr. G. Primrose Mrs. W. Smith Mr. A. C Herron
Secretary	Mr. G. Primrose
Charity number (England and Wales)	312865
Company number	1055588
Registered office	Brockwood Park Bramdean Aldersford Hampshire SO24 0LQ
Professional advisors and key personnel	Mr. A. Autor Principal Ms M. Masoumian Bursar Mr. B. Taylor Development Mr. N. Shamim Foundation
Solicitor	Paris Smith 1 London Road Southampton SO15 2AE
Banker	NatWest Bank Plc Winchester Old Bank 105 High Street Winchester Hampshire SO23 9AH
Auditor	Azets Audit Services Athenia House 10-14 Andover Road Winchester Hampshire SO23 7BS
Websites	Main School www.brockwood.org.uk Small School www.inwoods.org.uk Foundation www.kfoundation.org.uk Centre www.krishnamurticentre.org.uk F.O.B www.friendsofbrockwood.org.uk Global www.jkrishnamurti.org

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

The trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Our Purposes, Activities, Aims and Objectives

Our Charity's purposes, as set out in the objects contained in the company's Memorandum of Association, are to advance the education of the public in philosophy, sociology, psychology and comparative religion and in particular to promote in those fields the study of the teachings of Jiddu Krishnamurti.

The Charity operates in four areas:

1. Brockwood Park School provides a general education for students aged 14 years and over;
2. Inwoods Small School also provides a general education, but for students up to the age of 11 years;
3. The Foundation maintains the archives of the works of Jiddu Krishnamurti and disseminates Krishnamurti's work via print and digital mediums;
4. The Krishnamurti Centre provides opportunities for the study of philosophy, sociology, comparative religion, and in particular the study of the Teachings of Krishnamurti, for adult members of the public.

Our Objectives

Our objectives are set to reflect the educational aims of our Schools, the preservation and dissemination of the works of Jiddu Krishnamurti by the Foundation and to provide a centre of quality to enable visitors to study these works.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Our key objectives for the year included:

- To continue with the next phases of the school management system in order to streamline administrative and recruitment processes;
- To review and enhance our communication with our stakeholders, donors and friends of the place;
- To complete the revamping and design of a new website for the school and the centre;
- To enhance social media campaigns for promotion of various activities of the charity;
- To embark on new digital and social media initiatives related to the dissemination of the Teachings of Krishnamurti;
- To create podcasts for the dissemination of Krishnamurti's Teachings;
- To initiate a comprehensive review of a long-term operational and financial strategy of the charity, strengthening the long term outlook of the charity in light of its intentions and objectives, taking into account the uncertainty and risks posed by the pandemic and Brexit;
- To introduce clear objectives for setting up financial reserves for the long-term financial health of the charity;
- To continue to place the audios and videos of Krishnamurti online, enabling free access to the public to his talks in audio and video format;
- To sign new English book titles of the work of Krishnamurti with reputable publishers;
- To monitor development with respect to Brexit as it is considered a major risk given the international nature of our main school and our charity;
- To review Inwoods Small School and integrate the small school more within the Trust;
- To continue to strengthen the charity financially by adopting a disciplined approach to our financial management, taking into account the provision of a financial reserve;
- To continue to attend to the upkeep of the estate, grounds and the garden;
- To continue to strengthen the charity with respect to compliance and health and safety by implementing and strengthening relevant procedures and processes;

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

- To continue to improve the education of the students with an holistic approach and to provide the financial security to do so;
- To continue to make available all the audios and videos of Krishnamurti with their various subtitles on our official YouTube Channel for free;
- To continue to provide the Krishnamurti Centre as a venue of quality for visitors to be able to study the works of Krishnamurti and other like-minded people, in quiet and peaceful surroundings.

Our Ethos and Public Benefit

The Krishnamurti Foundation Trust is a registered charity and a company limited by guarantee. It operates two schools: a junior school for children up to the age of 11 and a senior school for students 14 years and over; a foundation; and an adult study centre to benefit the public through its stated aims.

Our school fees are set at the lowest level consistent with ensuring the financial stability of the schools and at a level consistent with providing the students with a high standard of academic and personal achievement (our fees are currently some £10,000 less than the average fees for independent secondary boarding schools in the UK).

In excess of 2,000 videos of Krishnamurti, meticulously subtitled in various languages, are available free of charge on our YouTube Channel; we are progressively releasing short video extracts and audios of Krishnamurti for free on our official Youtube channel and intend to continue to produce and make the remaining audios of Krishnamurti also available for free. We are making the transcripts of various talks of Krishnamurti available for free on our international website (jkrishnamurti.org). We have upgraded the design and content of our bulletin and continue to make it available for free to all. We have also created free access to the work of Krishnamurti on two new platforms, Podcast and Instagram. We have conducted paid social media campaigns to bring to the public the Teachings of Krishnamurti free of charge.

Our charges for staying at the Krishnamurti Centre are kept as low as possible to ensure that all who wish to attend can do so. For most of the year, the Centre is open to any visitor or day guest free of charge, wishing to make use of our facilities (library, video-room, audio and video players) thereby encouraging people to visit regularly to research Krishnamurti's works. We welcome many guests from the surrounding area for day visits also at no cost to them.

Our schools welcome students from all backgrounds both nationally and internationally. To be accepted to the senior school a prospective student must stay at the school for one week, so that the applicant, staff and other students are satisfied that this is the right setting for them and they will be able to achieve their educational aims and objectives whilst living in the community. Prospective students who, by reason of time, finance, visa, or distance, are not able to attend a prospective week, may be interviewed via Skype by the Principal, plus other staff and current students. A decision on acceptance is then taken by the Principal. An individual's economic status, gender, sexual orientation, ethnicity, race, religion, or disability, do not form part of the assessment procedures.

Our schools are committed to safeguarding and promoting the welfare of our students and expect all staff and volunteers to share this commitment.

Early in 2015 Brockwood Park School and Inwoods Small School joined the Independent Schools Association, whose member schools fall under the Independent Schools Inspectorate, instead of Ofsted. The schools were inspected by ISI in March 2016 and March 2019 and their report is available on our website.

Whilst continuing to preserve the archives in the most modern and efficient manner, the Foundation disseminates information about the charity, and its three international sister-foundations in USA, India and Spain, through its free publications, and also sells books and other material to all who express an interest.

We are an equal opportunity organisation and are committed to maintaining a working environment free from any form of discrimination. Wherever possible we will make the necessary adjustments to meet the needs of staff or students who are, or become, disabled.

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Access Policy

It is important to us that access to the teachings of Jiddu Krishnamurti is open to all.

In particular, we wish to encourage all who wish to attend our schools to do so, irrespective of their financial means (see our Bursary Policy below). We believe that our schools and our students benefit from learning within a diverse community. The schools begin the day with staff and students together sharing a period of quiet, as well as spending 30 minutes ensuring that the premises are clean and tidy. We also have Inquiry Time where the senior school gathers to discuss a serious topical issue together, and students and staff have a further class in which direct engagement with Krishnamurti's teachings occur. Living together in a community offers shared experiences that enrich the education otherwise given.

Jointly with our three sister-foundations, we have set up the website www.jkrishnamurti.org which carries video and audio files of many of Krishnamurti's talks which are free to watch online.

Teaching Links and Sharing

Our staff visit schools and attend conferences to exchange information as to teaching approaches and the philosophy behind the works of Krishnamurti. A local kindergarten ('Wildflowers') currently uses part of our grounds, particularly some of the woodland, free of charge for activities with its children.

The Brockwood Observer, the newsletter of the senior school, is sent out to all on our mailing list free of charge, with information about items of interest at the School and articles written by staff, students and trustees. The main school offers classical concerts organised and performed by award winning musicians free to the public.

Many teachers and educators, unconnected with the charity, visit the schools to view the unique educational approach. For example, a group of education students from Winchester University visit annually for a tour of the schools, plus discussion and activities. From time to time, the schools are approached by PhD and research students in education asking to come and visit.

At the Krishnamurti Centre we have brochures, bulletins and articles available for free which give information about Krishnamurti's teachings and the intentions of the Centre and which we send to anyone who contacts us and wishes to know more. We organise open dialogues intended to help further the intentions, for junior school parents and using the Centre library as the meeting place.

We make a charge for guests to stay overnight at the Centre, but the costs are deliberately kept low to encourage people from all walks of life to share our facilities. If a guest cannot afford the full room rate, we may make a discretionary reduction in the cost, or allow a guest to stay for free.

The Foundation sends out a bulletin giving information about meetings of national and international committees, local events, theme weekends at the Centre and articles based upon the teachings. Copies of our most popular books are sent, free of charge, to individuals who cannot afford to purchase them. In addition, the videos and audios of Krishnamurti are made available free of charge on our official YouTube channel.

Bursary Policy

As stated above, the Trustees believe that it is important to make bursaries available to students from families who may not be in a position to pay all of the school fees. In assessing a family's means we take many factors into consideration, including family income, investments, savings, etc. However, we have no endowments and rely on the generosity of benefactors in order to offer any kind of bursary. With this in mind we must ensure that a balance is struck between fee-paying parents – many of whom make great personal sacrifices to meet the costs – and those benefiting from the bursaries.

Bursaries range from 7% to 100% remission of fees. Information about fee assistance through bursaries is provided to all who request it. The success of our bursary scheme is explained in our review of activities and achievements section of this report. In the current year the school has made available 14% of its fee income for bursaries.

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Other Policies on Assistance

The fees for the main school are paid annually and before the start of the term. However, we understand that some families need to budget carefully and therefore we offer the facility to pay fees on a termly basis. In exceptional cases and upon request, and as an additional way of financial aid, we agree on a payment plan with the parents who need this assistance in order to be able to afford the fees.

The Centre offers reduced rates for those wishing to stay overnight, but who struggle financially to meet the full rate.

Our Strategy and Policies

The Trustees are responsible for setting strategies for achieving the objectives determined for the particular areas of operation of each section of the Charity.

Our key objectives of the charity are listed below with strategies adopted to achieve those also displayed:

- To continue with the next phases of the school management system in order to streamline administrative and recruitment processes:
 - Review the existing processes to create a seamless online process;
 - Appointment of skilled volunteers and consultants to design the software module and implement the project.
- To review and enhance our communication with our stakeholders, donors and friends of the place:
 - Review the existing communication channels and tools to identify areas requiring enhancement;
 - Design and implement changes necessary in our communication channels, such as Brockwood newsletter, Facebook and Instagram;
 - Upgrade and enhance our mailing list software and create a seamless connection with our online database.
- To complete the revamping and design of a new website for the school and the centre:
 - Appoint a team of content creators, web designers and a project manager;
 - Review existing websites and revamp all the sections, including the content, structure and design of the website;
 - Implement and create new websites with modern tools and design principles.
- To enhance social media campaigns for promotion of various activities of the charity:
 - Review existing social media activities and also best practice activities;
 - Define objectives and create and design appropriate content to promote all areas of the charity.
- To embark on new digital and social media initiatives related to the dissemination of the Teachings of Krishnamurti:
 - Comprehensive review of our social media activities;
 - Devise new strategies and experiments for better outreach on our social media platforms;
 - Create targeted content and appropriate design to reach as many people as possible;
 - Create social media campaigns to reach suitable audience to disseminate the Teachings as effectively as possible.
- To create podcasts for dissemination of Krishnamurti's Teachings:
 - Review the podcast platforms;
 - Design and create appropriate materials for this platform;
 - Advertise this on our various social media platforms.
- To initiate a comprehensive review of a long-term operational and financial strategy of the charity strengthening the long-term outlook of the charity in light of its intentions and objectives, taking into account the uncertainty and risks posed by the pandemic and Brexit:
 - Considering all the lessons learnt over the last 5 years following the comprehensive review commissioned by the charity;
 - Considering all the risks the charity has in its various operational areas;
 - Considering the intentions and ethos of the charity;
 - Creating forums for discussions among trustees and management to devise a plan and consider appropriate actions to strengthen all areas of the charity for facilitating the intentions of the charity.

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

- To introduce clear objectives for setting up financial reserves for the long-term financial health of the charity:
- To continue to place the audios and videos of Krishnamurti online, enabling free access to the public to his talks in audio and video format:
- To sign new English book titles of the work of Krishnamurti with reputable publishers:
 - Finding new titles suitable for publications;
 - Approaching reputable publishers such as Watkins and Rider for publishing and distributing new book titles.
- To monitor development with respect to Brexit as it is considered a major risk given the international nature of our main school and our charity:
 - Monitor the anticipated changes in areas of immigration following UK departure from EU;
 - Take precautionary measures to mitigate possible risks from Brexit.
- To review Inwoods Small School and integrate the small school more within the Trust:
 - Restructure the school and make appropriate personnel changes;
 - Ensure clarity about the direction and objectives of the small school following a comprehensive review of all its aspect.
- To continue to strengthen the charity financially by adopting a disciplined approach to our financial management taking into account provisions for a financial reserve:
 - Considering the reserve as part of our financial strategy and long term financial planning;
 - Focusing on running a lean organisation by creating a budget, which includes just necessary costs or investments in areas with meaningful returns on investments.
- To continue to attend to the upkeep of the estate, grounds and the garden:
 - Restructuring the area of maintenance and estate management;
 - Continuing to plan for appropriate projects and actions in the area of estate management;
- To continue to strengthen the charity with respect to compliance and health and safety by implementing and strengthening relevant procedures and processes:
 - Having responsible staff attend relevant training courses and conferences;
 - Ensuring and on-going review of the existing policies and updating them according to the latest regulations and legislations;
 - Strengthening in-house training of staff in relevant areas;
 - Use of external consultants and experts if and when necessary.
- To continue to improve the education of the students with an holistic approach and to provide the financial security to do so:
 - To recruit suitable and skilled staff for various areas;
 - Strengthening the provision of various classes by incorporating the feedback received in the last academic year;
 - Meetings among various teachers to plan and design creative courses with innovative content and delivery.
- To continue to make available all the audios and videos of Krishnamurti with their various subtitles on our official YouTube Channel for free:
 - Recruitment of new volunteers to assist with subtitling of various videos;
 - Continuing to produce new subtitles and make them available online;
 - Refining and ordering various playlists on our official Youtube Channel;
 - Creating and producing new audios and videos to place them on our official channel.
- To continue to provide the Krishnamurti Centre as a venue of quality for visitors to be able to study the works of Krishnamurti and other like-minded people, in quiet and peaceful surroundings:
 - Providing more staffing for the Centre to improve the quality of service;
 - Having in-house training to improve the provision of our service;
 - Reviewing and updating the existing policies at the Centre to improve the quality of service.

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Achievement and Performance

Both schools were inspected in March 2019 and were fully compliant and met all the inspection targets. Both schools saw an increase in the number of applications and students. In the schools there was an increased emphasis on the quality of pastoral care and there were many meetings and events organised to attend to this important aspect of school life.

Following the outbreak of the pandemic and lockdown and further to the advice from the UK Government and the Boarding Schools Associations (BSA), the students from the main school were sent home in March 2020. The school quickly moved to online/distant learning and was able to support students and continue providing education as well as hosting different pastoral forums and other school events online.

The Charity closed the Centre following the Government advice to hospitality sector. The decision was made to close Inwoods Small School further to the Government advice to schools in March. This had a significant financial impact on the charity. The uncertain climate around Covid-19 resulted in the charity not being able to conduct its annual appeal which resulted in a decrease in the volume of donations it generally receives. Overall the above mentioned have had a significant negative financial impact on the Charity.

So far, the Charity has taken advantage of the following business support measures that have been made available by the government: Job Retention Scheme, Coronavirus Statutory Sick Pay Rebate Scheme and Coronavirus Business Interruption Loan Scheme.

The charity as a whole responded adequately to this new challenge and managed to quickly take appropriate decisions to financially safeguard the place while protecting the safety of its employees and pupils.

The charity continued strengthening the policies and practices across all aspects of Health and Safety and Compliance with various regulations.

Digital activities of the Foundation across all of its platforms have brought the Teachings of Krishnamurti to the attention of millions of people. New social media campaigns have reached millions of people and increased our social media engagement greatly. On our official YouTube channel Krishnamurti talks are now viewed on average 1.5 million times per month. Due to various social media activities and the creation of new content for our website as well as the use of a GoogleAd grant, our Foundation website now receives on average more than 40,000 visits per month, as opposed to a few hundred per month prior to the launch of our new website. Krishnamurti is now listened to via podcasts and has had more than 70,000 downloads, just months after launching this project.

The main school website was revamped and launched and we are now promoting the school via social media campaigns.

In the area of print publication, the new English title published by Watkins entitled "Can the Mind be Quiet?" had a very positive reception. Both Rider and Watkins are now publishing new English titles for the next year on the back of the success with the past titles published. Across the world the books continue to be licensed, translated and published in a variety of languages and territories.

Pupil Numbers, Visitors and Fees

The main School for the academic year 2019-20 was able to fill 72 of the 75 available student places. The Small School for day students only, finished in March with 39 students, of whom some were part-time. There were never more than 45 students in the small school at any one time.

We are maintaining the two-tier fee structure that was put in place for the small school and the main school. The small school continued giving the parents a choice of full-time or only Friday attendance. The lower tier fees for full-time attendance were increased to £6,510 and the higher tier to £7,350. The fee for one day attendance was increased to £1,591. The main school lower tier fees were kept at £21,900 and the higher tier at £29,900.

The number of nights for which payment was received in the Centre were decreased due to the closure of the Centre due to the pandemic.

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Co-curricular Activities

In addition to a full programme of academic courses, AS/A-level and non-exam courses, the main school continues to offer a wide range of co-curricular activities: these range from pottery and woodwork, through gardening and bush-craft, to a range of music-related tuition and a good selection of sports. There is a lot of interest in the performing arts and two major concerts – or a concert and a play – are prepared each year and performed publicly. The School also organises a selection of trips for students during term-time to museums, galleries, theatres and nature reserves; longer educational trips abroad occur during the winter or spring breaks. Over the years students have spent time at our sister schools in India to enhance their educational programmes. The main school continued to offer most of the co-curricular classes online following the students' departure due to the pandemic.

Details of Bursary Awards – Policy into Practice

Bursaries and sponsorships awarded were approximately 14% of our total expected fee income and amounted to £242,074. This provided assistance to 26 of our students at the main school. In addition, 9 children at the small school were awarded bursaries.

The Trustees review the provision of bursaries annually and delegate the responsibility of the offer of bursaries to the Principal, Head of Inwoods Small School and Bursar. The scheme widens access to the schools to people from all backgrounds and walks of life and allows suitable students, who would otherwise be unable to attend, to be part of the school community.

Teaching Links

Krishnamurti also founded six schools in India and one in the USA, which are the responsibility of sister foundations in those countries. The schools at Brockwood have on-going contact with all of these centres of learning. There is a staff/teacher exchange programme in place and educational conferences are organised on a regular basis at which Brockwood staff are present. As part of the exchange programme, in December 2019, four staff members from the charity visited three of Krishnamurti's schools in India and four of the study Centres.

From time-to-time conferences or workshops are organised at Brockwood for teachers from mainstream schools and teachers often visit as day guests to learn more about the educational approach of the school. For example, during the last year, the schools have been in contact with Phoenix Education with regards to the 'Freedom To Learn' forum exploring different ways of collaborating including the possibility of Brockwood hosting the event in the near future.

Environmental Incentives – Cutting our "Carbon Footprint"

Concern for the environment is at the heart of living together at Brockwood. Both schools are vegetarian and grow a proportion of their own food organically in their kitchen gardens. A central part of the high school curriculum is Human Ecology, addressing environmental issues both practically and academically and Nature Study is a central part of the Inwood's curriculum.

Day-to-day activities such as re-using and re-cycling items have been standard practice for many years. Our buildings are now being upgraded with better insulation and more environmentally friendly heating systems. As part of our increased use of energy from renewable sources we have invested in a wood-chip boiler to heat the Centre building. The recently constructed student and staff accommodation, the Pavilions, is heated by a ground-source heat-pump.

Community Access

The schools regularly hold Open Days, which members of the local community are welcome to attend. Children and staff of the local Wildflowers Kindergarten – which is not a part of the Krishnamurti Foundation Trust – have been granted access to the grounds at Brockwood on a daily basis. The Centre is open to day-guests free of charge to study the Teachings and spend time in this beautiful space. The main school organises classical music concerts, free of charge and open to the public. Performers are professional, often award-winning, musicians.

During the pandemic, residential staff reached out to surrounding neighbours to offer support with errands and supplies that may be needed during isolation, and have received kindness and gratitude in return. The surplus from the large Brockwood vegetable garden, which is due to the absence of students, some staff and Centre guests, has been offered free to neighbouring communities.

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Fundraising

The charity does not use professional fundraisers. Our approach to fundraising is light-touch and relies a lot on communicating clearly and directly with our donors about activities in the charity and areas of needs within the charity. We have a close relationship with our donors and organise events, activities and communication strategies to keep them very well informed of what goes on here at Brockwood. In our donor cultivation cycle we place little emphasis on requesting and a lot of emphasis on building relationships. As a result of the pandemic we postponed our annual appeal from May 2020 to August 2020.

Financial review

In the year to 31 July 2020 the charity received more donations and legacies compared to the year before. School fee income increased as a result of increased termly fees both in main and small school.

Our Finances

One of our risk management policies is to create a budget each year for the coming year with planned income and expenditure for the ensuing three years. Quarterly reports are created comparing the actual income and expenditure with the budgets and forecasting the result for the year based upon the actual items. The Trustees consider these and take action if and when necessary.

Total income of the charity increased from £2,308,924 to £3,329,369, due to an increase in donations and legacies. The amount of donations being received in the year was £476,547 (2019 - £244,358). Legacies amounted to £983,227 (2019 - £185,355). After deducting expenses, the Net Incoming Resources for the charity amounted to £1,080,329 (2019 - £116,304).

The Charity continued to benefit from royalties received from the publications of its books around the world, and from the surplus on the sale of books, video and audio tapes, CD-ROMs and DVDs. The Charity publishes and distributes the Bulletins as a free service to all who wish to receive it. The Charity appealed for funds for various purposes, some specific and others general.

The Trustees review the salaries of the staff regularly. Because of the way the school operates and its ethos, this major cost is considerably lower than staff in other schools. Thus we are able to keep our fees lower and while offering a higher staff to student ratio than would otherwise be the case. The staff and students are all part of a community living, working and sharing together.

As a charity we enjoy tax exemption status which means that we pay no tax on our deposit interest which is applied to the charity's purposes, and we can reclaim tax suffered on gift aid donations made to us. We also benefit from an 80% reduction in the rates on the buildings we occupy for charitable purposes. However, we are unable to reclaim VAT on purchases and expenses used for educational purposes and we pay taxes as an employer through the national insurance contributions we make.

Employer staff pension fund contributions for the year amounted to £14,770.

Reserves and Financial Health

As can be seen from the balance sheet, the charity has £2,600,064 (2019 - £1,407,277) in net current assets. This will be used as working capital whilst the Charity rebuilds its reserves. Total funds held at the year end were £6,969,204, of which £1,533,390 were held in designated funds, £2,380,784 held in restricted funds, leaving a balance of £3,055,030 in general unrestricted reserves.

Future plans

The charity plans to continue to clarify and review its long term objectives and vision and align the internal operations with these objectives and devise strategies to achieve these objectives and vision.

In light of the above, the charity intends to initiate the following:

- Continue with the next phases of the school management system;

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

- Complete the revamping and design of a new website for the the Centre and Inwoods and incorporate social media campaigns for promotion of various activities of the charity;
- Embark on new digital and social media initiatives related to the dissemination of the Teachings of Krishnamurti;
- Create new podcasts for dissemination of Krishnamurti's Teachings;
- Finalise and implement a long-term operational and financial strategy strengthening the long term outlook of the charity in light of its intentions and objectives, taking into account the uncertainty and risks posed by Brexit;
- Implement and introduce clear objectives for setting up financial reserves for the long-term financial health of the charity;
- Emphasise outreach at the main school and bring more awareness about the type of education offered at school;
- Continue to place the video and audios of Krishnamurti online to enable free access to the public to his talks in audio format as was done with videos;
- Monitor development with respect to Brexit as it is considered a major risk given the international nature of our main school and our charity.

Structure, Governance and Management

Governing Document

Krishnamurti Foundation Trust Limited is a company limited by guarantee governed by its Memorandum and Articles of Association which were last altered in March 2013.

It is registered as a charity with the Charity Commission.

Each member agrees to contribute £1 in the event of the charity winding up.

Governing Body

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as the Governors. Under the requirements of the Memorandum and Articles of Association one third of them must retire at each Annual General Meeting.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms. G. A. Balleys

Mr. D. A. Hook

Mr. G. Primrose

Mrs. W. Smith

Mr. V. R. Reddy (resigned 13 June 2020)

Mr. A. C. Herron

In accordance with the Articles of Association, Mr Derek Hook and Mrs Wendy Smith retire by rotation and, being eligible, offer themselves for re-election.

The Governors meet as a body on at least three occasions in each year, the duration of each meeting being about four days. In addition there are various committees and working groups which meet more regularly throughout the year. Each Governor has specific responsibilities for particular areas of operation within the Charity.

All Governors give their time voluntarily as Trustees but are now able to receive payment for special services and goods supplied to the charity by written agreement in accordance with the Memorandum of Association.

Recruitment and Training of Governors/Trustees

In common with charities of a similar size, it is difficult to retain a full complement of governors covering the necessary range of skills and experience and, in particular, with a keen interest in Krishnamurti's teachings. The existing Governors seek new Governors through contacts with international committees and personal contacts.

KRISHNAMURTI FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2020

New Governors are mentored by more experienced Governors in the workings of the Charity and its procedures.

Organisational Management

The Governors (Trustees) are legally responsible for the overall management and control of the four areas of the Charity. These are the main school (referred to as Brockwood Park School), the small school (referred to as Inwoods Small School), the Foundation (referred to as Krishnamurti Foundation Trust) and the adult study centre (referred to as The Krishnamurti Centre). The Senior Management Team has day-to-day responsibility for the running of their respective areas and for implementing the policies set by the Governors.

Risk Management

The Governors are responsible for the management of the risks faced by the charity. Risks are identified and assessed and controls established throughout the year. A review of the charity's risks management processes is undertaken frequently and outside consultants undertake audits of procedures when necessary. There are also policies and procedures in place ensuring the charity complies with its responsibilities. Training of staff happens throughout the year so everyone is familiar with all the relevant policies and procedures and related tasks and responsibilities.

The key controls used by the charity include:

- formal agendas for all Committee and Governor Meetings;
- formal minutes taken at all meetings;
- comprehensive strategic planning, budgeting and management accounting;
- formal written policies;
- clear authorisation and approval levels;
- clear job descriptions of all staff;
- vetting procedures as required by law for the protection of the vulnerable.

Included within these controls are considerations of price, credit, liquidity and cash-flow risks.

Through the risk management processes established for the charity the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Disclosure of information to the auditors

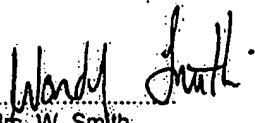
In so far as the Trustees are aware at the time of agreeing our Trustees' Annual Report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees, having made enquiries of fellow Trustees and the Auditor, confirm that they have each taken all steps that they ought to have individually taken, to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Auditor

Azets Audit Services were appointed as auditor to the charitable company and a resolution proposing that they be re-appointed will be put at a General Meeting.

The trustees' report, including the directors' report and strategic report, was approved by the Board of Trustees.


Mrs. W. Smith
Trustee

Dated: 4 November 2020

KRISHNAMURTI FOUNDATION TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2020

The trustees, who are also the directors of Krishnamurti Foundation Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements 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, including the income and expenditure, of the charitable company for that year.

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;
- 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 accounting records that 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 Companies Act 2006. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KRISHNAMURTI FOUNDATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF KRISHNAMURTI FOUNDATION TRUST LIMITED

Opinion

We have audited the financial statements of Krishnamurti Foundation Trust Limited (the 'charity') for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 July 2020 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 Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the extent of the impact of coronavirus are unclear and it is difficult to evaluate all the potential implications on the charitable company's activities, customers, suppliers and the wider economy.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

KRISHNAMURTI FOUNDATION TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF KRISHNAMURTI FOUNDATION TRUST LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company 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 the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KRISHNAMURTI FOUNDATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF KRISHNAMURTI FOUNDATION TRUST LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Ian Talbot (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

Statutory Auditor

6th November 2020

Athenia House
10-14 Andover Road
Winchester
Hampshire
SO23 7BS

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

KRISHNAMURTI FOUNDATION TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2020

Current financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
	Notes				
Income from:					
Donations and legacies	3	565,455	894,339	1,459,794	429,713
Deposit account interest		9,244	-	9,244	6,220
Income from charitable activities	4	1,860,331	-	1,860,331	1,872,991
Total income		2,435,030	894,339	3,329,369	2,308,924
Expenditure on:					
<u>Charitable activities</u>					
Conferences		5,416	-	5,416	2,547
Charitable trading costs		14,250	-	14,250	13,209
Publicity		59,872	-	59,872	47,172
Royalties payable (including KFA)		28,459	-	28,459	25,532
Irrecoverable school fees and bad debts		745	-	745	1,181
Direct costs		979,965	3,524	983,489	869,339
Food and household costs		177,731	-	177,731	196,256
Archive costs		52	804	856	6,775
Premises costs		386,999	11	387,010	417,008
Support costs		341,160	14,449	355,609	376,977
Depreciation		131,314	71,320	202,634	213,318
Governance costs		31,062	1,907	32,969	23,306
Total charitable expenditure	5	2,157,025	92,015	2,249,040	2,192,620
Total resources expended		2,157,025	92,015	2,249,040	2,192,620
Net incoming/(outgoing) resources before transfers		278,005	802,324	1,080,329	116,304
Gross transfers between funds	20	122,559	(122,559)	-	-
Net movement in funds		400,564	679,765	1,080,329	116,304
Fund balances at 1 August 2019		4,187,856	1,701,019	5,888,875	5,772,571
Fund balances at 31 July 2020		4,588,420	2,380,784	6,969,204	5,888,875

All income and expenditure derive from continuing activities.

KRISHNAMURTI FOUNDATION TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
Income from:				
Donations and legacies	3	379,934	49,779	429,713
Deposit account interest		6,220	-	6,220
Income from charitable activities	4	1,872,991	-	1,872,991
Total income		2,259,145	49,779	2,308,924
Expenditure on:				
Charitable activities				
Conferences		2,547	-	2,547
Charitable trading costs		13,209	-	13,209
Publicity		47,172	-	47,172
Royalties payable (including KFA)		25,532	-	25,532
Irrecoverable school fees and bad debts		1,181	-	1,181
Direct cost		865,527	3,812	869,339
Food and household costs		194,881	1,375	196,256
Archive costs		1,772	5,003	6,775
Premises costs		413,073	3,935	417,008
Support costs		372,802	4,175	376,977
Depreciation		137,364	75,954	213,318
Governance costs		18,446	4,860	23,306
Total charitable expenditure	5	2,093,506	99,114	2,192,620
Total resources expended		2,093,506	99,114	2,192,620
Net incoming/(outgoing) resources before transfers		165,639	(49,335)	116,304
Gross transfers between funds	20	39,472	(39,472)	-
Net movement in funds		205,111	(88,807)	116,304
Fund balances at 1 August 2018		3,982,745	1,789,826	5,772,571
Fund balances at 31 July 2019		4,187,856	1,701,019	5,888,875

KRISHNAMURTI FOUNDATION TRUST LIMITED

BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10	4,424,195		4,563,558	
Investments	11		100		100
		<u>4,424,295</u>		<u>4,563,658</u>	
Current assets					
Stocks	12	24,225		24,866	
Debtors	13	211,426		163,297	
Investments	14	512,378		-	
Cash at bank and in hand		<u>2,576,445</u>		<u>2,232,801</u>	
		3,324,474		2,420,964	
Creditors: amounts falling due within one year	15	<u>(724,410)</u>		<u>(1,013,687)</u>	
Net current assets		<u>2,600,064</u>		<u>1,407,277</u>	
Total assets less current liabilities		<u>7,024,359</u>		<u>5,970,935</u>	
Creditors: amounts falling due after more than one year	16	-		(30,000)	
Provisions for liabilities	17	<u>(55,155)</u>		<u>(52,060)</u>	
Net assets		<u>6,969,204</u>		<u>5,888,875</u>	
Income funds					
Restricted funds	20	2,380,784		1,701,019	
Unrestricted funds					
General unrestricted funds	21	3,055,030		3,125,179	
Designated unrestricted funds	21	<u>1,533,390</u>		<u>1,062,677</u>	
		<u>4,588,420</u>		<u>4,187,856</u>	
		<u>6,969,204</u>		<u>5,888,875</u>	

The financial statements were approved by the Trustees on 4 November 2020


Mr. G. Primrose
Trustee


Mrs. W. Smith
Trustee

Company Registration No. 1055588

KRISHNAMURTI FOUNDATION TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	27		979,293		414,719
Investing activities					
(Increase)/decrease in current asset investments		(512,378)		-	
Purchase of tangible fixed assets		<u>(63,271)</u>		<u>(120,521)</u>	
Net cash used in investing activities			(575,649)		(120,521)
Financing activities					
Repayment of loan		<u>(60,000)</u>		<u>(60,000)</u>	
Net cash used in financing activities			<u>(60,000)</u>		<u>(60,000)</u>
Net increase in cash and cash equivalents			343,644		234,198
Cash and cash equivalents at beginning of year			<u>2,232,801</u>		<u>1,998,603</u>
Cash and cash equivalents at end of year			<u>2,576,445</u>		<u>2,232,801</u>

KRISHNAMURTI FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity Information

Krishnamurti Foundation Trust Limited is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Brockwood Park, Bramdean, Alresford, Hampshire, SO24 0LQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Preparation of consolidated financial statements

In the opinion of the trustees, the results of the subsidiary company are not material to the group. The charitable company has therefore taken advantage of the exemption provided by Companies Act 2006, Financial Reporting Standard 102 and the Charities SORP (FRS 102), not to prepare group accounts.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it, the amounts can be measured reliably, and it is probable that income will be received.

Income from general donations is recognised on receipt or once the charity has been notified of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from school fees are recognised in the period to which they relate. School fees received before the year end relating to future periods are included as deferred income at the year end.

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Any irrecoverable element of VAT is included with the item of expense to which it relates. All direct and indirect costs are attributed to the areas to which they belong. All other costs are apportioned on a reasonable apportionment basis. Support costs and governance costs (note 6), which are charitable, relate to the stewardship of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line basis
Motor Vehicles	25% straight line
Fixtures and fittings	15% straight line basis
Equipment	25% - 33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, and highly liquid bank accounts. Cash held in deposit accounts with a maturity of more than 90 days held for investment purposes rather than to meet short-term cash commitments as they fall due are included in current asset investments.

1.10 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.12 Irrecoverable VAT

The charity is partially exempt for VAT on its expenses. All of this VAT is accumulated and charged to support costs.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The assets of the scheme are held separately from the charity.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Depreciation
- Debt recoverability

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

3 Donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Donations and gifts	264,803	211,764	476,567	244,358
Legacies receivable	300,652	682,575	983,227	185,355
	<u>565,455</u>	<u>894,339</u>	<u>1,459,794</u>	<u>429,713</u>
For the year ended 31 July 2019	<u>379,934</u>	<u>49,779</u>		<u>429,713</u>

Analysed by funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Donations and gifts				
Main School	37,759	205,693	243,452	65,821
Inwoods Small School	3,151	-	3,151	8,597
Foundation	180,835	6,071	186,906	142,830
Adult Study Centre	43,058	-	43,058	27,110
	<u>264,803</u>	<u>211,764</u>	<u>476,567</u>	<u>244,358</u>
Legacies receivable				
Main School	-	671,676	671,676	57,951
Foundation	300,652	-	300,652	127,404
Adult Study Centre	-	10,899	10,899	-
	<u>300,652</u>	<u>682,575</u>	<u>983,227</u>	<u>185,355</u>

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

4 Charitable activities income

	Note	Unrestricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Total 2019 £
School fees		1,461,025	1,461,025	1,514,802	1,514,802
Board and lodging		151,435	151,435	180,268	180,268
Royalties		85,490	85,490	58,482	58,482
Trading activities		17,314	17,314	16,608	16,608
Recoveries from staff and students		52,717	52,717	77,135	77,135
Government grants	18	78,014	78,014	-	-
Other income		14,336	14,336	25,696	25,696
		<u>1,860,331</u>	<u>1,860,331</u>	<u>1,872,991</u>	<u>1,872,991</u>

Analysed by funds

	Unrestricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Total 2019 £
Main School	1,512,842	1,512,842	1,376,270	1,376,270
Inwoods Small School	149,204	149,204	241,568	241,568
Foundation	102,751	102,751	74,614	74,614
Adult Study Centre	95,534	95,534	180,539	180,539
	<u>1,860,331</u>	<u>1,860,331</u>	<u>1,872,991</u>	<u>1,872,991</u>

5 Charitable activities expenditure analysed by funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Main School	1,381,193	80,777	1,461,970	1,375,078	82,070	1,457,148
Inwoods Small School	255,230	-	255,230	199,110	3,240	202,350
Foundation	242,554	11,238	253,792	222,006	13,804	235,810
Adult Study Centre	278,048	-	278,048	297,312	-	297,312
	<u>2,157,025</u>	<u>92,015</u>	<u>2,249,040</u>	<u>2,093,506</u>	<u>99,114</u>	<u>2,192,620</u>

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

6 Support and governance costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	128,763	-	128,763	112,901	-	112,901
Communications	13,877	-	13,877	15,239	-	15,239
Travelling and motor	30,794	-	30,794	34,802	-	34,802
Insurance	29,238	-	29,238	28,060	-	28,060
Irrecoverable VAT	55,330	-	55,330	82,091	-	82,091
Stationery and office costs	60,182	-	60,182	60,945	-	60,945
Other costs	37,425	-	37,425	42,939	-	42,939
Audit and accountancy	-	11,650	11,650	-	11,320	11,320
Legal and professional fees	-	21,319	21,319	-	11,986	11,986
	<u>355,609</u>	<u>32,969</u>	<u>388,578</u>	<u>376,977</u>	<u>23,306</u>	<u>400,283</u>

7 Net movement in funds

	2020	2019
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the charitable company's auditor for the audit of the charitable company's financial statements	9,500	9,400
Depreciation of owned tangible fixed assets	<u>202,634</u>	<u>213,318</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits, or reimbursed travel expenses from the charity during the year.

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

9 Employees

Number of employees

The average monthly number of full-time equivalent employees during the year was:

	2020 Number	2019 Number
Teaching and support	45	36
Promotion and publicity	1	1
Management and administration	11	12
	<u>57</u>	<u>49</u>

Employment costs

	2020 £	2019 £
Wages and salaries	966,269	812,699
Social security costs	51,142	45,065
Provision for staff leaving	21,320	9,069
Other pension costs	14,770	7,108
	<u>1,053,501</u>	<u>873,941</u>

The average number of staff on a head count basis in the year was 67 (2019: 63).

The key management personnel of the charity comprise the trustees and the senior management team. The total employee benefits, comprising salary, pension contributions, related Employers National Insurance contributions, and termination payments of the key management personnel of the charity were £134,125 (2019: £89,497).

There were no employees whose annual remuneration was £60,000 or more.

Included within total wages noted above is termination benefits awarded to employees in the year amounting to £58,620 (2019: £nil). No amounts were outstanding in relation to termination benefits awarded as at the reporting date.

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

10 Tangible Assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 August 2019	7,192,634	771,074	7,963,708
Additions	6,179	57,092	63,271
At 31 July 2020	7,198,813	828,166	8,026,979
Depreciation and Impairment			
At 1 August 2019	2,755,076	645,074	3,400,150
Depreciation charged in the year	143,165	59,469	202,634
At 31 July 2020	2,898,241	704,543	3,602,784
Carrying value			
At 31 July 2020	4,300,572	123,623	4,424,195
At 31 July 2019	4,437,558	126,000	4,563,558

The directors are of the opinion that the value of the Freehold Property is in excess of its book value based on the comments in a valuation carried out several years ago. In the opinion of the directors the cost of having a professional revaluation outweighs its benefits.

11 Fixed asset Investments

	2020	2019
	£	£
Investments in subsidiaries	100	100

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

11 Fixed asset investments (continued)

Details of the charity's subsidiaries at 31 July 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	Direct	Indirect
Brockwood Park Estates Ltd	England & Wales	Development of building projects	Ordinary	100.00		

The aggregate capital and reserves and the result for the year of the subsidiary excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Brockwood Park Estates Ltd	(72)	(883)

12 Stocks

	2020	2019
	£	£
Stock for fuel	9,326	9,965
Goods for resale	14,899	14,901
	<u>24,225</u>	<u>24,866</u>

13 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
School fees recoverable	131,249	81,966
Trade debtors	42,792	29,336
Amounts owing from KFA	-	19,200
Amount owing from subsidiary	1,158	1,158
Other debtors	36,227	31,637
	<u>211,426</u>	<u>163,297</u>

14 Current asset investments

	2020	2019
	£	£
Cash held in deposit accounts with maturity over 90 days	<u>512,378</u>	<u>-</u>

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	33,605	22,773
Amounts owing to KFA	6,022	29,023
Taxes and social security	25,510	36,693
School fees in advance	406,840	636,063
Fee and text book deposits	118,300	110,368
Loan from A G Educational Trust	30,000	60,000
Other creditors and accruals	104,133	118,767
	<u>724,410</u>	<u>1,013,687</u>

16 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Loan from A G Educational Trust	<u>-</u>	<u>30,000</u>

17 Provisions for liabilities and charges

	2020	2019
	£	£
<u>Provision for staff leaving</u>		
Balance at 1 st August	52,060	49,924
Used in the year	(18,360)	(4,972)
Charge for the year	21,455	7,108
	<u>55,155</u>	<u>52,060</u>
Balance at 31 st July		

The trustees have agreed that when a residential member of staff leaves with more than 3 years' service, they will be entitled to receive a lump sum equivalent to 5% of annual salary for each completed year, subject to a maximum service of 15 years.

18 Government grants

During the year the charity received government grants relating to furloughed staff of £78,014 (2019: £Nil).

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £14,770 (2019: £7,108).

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 1 August 2019	Movement in funds				Balance at 31 July 2020
	Balance at 1 August 2018	Incoming resources	Resources expended	Transfers		Incoming resources	Resources expended	Transfers		
	£	£	£	£		£	£	£		
Main School Bursary	-	16,580	-	(16,580)	-	8,673	-	(8,673)	-	
Alumni Bursary Fund	64,318	1,317	-	-	65,635	18,791	-	(4,000)	80,426	
Small School Bursary	-	1,965	-	(1,965)	-	-	-	-	-	
Music Fund	7,694	1,581	(35)	322	9,562	761	(3,121)	(460)	6,742	
Inwoods Nature	-	-	(3,240)	3,240	-	-	-	-	-	
J K Online	52,029	6,009	(8,800)	-	49,238	6,071	(9,543)	(12,698)	33,068	
Archive Exchange	10,045	5,000	(4,096)	-	10,949	-	(1,696)	-	9,253	
Pavillions	1,491,154	-	(75,955)	-	1,415,199	-	(71,320)	-	1,343,879	
Infrastructure	67,620	-	-	-	67,620	-	-	(27,018)	40,602	
Subtitles	9,634	-	(908)	-	8,726	-	-	-	8,726	
Sundry main school	14,347	17,327	(6,080)	8,511	34,105	15,348	(6,335)	-	43,118	
Jean-Michel	72,985	-	-	(33,000)	39,985	162,119	-	(69,710)	132,394	
Elisabeth Fraser	-	-	-	-	-	671,677	-	-	671,677	
Muriel Gill	-	-	-	-	-	10,899	-	-	10,899	
	<u>1,789,826</u>	<u>49,779</u>	<u>(99,114)</u>	<u>(39,472)</u>	<u>1,701,019</u>	<u>894,339</u>	<u>(92,015)</u>	<u>(122,559)</u>	<u>2,380,784</u>	

KRISHNAMURTI FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

20 Restricted funds (continued)

A description of the nature and purpose of the restricted funds are shown below:

Main School Bursary Fund – Donations to be used for Bursaries in the main school.
Alumni Bursary Fund – Donations to be used for Bursaries including for Alumni children.
Small School Bursary Fund – Donations to be used for Bursaries in the Inwoods Small School.
Music Fund – Donations to be used for Music in the main school.
Inwoods Nature – Donations to be used for nature and education in nature in Inwoods Small School.
J K Online – Donations to be used towards the development of the JKO website.
Archive exchange – Donations to be used for archive exchange between the three foundations.
Pavilions – Donations to be used for pavilions in the main school
Infrastructure – Donations to be used for upgrading the infrastructure of the main school.
Subtitles – Donations to be used for subtitling the videos of Krishnamurti.
Sundry main school – Other sundry donations received for specific purposes.
Jean-Michel – Donations to be used for bursaries and teacher recruitment.
Elisabeth Fraser – Legacy to be used for bursaries and repairs to the school.
Muriel Gill – Legacy to be used for financial support for those staying at the Krishnamurti Study Centre.

Transfers between funds

Main School Bursary

The transfer of £8,673 to main school unrestricted relates to school fees covered by bursary.

Alumni Fund

The transfer of £4,000 to main school unrestricted fund relates to school fees covered by bursary.

Music Fund

The transfer of £460 to main school unrestricted fund relates to music expenses.

J K Online

The transfer of £12,698 to main school unrestricted fund and foundation unrestricted fund relates to costs incurred for the development of the JKO website.

Infrastructure

The transfer of £27,018 to main school unrestricted fund relates to costs incurred for infrastructure.

Jean-Michel Fund

The transfer of £69,710 main school unrestricted fund and small school unrestricted fund relates to school fees covered by bursaries.

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

21 Unrestricted funds

The income funds of the charity include unrestricted funds comprising the following unexpended balances:

	Movement in funds					Movement in funds				
	Balance at 1 August 2018	Incoming resources	Resources expended	Transfers	Balance at 1 August 2019	Incoming resources	Resources expended	Transfers	Balance at 31 July 2020	
	£	£	£	£	£	£	£	£	£	£
Unrestricted general										
Foundation	811,492	181,380	(164,601)	-	828,271	113,785	(193,746)	(2,394)	745,916	
Main school	1,505,135	1,402,013	(1,377,078)	40,747	1,570,817	1,553,042	(1,381,195)	43,830	1,786,494	
Study centre	480,877	202,924	(297,312)	-	386,489	138,908	(278,048)	10,578	257,927	
Small school	291,574	248,413	(199,110)	(1,275)	339,602	152,600	(255,230)	27,721	264,693	
Total General	3,089,078	2,034,730	(2,038,101)	39,472	3,125,179	1,958,335	(2,108,219)	79,735	3,055,030	
Designated										
Foundation	722,736	162,769	(55,405)	-	830,100	476,695	(48,806)	42,824	1,300,813	
Brockwood Park Fund	170,931	61,646	-	-	232,577	-	-	-	232,577	
Total designated	893,667	224,415	(55,405)	-	1,062,677	476,695	(48,806)	42,824	1,533,390	
	3,982,745	2,259,145	(2,093,506)	39,472	4,187,856	2,435,030	(2,157,025)	122,559	4,588,420	

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

22 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 July 2020 are represented by:						
Tangible assets	1,754,056	2,670,240	4,424,296	1,817,750	2,745,908	4,563,658
Net current assets	2,889,519	(289,456)	2,600,063	2,452,166	(1,044,889)	1,407,277
Long term liabilities and provisions	(55,155)	-	(55,155)	(82,060)	-	(82,060)
	<u>4,588,420</u>	<u>2,380,784</u>	<u>6,969,204</u>	<u>4,187,856</u>	<u>1,701,019</u>	<u>5,887,875</u>

KRISHNAMURTI FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

23 Related party transactions

Similar foundations exist in other countries throughout the world including Spain, India and USA. These foundations have joined together to create a global website the costs of which are to be shared between them. The charity and the American foundation (KFA) have made a Joint Representation Agreement whereby all royalties receivable on books by the two organisations are shared equally between them and they will be jointly represented to all trade partners (publishers, literary agents, committees, online channels etc.) to avoid duplication of representation. The amount of royalties to be charged to KFA amounts to £24,925 (2019 - £19,862) and charged by KFA amounts to £30,557 (2019 - £29,022). The amount calculated as due from KFA amounts to £24,460 (2019 - £19,200) and due to KFA amounts to £30,482 (2019 - £27,581).

Donations from Trustees to the charity for various purposes amount to £5,329 (2019 - £5,292) throughout the year.

24 Trustees' liability insurance

An insurance policy exists, as part of the Charity's normal insurance policy, indemnifying any insured individual for any wrongful act (as defined in the policy) in their capacity as a governor, principal, officer or employee.

25 Ultimate controlling entity

In the opinion of the Trustees (Directors) the Charity is controlled by the Trustees (Directors).

26 Long term loan

In 2014 the Trustees negotiated a long term loan of £300,000 from a charitable trust. The loan is secured on the freehold land and buildings and was due for repayment on 31st January 2016 and was interest free. However this loan has been renegotiated and the new terms commenced on 1st February 2016. From that date the loan has been repayable by quarterly instalments of £15,000 and carries interest of 2% above LIBOR six month rate.

KRISHNAMURTI FOUNDATION TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

27	Cash generated from operations	2020	2019
		£	£
	Surplus for the year	1,080,329	116,304
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	202,634	213,318
	Increase/(decrease) in provision	3,095	2,136
	Movements in working capital:		
	(Increase)/decrease in stock	641	3,616
	(Increase)/decrease in debtors	(48,129)	45,369
	Increase/(decrease) in creditors due within one year	(259,277)	33,976
	Cash (absorbed by)/generated from operations	979,293	414,719

28 Analysis of changes in net debt
The charity had no debt during the year.

29 Events after the reporting date

Subsequent to the year end the charity was provided with a £650,000 loan supported by the Government Coronavirus Business Interruption Loan Scheme. The interest rate charged on this loan is 1.88% per annum over Base Rate. The loan will be repaid by monthly instalments with the first repayment due 13 months after the loan was drawn down and the final instalment due 72 months after the loan is drawn. The loan is secured by a fixed charge over all property, land, plant and machinery, and floating charges over all other assets of the charity.