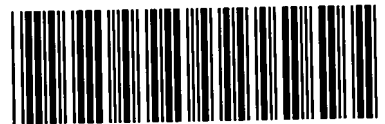


COMPANY REGISTRATION NUMBER 2758093

**NEW KADAMPA TRADITION - INTERNATIONAL
KADAMPA BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 DECEMBER 2013**

Charity Number 1015054

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COMPANIES HOUSE

A J BROWN
Chartered Accountants & Statutory Auditor
91 Front Street
York
YO24 3BU

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2013**

The trustees, who are also Directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2013.

Reference & Administrative Details of the Charity, its Trustees & Advisors

Registered charity name: New Kadampa Tradition - International Kadampa Buddhist Union

Company registration number: 2758093

Charity registration number: 1015054

Registered office: Conishead Priory, Ulverston, Cumbria, LA12 9QQ, England

Trustees. The trustees serving on the date upon which this report was approved were as follows:

Jennifer Jane Andrews (aka Kelsang Droljang), first appointed on 24 July 2012; and
Roland J. Levy, first appointed on 23 March, 2014; and
Heather Wright (aka Kelsang Dekyong), appointed (ex-officio) on 01 August 2009; and
Monika E. Wirth (aka Kelsang Kunsang), appointed (ex-officio) on 11 April 2010.

Other persons who served the charity as Trustees during this period were;

Laurence D. Levy, who was first appointed on 01 July, 2008; and retired on 27 February, 2014.

Executive Officers: The daily central administrative tasks of the charity are carried out by the four main executive officers, as follows:

- General Secretary - Stephen P. Cowing; and
- Deputy Secretary – Anthony Roy Tyson; and
- Secretary of the General Spiritual Director – Lisa McGovern (aka Kelsang Ringyal); and
- Treasurer - Linda Cay (aka Kelsang Maitri)

Auditor: A.J. Brown, Chartered Accountants & Statutory Auditors,
91 Front Street, Acomb, York YO24 3BU.

Bankers: (1) Barclays Bank PLC, 86-90 Dalton Road, Barrow-in-Furness, Cumbria LA14 1JF; and
(2) CCLA Investment Management Ltd, COIF Charity Funds, 80 Cheapside, London, EC2V 6DZ.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2013

TRUSTEES ANNUAL REPORT

Structure, Governance & Management

1. The organisation is a company limited by guarantee, incorporated in 1992 and now operating under Memorandum and Articles of Association adopted in April 2007, when the organisation also adopted its present name (which is abbreviated to "NKT-IKBU" in this report).

In the event of the company being dissolved, each Member is required to contribute an amount not exceeding £10 towards the settlement of any outstanding debts, liabilities and costs.

2. The company is registered as a charity, and is established, organised and operated exclusively for religious purposes. There are four trustees, who are the Directors of the company. Two of the trustees are directly elected as such by the Members of the charity, and two are ex-officio posts. The ex-officio posts are occupied by the General and Deputy Spiritual Directors of the charity, who again are elected as such by the Members. An elected trustee's term of office is two years, with re-election possible.

3. The Members of the charity are (a) the sole Subscriber to the original 1992 Memorandum and Articles of the charity (namely Venerable Geshe Kelsang Gyatso); and (b) all incorporated NKT-IKBU Buddhist Centres throughout the world; and (c) all the Resident Teachers of unincorporated NKT-IKBU Buddhist Centres throughout the world.

4. The trustees make all the major decisions of the charity, and under their direction the central daily administrative tasks are carried out by a team of executive officers.

5. All trustees are already familiar with the practical work of the charity before their appointment, having undertaken similar duties within the charity or within a related organisation. Other present and former trustees are also available to help a new trustee with his or her responsibilities and duties.

6. All Member Centres of the NKT-IKBU are independent legal entities, bound together firstly by the common spiritual lineage called the "New Kadampa Tradition" of Buddhism, and secondly by membership of the charity. The General Spiritual Director ('GSD') of the NKT-IKBU is also the Spiritual Director of each Member Centre.

7. The trustees of the charity meet regularly to review the major risks to which the charity is exposed, and they have established procedures to mitigate such risks.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
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TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2013

Objectives and Activities

8. In the wording of the charity's Memorandum of Association, the objects for which the charity is established are to increase the Buddhist Faith throughout the world, under the spiritual guidance of the elected General Spiritual Director ('GSD') of the NKT-IKBU, by promoting the activities of the union of Kadampa Buddhist Centres called the NKT-IKBU, the international association of study and meditation centres that follow the pure tradition of Mahayana Buddhism derived from the Buddhist meditators and scholars Atisha and Je Tsongkhapa, introduced into the West by the Buddhist teacher Venerable Geshe Kelsang Gyatso; and that follow the three New Kadampa Tradition Study Programmes; and that are guided by the code of moral discipline called the Internal Rules of the NKT-IKBU.

9. In order to promote its objects, the charity maintains an International Temples Project ('ITP'), whose aim is in general to introduce the Buddhist Faith of the New Kadampa Tradition publicly and in particular to exemplify Buddhist practice through service to the public.

To further the objects of the ITP, the charity continually emphasises the development throughout the world of:

- (a) local Kadampa Buddhist Centres ('KBCs');
- (b) Kadampa Meditation Centres ('KMCs');
- (c) international Kadampa Buddhist Temples, dedicated to world peace;
- (d) International Retreat Centres ('IRCs');
- (e) publishing activities (under the name 'Tharpa Publications');
- (f) Kadampa Companies.

10. In furtherance of its aims, the charity also operates the residential Buddhist Centre 'Manjushri KMC'; publishes printed, audio and e-books of Buddhist teachings, under the name 'Tharpa Publications'; holds annual Spring and Summer Festivals with Buddhist teachings and meditation retreats; and maintains a 'Kadampa Art Studio' and a 'Kadampa Internet' office, all at its Conishead Priory premises.

11. In support of the activities of the International Temples Project, the charity makes grants and interest-free loans to NKT-IKBU Centres around the world. Requests for grants and loans are considered by the trustees on an individual basis, and the financial forecasts for each project are closely examined to ensure viability. When a grant or loan is made, the recipient Centre provides bi-monthly progress reports to the Secretary of the GSD of the charity, who then reports back to the finance committee.

12. Grants and loans are made only to NKT-IKBU Centres that are incorporated and registered as charities within their own countries.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
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COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2013

Statement of public benefit

Identifiable benefits.

13. In exercising their powers and duties, the trustees have due regard to the guidance on public benefit published by the Charity Commission. They believe that the work of the charity in promoting the Buddhist Faith has clearly identifiable benefits.

14. The charity believes that there are three important public benefits to promoting the Buddhist Faith throughout the world: to help people to develop their wisdom, to cultivate a good heart, and to maintain a peaceful mind.

If as individuals we do not strive to develop our wisdom, we will always remain ignorant of the true nature of reality. Everyone wishes for happiness, but our ignorance of reality leads us to engage in non-virtuous actions, which in turn are the main cause of all our suffering. Further, if we do not cultivate a good heart towards others, then our selfish motivation destroys the harmony of our relationships with others. We then have no peace, and no chance to gain pure happiness. Without inner, mental peace, outer peace is impossible, both personally and throughout society.

Benefit to the public

15. The charity supports a world-wide membership of Buddhist Centres, all of which offer classes of instruction in Buddhist philosophy and meditation, bringing personal and social benefit.

16. These same programmes of study and meditation are directly offered by the charity at Manjushri Kadampa Meditation Centre, which functions at the charity's main premises at Conishead Priory. All classes are accessible to the public. Both 'drop-in' classes and more advanced courses of Buddhist instruction are offered. Some are offered free of charge, whilst modest fees are charged for others. A year-round programme of services of prayer and meditation is also offered; once again open to the public.

17. The charity's main premises at Conishead Priory, including the Kadampa World Peace Temple and 70 acres of woodlands and gardens, are open to the public daily throughout the year, providing a peaceful environment for anyone who wishes to enjoy it. House and Temple tours are offered, and visitors are also welcomed to a gift shop and café, both staffed by community volunteers and showing the example of Kadampa Buddhist practice through service to the public.

Manjushri KMC also regularly hosts visits from school groups and other community groups; and the charity runs a 'World Peace Café' and meditation space in the nearby town of Ulverston itself, for the benefit of the local community.

18. In addition, the charity funds and supports the establishment of traditional and non-traditional World Peace Temples, meditation and retreat Centres, World Peace Cafés, Kadampa Schools and Tharpa Publications throughout the world, all dedicated to the promotion of the Buddhist faith through service to the public.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2013

Achievements & Performance

International Festivals

19. In 2013 the charity successfully hosted the annual NKT-IKBU International Spring and Summer Festivals, and co-hosted the NKT-IKBU International Fall Festival in Portugal.

The NKT-IKBU International Spring Festival was held at Conishead Priory (over a period of 5 days), and was attended by over 1100 people from 30 countries.

The International Summer Festival, also held at Conishead Priory (over a period of 2 weeks), and was attended by over 2500 people from 40 countries.

The International Fall Festival was co-hosted with Deuachen Kadampa Meditation Centre, Portugal. Over 6900 people from more than 60 countries attended over the seven-days of the event with Venerable Geshe Kelsang Gyatso in Cascais, Portugal which celebrated the inauguration of the new Kadampa World Peace Temple in Sintra. Some 3600 of the Festival attendees visited the Temple through daily tours organised by the charity. This was the largest Kadampa Festival held so far.

Tharpa Publications

20. Tharpa Publications continued to make excellent progress in 2013, with an 11% increase in turnover on 2012. Continually reaching new people, Tharpa UK acquired an average of 150 new customers each month through its website. The most significant events of the year occurred in October with the launch of Venerable Geshe Kelsang Gyatso's new book, *How to Understand the Mind* and the International Tharpa shop at the Fall Festival in Portugal.

Manjushri Kadampa Meditation Centre, Conishead Priory

21. Day visits to Conishead Priory Temple, grounds and World Peace Cafe remained popular in 2013, with almost 13,800 day visitors to the Temple alone. The Priory is open to the public seven days a week and guided tours are offered on weekends.

We also welcomed 2225 children and young people who came on group educational visits throughout the year. A further 500 people came on various other organised group visits.

Kadampa Art Studio

22. As with 2012, a principal focus of the Kadampa Art Studio again in 2013 was the production of Buddha images and external and internal decorations for the Kadampa Buddhist Temple under construction in Sintra, near Lisbon in Portugal. Statues were also made for a new city Temple in Hollywood (California, USA), as well as for various commercial premises newly acquired for use as teaching venues by Centres in Madrid, Berlin, Guadalajara (Mexico) and Vancouver and Montreal in Canada. In 2014 work has begun on the statues and ornaments for Kadampa Meditation Centre Maryland's new premises in Baltimore.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
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COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2013

Financial Review

23. Since 01 January 2011, the charity has followed financial guidelines set out in an internal guidance manual, called '*A Money Handbook*'. These guidelines recognise that all charity income is designated as ITP funds, and as such provides the funding for all of the charity's activities.

24. The aims of the ITP are in general to introduce the Buddhist Faith of the New Kadampa Tradition publicly, and in particular to exemplify Buddhist practice through service to the public.

In 2013 a total of £1,288,351 was given in grants and interest-free loans in support of ITP activities throughout the world, including the building of a new Kadampa Buddhist Temple in Portugal. This building project was completed in October when the Temple was officially opened. Interest-free loans were also given to KMC California to assist with a property purchase, to KMC Vajrayana (Madrid) to assist with the renovation of their new city centre commercial space, and to several newer KMCs to assist with their development. The ITP also funded the production of statues and other artwork for various other new city-centre Kadampa Meditation Centres and Temples around the world.

The trustees consider that providing interest-free loans rather than grants benefits the recipient NKT-IKBU Centres in a number of ways. While it provides safe funding for projects, and allows time for Centre activities to become established without undue financial pressure, it also helps create an attitude of financial independence and responsibility rather than dependence, and encourages an appreciation of the ITP through the recognition that repayment of the loan will ensure that funds are available for future ITP projects.

Reserves policy

25. The ITP accounts are reviewed at least monthly to ensure that sufficient funds are available to cover current running costs, and that there is a minimum of £75,000 available to replenish the funds in the charity's daily running account (as set out in *A Money Handbook*). The trustees are of the opinion that this is a comfortable level of free reserves in order to maintain the basic operations of the charity and to provide some surety against adverse financial events, such as unbudgeted expenditure, or failure to achieve income targets. This level is to be reviewed annually by the trustees.

Principal funding sources

26. The principal funding sources for the charity include the surplus from the NKT-IKBU International Spring and Summer Festivals held annually at Conishead Priory as well as the a surplus from the co-hosted NKT-IKBU International Fall Festival in Portugal. Other principal funding sources include the surpluses from Tharpa Publications, and the activities of Manjushri KMC.

The annual International Fall Festivals are not always hosted by the charity; whether or not is decided each year in dependence upon the country where the Fall Festival is being held and the resources and skills available to the NKT-IKBU there.

27. In 2012 the charity had secured a loan against part of its fixed assets in order to provide funding for worldwide ITP activities in general and for the Temple construction in Portugal in particular. These funds were mainly spent in 2013.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
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COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2013

Plans for the Future

28. The Kadampa Art Studio has recently been accepted to participate in a 3D printer testing programme. This exciting development will allow them to explore directly 3D printing technology and possible new applications within the Art Studio, in particular the production of small Buddha statues for personal shrines. Alongside this project, the Kadampa Art Studio continues to produce statues and other ornaments for NKT-IKBU Buddhist Centres and Temples throughout the world.

29. The Charity continues to offer material support for the international development of NKT-IKBU Buddhist Centres through its International Temples Project. At year-end, surplus funds had been designated towards a property purchase, however, in early 2014 the property was withdrawn from the market due to circumstances unrelated to the negotiations. The charity is currently assessing the viability of alternative projects – this process may extend beyond the current financial year and into 2015.

Responsibilities of the Trustees

30. The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.

In so far as the trustees are aware: there is no relevant audit information of which the charity's auditors are unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

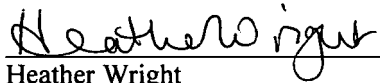
**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2013**

Small Company Provisions

31. This report has been prepared in accordance with the special provisions for small companies under Parts 15 and 16 of the Companies Act 2006.

Signed as approved by order of the trustees:



Heather Wright
Trustee and Director

Date: 10 June 2014

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW
KADAMPA TRADITION - INTERNATIONAL KADAMPA BUDDHIST
UNION**

YEAR ENDED 31 DECEMBER 2013

I have audited the financial statements of New Kadampa Tradition - International Kadampa Buddhist Union for the year ended 31 December 2013 on pages 13 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my audit work, for this report, or for the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

OPINION ON FINANCIAL STATEMENTS

In my opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, 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.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
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COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW
KADAMPA TRADITION - INTERNATIONAL KADAMPA BUDDHIST
UNION (continued)**

YEAR ENDED 31 DECEMBER 2013

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In my opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH I AM REQUIRED TO REPORT BY EXCEPTION

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

11-6-14
91 Front Street
Acomb
York
YO24 3BU



Anthony J Brown
Senior Statutory Auditor
For and on behalf of
A J Brown
Chartered Accounts &
Statutory Auditor

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2013

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Voluntary income	2	257,734	28,280	286,014	182,054
Investment income	3	3,775	—	3,775	7,454
Incoming resources from charitable activities	4	3,714,254	—	3,714,254	2,732,773
Other incoming resources	5	—	—	—	81,446
TOTAL INCOMING RESOURCES		3,975,763	28,280	4,004,043	3,003,727
RESOURCES EXPENDED					
Charitable activities	6/7	(2,168,053)	(362,940)	(2,530,993)	(1,548,752)
Governance costs	8	(12,576)	—	(12,576)	(537,590)
Exceptional governance costs	8	(38,179)	—	(38,179)	(11,848)
TOTAL RESOURCES EXPENDED		(2,218,808)	(362,940)	(2,581,748)	(2,098,190)
NET INCOMING RESOURCES FOR THE YEAR	9	1,756,955	(334,660)	1,422,295	905,537
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>15,834,602</u>	<u>3,448,206</u>	<u>19,282,808</u>	<u>18,377,271</u>
TOTAL FUNDS CARRIED FORWARD		<u>17,591,557</u>	<u>3,113,546</u>	<u>20,705,103</u>	<u>19,282,808</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Note	£	£
INCOME		4,000,268	2,996,273
TOTAL EXPENDITURE		(2,581,748)	(2,098,190)
OPERATING SURPLUS	9	1,418,520	898,083
OTHER INCOME			
Interest receivable and similar income	3	3,775	7,454
RETAINED SURPLUS FOR THE FINANCIAL YEAR		<u>1,422,295</u>	<u>905,537</u>

The Income and Expenditure Account includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

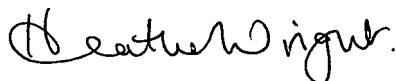
BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Intangible assets	11	—	—
Tangible assets	12	13,206,519	13,220,003
Investments	13	21,278	865,731
		<u>13,227,797</u>	<u>14,085,734</u>
CURRENT ASSETS			
Stocks	14	359,551	344,886
Debtors (due in over one year £5,285,238)	15	6,430,644	5,861,935
Cash at bank		3,403,479	1,717,871
		<u>10,193,674</u>	<u>7,924,692</u>
CREDITORS: Amounts falling due within one year	16	<u>(453,108)</u>	<u>(357,068)</u>
NET CURRENT ASSETS		<u>9,740,566</u>	<u>7,567,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,968,363</u>	<u>21,653,358</u>
CREDITORS: Amounts falling due after more than one year	17	<u>(2,263,260)</u>	<u>(2,370,550)</u>
NET ASSETS		<u>20,705,103</u>	<u>19,282,808</u>
FUNDS			
Restricted income funds	19	3,113,546	3,448,206
Unrestricted income funds	20	17,591,557	15,834,602
TOTAL FUNDS		<u>20,705,103</u>	<u>19,282,808</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

These financial statements were approved by the members of the committee and authorised for issue on the 10th June 2014 and are signed on their behalf by:



Heather Wright
Trustee and Director

Company Registration Number: 2758093

The notes on pages 16 to 27 form part of these financial statements.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Charities Act.

Consolidation

In the opinion of the members of the committee, the charity and its subsidiary undertakings comprise a small group. The charity has therefore taken advantage of the exemption provided by Section 398 of the Charities Act 2011 not to prepare group accounts.

The trustees do not consider the cost of preparing consolidated accounts justifiable and note 13 provides adequate details relating to the nature of the trading subsidiaries.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Fund accounting

Restricted funds are funds which have been donated or raised for specific purposes and each fund is maintained separately. Unrestricted funds are funds donated or raised with no specific purpose and therefore they are used at the discretion of the trustees. Designated funds are funds transferred from general funds at the discretion of the trustees put aside for specific projects.

Resources expended

Resources expended are recognised in the year in which they are incurred. Support costs are costs incurred directly in support of expenditure on the objects of the charity. Governance costs are costs incurred relating to compliance and statutory requirements. Exceptional expenditure is allocated to the relevant cost depending on the nature of the cost.

Fixed assets

All fixed assets are initially recorded at cost.

Goodwill on the purchase of the hotel in Spain is written off over 5 years on a straight line basis as in the opinion of the trustees this acquired goodwill will reduce over a period of 5 years and will be replaced with our own created goodwill.

**NEW KADAMPA TRADITION - INTERNATIONAL KADAMPA
BUDDHIST UNION
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 15% Reducing balance
Motor Vehicles	- 15% Reducing balance

The Trustees are of the opinion that with the policy of maintaining and restoring the buildings the estimated economic life is several hundred years and the cost /valuation less the estimated value is immaterial and therefore no depreciation is charged.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the statement of financial activities on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Provisions for liabilities

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

Value added tax

The Charity is partially exempt for Value Added Tax, consequently a proportion of the tax paid on the supply of goods and services is not reclaimable and is therefore charged to the SOFA as it is incurred.

Donations

Donations are included in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers is not quantified and is not included in the accounts.

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1. ACCOUNTING POLICIES *(continued)*

Grants

Grants including grants for the purchase of fixed assets are recognised in the Statement of Financial Activities when they are receivable.

Fixed asset investments

Fixed asset investments are stated at cost or if in the opinion of the trustees the market value is materially different then they would be included at market value.

Income and expenditure

All income and expenditure is included gross that is without netting off.

Foreign Currency

Foreign currency transactions are recorded in the records at the actual sterling amount if known, if not, the sterling equivalent is used at the rate of exchange on the day of the transaction and if later the amount is transferred into sterling the difference is accounted for as an exchange profit or loss. Items in foreign currencies held at the year- end are translated at the balance sheet date exchange rate and the difference is accounted for as a profit or loss on exchange.

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations				
Donations General	21,753	26,734	48,487	29,434
Donations International Temple Project	235,981	—	235,981	146,718
Donations Rituals	—	1,546	1,546	2,936
Grants receivable				
Government Grants	—	—	—	2,966
	<u>257,734</u>	<u>28,280</u>	<u>286,014</u>	<u>182,054</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Bank interest receivable	<u>3,775</u>	<u>3,775</u>	<u>7,454</u>

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4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Income from Festivals	2,115,860	2,115,860	1,217,524
Sales Tharpa Publications	495,668	495,668	442,943
Manjushri Centre Activities	638,986	638,986	697,732
Shop and World Peace Cafe Sales	215,190	215,190	205,901
Kadampa Art Studio & Hosting	158,467	158,467	82,083
International Properties - Rental Income	90,083	90,083	86,590
	<u>3,714,254</u>	<u>3,714,254</u>	<u>2,732,773</u>

5. OTHER INCOMING RESOURCES

	Total Funds 2013 £	Total Funds 2012 £
Bank Loan Incentive scheme	—	81,446

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Grants Payable	2,657	277,116	279,773	102,256
Festival Costs	1,102,730	14,149	1,116,879	381,389
Tharpa costs	203,901	—	203,901	225,403
MKMC Costs	516,067	23,987	540,054	508,963
Kadampa Art Studio & Hosting	157,384	24,505	181,889	117,876
Support Costs	185,314	23,183	208,497	212,865
	<u>2,168,053</u>	<u>362,940</u>	<u>2,530,993</u>	<u>1,548,752</u>

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7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Grant funding activities £	Support Costs £	Total Funds 2013 £	Total Funds 2012 £
Grants Payable	–	279,773	–	279,773	102,256
Festival Costs	1,116,879	–	–	1,116,879	381,389
Tharpa costs	203,901	–	3,781	207,682	228,603
MKMC Costs	540,054	–	–	540,054	508,963
Support Costs	–	–	204,716	204,716	209,665
Kadampa Art Studio & Hosting	181,889	–	–	181,889	117,876
	<u>2,042,723</u>	<u>279,773</u>	<u>208,497</u>	<u>2,530,993</u>	<u>1,548,752</u>

Grants payable during the year are made up of grants to Centres around the world with similar objects to ourselves. Of this £148,874 were donated statues, artwork etc produced by the Kadampa Art Studio at Conishead Priory, and £92,888 was donated to the Italian subsidiary to allow the sale of the company.

8. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Exceptional governance costs	38,179	38,179	11,848
Audit fees	13,000	13,000	16,055
Amounts written off investments	–	–	524,313
Foreign currency gain/loss	(424)	(424)	(2,778)
	<u>50,755</u>	<u>50,755</u>	<u>549,438</u>

9. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2013 £	2012 £
Depreciation	13,484	15,102
Auditor's fees (including other services £1500)	13,000	16,055
Exchange (gains)/losses	<u>(424)</u>	<u>(2,778)</u>

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10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	155,877	131,360
Social security costs	—	—
	<u>155,877</u>	<u>131,360</u>

Volunteers

Each resident at the Manjushri Centre at Conishead Priory as part of the regulations has to donate a few hours of their time to the running of the Centre and this together with the many other volunteers and the relatively low number of staff enables the Charity to operate.

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2013	2012
	No	No
Manjushri Centre	7	8
Tharpa Publications	3	3
Support & Administration	10	11
Kadampa Art Studio	7	8
	<u>27</u>	<u>30</u>

The Trustees during the year did not receive any remuneration or out of pocket expenses during this or the previous year.

No employee received remuneration of more than £60,000 during the year (2012 - Nil).

11. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 January 2013 and 31 December 2013	<u>355,764</u>
AMORTISATION	
At 1 January 2013 and 31 December 2013	<u>355,764</u>
NET BOOK VALUE	
At 31 December 2013	<u>—</u>
At 31 December 2012	<u>—</u>

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12. TANGIBLE FIXED ASSETS

	Land and buildings £	Other plant & machinery etc. £	Total £
COST			
At 1 January 2013 and 31 December 2013	<u>13,147,579</u>	<u>251,156</u>	<u>13,398,735</u>
DEPRECIATION			
At 1 January 2013	–	178,732	178,732
Charge for the year	–	<u>13,484</u>	<u>13,484</u>
At 31 December 2013	<u>–</u>	<u>192,216</u>	<u>192,216</u>
NET BOOK VALUE			
At 31 December 2013	<u>13,147,579</u>	<u>58,940</u>	<u>13,206,519</u>
At 31 December 2012	<u>13,147,579</u>	<u>72,424</u>	<u>13,220,003</u>

Hire purchase agreements

Included within the net book value of £13,206,519 is £4,944 (2012 - £8,241) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £3,296 (2012 - £3,296).

13. INVESTMENTS

Movement in market value

	2013 £	2012 £
Market value at 1 January 2013	865,731	1,390,044
Adjustment for disposals	(844,453)	
Net loss on revaluations in the year ended 31 December 2013	–	(524,313)
Market value at 31 December 2013	<u>21,278</u>	<u>865,731</u>
Historical cost at 31 December 2013	<u>21,278</u>	<u>1,390,044</u>

Analysis of investments at 31 December 2013 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Other investments				
Non-UK Group undertakings	<u>2,109</u>	<u>19,169</u>	<u>21,278</u>	<u>865,731</u>

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13. INVESTMENTS *(continued)*

The charity at the year end owned all the issued share capital in two foreign companies one in Spain, The New Kadampa Tradition SL costing £2,109 and one in Holland, Hotel Kadampa Holland BV costing £19,169. The charity also is the only member of a school, The Kadampa School Project which is a registered company in England which is limited by guarantee with no share capital. The directors are of the opinion that the investments have a value of approximately equal to cost.

The Spanish company during the year had a total turnover of £ 61,557 with a total loss of £35,800 and a total year-end deficit of £216,263. This is split over the Spanish trading which had a turnover of £37,130 with a loss of £28,275. The Taiwan branch had a year-end turnover of £24,427 and a year-end loss of £7,525.

The Dutch company during the year had a turnover of £57,145 with a loss of £34,780 and at the year-end had a deficit of £82,488.

The Kadampa School during the year had a turnover of £108,692 with a loss of £3,044 and a year-end deficit of £3,011.

14. STOCKS

	2013 £	2012 £
Stock	<u>359,551</u>	<u>344,886</u>

15. DEBTORS

	2013 £	2012 £
Trade debtors	171,017	144,949
Amounts owed by group undertakings	3,401	7,907
Loans to Centres	6,253,850	5,665,046
Other debtors	911	9,937
Prepayments	1,465	34,096
	<u>6,430,644</u>	<u>5,861,935</u>

The debtors above include the following amounts falling due after more than one year.

	2013 £	2012 £
Trade debtors	<u>5,285,238</u>	<u>4,707,732</u>

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16. CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Bank loans and overdrafts	141,341	114,141
Trade creditors	43,415	47,834
Other creditors	268,352	195,093
	<u>453,108</u>	<u>357,068</u>

The following liabilities disclosed under creditors falling due within one year are secured by the charity:

	2013	2012
	£	£
Bank loans and overdrafts	<u>141,341</u>	<u>114,141</u>

17. CREDITORS: Amounts falling due after more than one year

	2013	2012
	£	£
Bank loans and overdrafts	1,752,136	1,884,378
Other creditors	511,124	486,172
	<u>2,263,260</u>	<u>2,370,550</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the charity:

	2013	2012
	£	£
Bank loans and overdrafts	<u>1,752,136</u>	<u>1,884,378</u>

Included within creditors falling due after more than one year is an amount of £1,284,190 (2012 - £1,388,412) in respect of liabilities which fall due for payment by instalments after more than five years from the balance sheet date.

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18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the charity had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>7,080</u>	<u>7,080</u>

19. RESTRICTED INCOME FUNDS

	Balance at 1 Jan 2013	Incoming resources	Outgoing resources	Balance at 31 Dec 2013
	£	£	£	£
International Temple Projects	2,383,504	—	(319,454)	2,064,050
Main Building Fund	473,191	—	—	473,191
Temple Fund	503,456	—	—	503,456
Statue Fund	39,649	—	—	39,649
Other Funds	48,406	28,280	(43,486)	33,200
	<u>3,448,206</u>	<u>28,280</u>	<u>(362,940)</u>	<u>3,113,546</u>

International Temple Project.

The International Temple Project is to introduce the Buddhist Faith of the New Kadampa Tradition publicly, and in particular to exemplify Buddhist practice through public service.

The Main Building Fund.

The Main Building Fund is to account for monies received specifically for the restoration of the buildings at Conishead Priory.

The Temple Fund

The Temple Fund is to provide funds to construct the Buddhist Temple at Conishead Priory which is now complete.

Other Funds.

Other Funds are to account for monies received in respect of small projects.

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20. UNRESTRICTED INCOME FUNDS

	Balance at 1 Jan 2013 £	Incoming resources £	Outgoing resources £	Balance at 31 Dec 2013 £
Designated ITP Fund	2,871,507	—	—	2,871,507
General Funds	12,963,095	3,975,763	(2,218,808)	14,720,050
	<u>15,834,602</u>	<u>3,975,763</u>	<u>(2,218,808)</u>	<u>17,591,557</u>

The designated ITP fund represents funds that the trustees have put aside from general funds to aid the International Temple Project.

The general unrestricted fund represents free funds of the charity which can be applied at the discretion of the trustees.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £
Restricted Income Funds:			
International Temple Projects	2,044,881	19,169	—
Main Building Fund	473,191	—	—
Temple Fund	503,456	—	—
Statue Fund	39,649	—	—
Other Funds	26,418	—	6,782
	<u>3,087,595</u>	<u>19,169</u>	<u>6,782</u>
Unrestricted Income Funds:			
Designated Funds	2,871,507	—	—
General Funds	7,247,417	2,109	9,733,784
	<u>10,118,924</u>	<u>2,109</u>	<u>9,733,784</u>
Total Funds	<u>13,206,519</u>	<u>21,278</u>	<u>9,740,566</u>

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS *(continued)*

	Long term liabilities £	Total £
Restricted Income Funds:		
International Temple Projects	–	2,064,050
Main Building Fund	–	473,191
Temple Fund	–	503,456
Statue Fund	–	39,649
Other Funds	–	33,200
	<u>–</u>	<u>3,113,546</u>
Unrestricted Income Funds:		
Designated Funds	–	2,871,507
General Funds	(2,263,260)	14,720,050
	<u>(2,263,260)</u>	<u>17,591,557</u>
Total Funds	<u>(2,263,260)</u>	<u>20,705,103</u>

22. CONTINGENCIES

The charity has guaranteed the repayment of a bank loan for one of the subsidiaries if the subsidiary is in default which currently it is not. The amount outstanding on the loan at 31st December 2012 was £682,941.

The Charity has guaranteed the payment of all the debts of the Kadampa School Project a wholly owned subsidiary if the company is in default. The total debt outstanding at 31st December 2013 is £110,718.

23. COMPANY LIMITED BY GUARANTEE

The charity is limited by guarantee which means that in the event of the winding up of the charity each member would contribute an amount not exceeding £10.