

REGISTERED COMPANY NUMBER: 02758093 (England and Wales)
REGISTERED CHARITY NUMBER: 1015054

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Lancashire
PR3 6SJ

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

Significant activities

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.

In furtherance of its aims, the charity also operates the residential Buddhist Centre 'Manjushri KMC'; produces Buddhist art prints and 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.

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. The charity takes a long-term view when supporting the development of International Temples Project activities, and makes financial provisions as necessary. When a grant or loan is made, the recipient Centre provides regular progress reports to the Secretary of the GSD of the charity, who then reports to the Weekly Meeting of the Education Council, and the charity's Finance Committee.

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OBJECTIVES AND ACTIVITIES

Public benefit

Identifiable benefits

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 public benefits.

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

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.

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.

The charity's main premises at Conishead Priory, including the Kadampa World Peace Temple and 70 acres of woodlands and gardens, are freely open to the public daily throughout the year, providing a peaceful environment for anyone who wishes to enjoy it. Free 15-minute meditation sessions are offered twice-daily in the Temple, and on weekends visitors may also join the House and Temple Tour. The Café and Gift Shop continue to be popular with local people, course attendees, and visitors to the area alike. Manjushri KMC also regularly hosts visits from school and other community groups. All of these activities are staffed by volunteers from Conishead Priory's residential and local community, showing the example of Kadampa Buddhist practice through service to the public.

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

Grantmaking

In general, grants and loans are made only to NKT-IKBU Centres that are incorporated and registered as charities within their own countries. Exceptions may be made in the case where Kadam Dharma is being newly establishing in a country where there has been no prior activity.

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OBJECTIVES AND ACTIVITIES

Volunteers

All aspects of the day to day functioning of Manjushri KMC, Conishead Priory, are run by members of the residential community together with volunteers from the extended community in the local area. The support of the community, as an expression of their service to the public, means that the charity can operate with relatively low staff numbers.

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**REPORT OF THE TRUSTEES
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ACHIEVEMENT AND PERFORMANCE

Charitable activities

International Festivals

In 2019 the charity once again successfully hosted the annual NKT-IKBU International Spring and Summer Festivals at Conishead Priory.

The International Spring Festival was held over a period of 5 days, and was attended by 1,570 people, from 40 countries.

The International Summer Festival was held over a period of two weeks, and was attended by 2,650 people, from 45 countries.

Each year, the International Fall Festival is held in a different country with varying levels of support offered by the charity depending on the experience and skills within the Kadampa Centres of the host country. The 2019 Fall Festival was fully hosted by Kadampa Meditation Centre New York, and saw 2,800 people from 43 countries come together to celebrate the opening of the new Kadampa Temple for World Peace in Northern Arizona, USA.

Tharpa Publications

Tharpa successfully published and launched Venerable Geshe Kelsang Gyatso's latest book, The Mirror of Dharma with Additions at Spring Festival, May 2019, while supporting the International Tharpas with a simultaneous launch in various languages. The book featured prominently during the 2019 Fall Festival with 7,077 copies being sold between May and December 2019.

A major focus of 2019 was increasing the capacity and scalability of Tharpa Publications. This was principally achieved through two projects: firstly, moving all Tharpa UK's daily operations to cloud-based inventory management and accounting software, and secondly making a major upgrade to Tharpa's ecommerce website. The former has resulted in much improved efficiency and accuracy in all aspects of daily operations, and the latter has led to improvements in ecommerce management and marketing not only for Tharpa UK, but also for 14 of the international Tharpa Publications.

Manjushri Kadampa Meditation Centre (Manjushri KMC), Conishead Priory

Manjushri KMC continued to offer a full and varied spiritual programme of meditation retreats and courses, study programmes and prayer services throughout the year. Of particular note were the two annual weekend courses taught by the Centre's Resident Teacher (who also serves as the General Spiritual Director of the NKT-IKBU). These two courses, in March and November, were attended by 350 and 550 people respectively. Three public talks were also held in the World Peace Temple, in February, June and September. More than 500 people attended the talks, mostly from the local area. Manjushri KMC also continues to offer regular meditation classes at various venues throughout the South Lakes area.

Day-visitors to Conishead Priory, including the Temple, grounds and World Peace Café, continue to increase each year. There were 21,500 recorded day visitors to the Temple alone in 2019, but total visitor numbers are much higher than this. The Priory is open to the public seven days a week. The free twice-daily 15-minute meditation sessions are an established part of the public spiritual programme and continue to be popular. Some 10,638 people participated in the meditation sessions in 2019, up from 10,300 in 2018.

We also welcomed around 2,000 children and young people, who came on group educational visits throughout the year, and a further 660 people who came on various other organised group visits.

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Kadampa Art Studio

The Kadampa Art Studio at Conishead Priory continues to produce Buddha statues and Buddha ornaments for traditional and urban Temple developments, and for Kadampa Meditation Centres (KMCs) and International Kadampa Retreat Centres (IKRCs) throughout the world. The Studio was particularly busy producing the Buddha statues and ornaments for the new Kadampa Temple for World Peace at IKRC Grand Canyon in Arizona, USA, which was inaugurated at the 2019 International Fall Festival. In addition, statues and ornaments were produced for the following Centres:

- KMC York and KMC Plymouth, in the UK;
- KMC Albacete in Spain;
- KMC Montpellier in France;
- KMC Stockholm in Sweden;
- KMC Long Island in the USA; and
- KMC Canada in Toronto

FINANCIAL REVIEW

Financial review

Since 1 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.

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 April 2019 the charity purchased a property in central Leeds and in early 2020 permissions were granted to transform the property into a Kadampa Meditation Centre with large meditation room, shop and café area. Plans are currently (April 2020) being finalised and work is anticipated to start when feasible and in accordance with the government's Covid-19 pandemic guidelines.

ITP funds were also made available in the form of interest-free loans to assist with the purchase of new properties for KMC Toulouse, KMC Stockholm and KMC Dublin; to support the ongoing activities of Kadampa Meditation Centre in Tokyo (Japan); and to assist KMC Austria with renovation costs on their new property in Vienna.

As detailed above, the ITP funded the production of statues and other artwork in the Kadampa Art Studio for various other new city-centre Kadampa Meditation Centres and Temples around the world. Total grants raised for the Kadampa Art Studio in 2019 amounted to £256,137.

A total of £23,445 was also given in grants and £3,143,553 in interest-free loans in support of other ITP activities throughout the world.

Donations made to the charity's International Temples Project Fund increased in 2019, totalling £2,567,190.

The trustees consider that providing interest-free loans rather than grants benefits the recipient NKT-IKBU Centres in a number of ways. It provides safe funding for projects, and allows time for Centre activities to become established without undue financial pressure; but at the same time it also helps create an attitude of financial independence and responsibility in the recipients, 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.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

FINANCIAL REVIEW

Principal funding sources

The principal funding sources for the charity in 2019 included the surplus from the NKT-IKBU International Spring and Summer Festivals held at Conishead Priory, and the surpluses from Tharpa Publications and Manjushri KMC.

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

Reserves policy

The ITP accounts are reviewed fortnightly 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 £750,000 is a comfortable level of free reserves in order to maintain the basic operations of the charity including required capital expenditure or servicing of any borrowing, and to provide some surety against adverse financial events, such as unbudgeted expenditure, or failure to achieve income targets. This level of reserve funds is reviewed annually by the trustees.

To ensure the charity's ability to further its objects both in the UK and internationally, the trustees have designated funds for the development and support of International Temples Project activities worldwide. The trustees further consider reserves equal to one year's running costs and three years of building repair and maintenance costs a suitable level to protect the charity in case of adverse financial events. This is reviewed annually by the trustees.

FUTURE PLANS

The charity continues to offer material support for the international development of NKT-IKBU Buddhist Centres through its International Temples Project.

Much progress has been made on the plans for a traditional Kadampa Temple for World Peace in Malaga, Spain. All planning stages are going according to schedule and work will commence in accordance with Covid-19 guidelines.

As mentioned previously, progress is also being made in relation to the renovation of the recently purchased property in Leeds city centre. Again, the timeline for work to commence will be governed to a large extent by Covid-19 restrictions.

As with everyone else in the UK, and indeed around the world, the Covid-19 pandemic has dramatically altered the way in which the charity carries out its activities. Recognising that it is more important than ever to help others to develop inner mental peace and find methods to overcome stress and anxiety, our full and varied spiritual programme of meditation retreats and courses, study programmes and prayer services have continued online. In this way, we have not only been able to continue to offer spiritual support to existing students at this difficult time, but also to benefit many more people than our in-person activities alone would otherwise have done. As a result of the demand for online courses, the trustees are confident that the charity will remain in a good stable position throughout these challenging times.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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.

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.

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.

Organisational structure

The charity has a two tier structure with policy setting and strategic decision making being the responsibility of the trustees and the implementation of procedures and day to day operational management being the responsibility of the executive officers.

Decision making

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.

Induction and training of new trustees

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.

Key management remuneration

Each remunerated officer or member of staff of the charity receives the same standard staff remuneration from the charity. This standard staff remuneration applies across all departments within the charity and to all offices of the charity including the office of General Spiritual Director.

The level of the standard staff remuneration of the charity accords with the principle of Buddhist practice through public service. It is reviewed from time to time by the Finance Committee of the charity and any changes must be approved by special resolution of the charity in general meeting.

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**REPORT OF THE TRUSTEES
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network

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.

NKT- IKBU and all Member Centres are bound by and follow, guidelines known as A Moral Discipline Guide: The Internal Rules of the New Kadampa Tradition - International Kadampa Buddhist Union (the 'Internal Rules'), the purpose of which is

- to help maintain and improve the spiritual development of all Dharma Centres of the NKT-IKBU, generation after generation.
- to help maintain a close and supportive relationship between all Dharma Centres of the NKT-IKBU
- to help facilitate the day-to-day running and spiritual management of the NKT-IKBU

In accordance with the Internal Rules, three of the executive officers of the charity; the General Secretary and Deputy Secretary, and the Secretary of the General Spiritual Director support Member Centres in their spiritual and material development.

Related parties

In furtherance of the charity's objects of promoting the Buddhist faith through the development of Kadampa Buddhism worldwide, interest-free loans are made to Member Centres as outlined in the Financial Review section above. Charity owned properties are also made available to be used by Member Centres often on a rent-free basis, for similar reasons of assisting the Member Centre's development without undue external financial pressures.

Donations to the charity's International Temples Project Fund are also received from Member Centres. As these are completely discretionary, donations received from Member Centres are not disclosed separately in the accounts.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02758093 (England and Wales)

Registered Charity number

1015054

Registered office

Conishead Priory
Priory Road
Ulverston
Cumbria
LA12 9QQ

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees

Jennifer J. Andrews (aka Kelsang Droljang), appointed on 24 July 2012
Paul A. P. Boseley, appointed 1 May 2018
Heather C. Wright (aka Kelsang Dekyong), appointed on 1 August 2009
Henry F. Shefveland (aka Kelsang Jampa), appointed on 10 January 2016

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

Deputy Secretary - Anthony Roy Tyson

Secretary of the General Spiritual Director - Lisa McGovern (aka Kelsang Ringyal)

Treasurer - Linda Cay (aka Kelsang Maitri)

Company Secretary

S P Cowing

Auditors

RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Lancashire
PR3 6SJ

Bankers

Barclays Bank PLC, 86-90 Dalton Road, Barrow-in-Furness, Cumbria, LA14 1JF
CCLA Investment Management Ltd, COIF Charity Funds, 80 Cheapside, London, EC2V 6DZ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of New Kadampa Tradition - International Kadampa Buddhist Union for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 charitable company'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.

AUDITORS

The auditors, RfM Fylde Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 26 May 2020 and signed on its behalf by:

Ms H C Wright - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEW KADAMPA TRADITION -
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Opinion

We have audited the financial statements of New Kadampa Tradition - International Kadampa Buddhist Union (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and 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 (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 December 2019 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
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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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEW KADAMPA TRADITION -
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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 auditors' 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.

Alan Meikle FCA (Senior Statutory Auditor)
for and on behalf of RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Lancashire
PR3 6SJ

26 May 2020

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
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**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	390,423	2,269,318	2,659,741	3,016,574
Charitable activities					
International Festivals	4	1,411,834	-	1,411,834	1,903,670
Tharpa Publications		338,270	-	338,270	382,807
Manjushri Kadampa Meditation Centre		783,212	-	783,212	847,672
Shop and World Peace Cafe		330,119	-	330,119	326,836
Kadampa Art Studio and Internet		292,125	-	292,125	310,044
Properties Income		169,671	-	169,671	84,279
Investment income	3	692	-	692	579
Total		<u>3,716,346</u>	<u>2,269,318</u>	<u>5,985,664</u>	<u>6,872,461</u>
EXPENDITURE ON					
Charitable activities					
Grants Payable	5	279,583	-	279,583	286,132
International Festivals		418,641	1,138	419,779	633,337
Tharpa Publications		199,198	-	199,198	164,745
Manjushri Kadampa Meditation Centre		886,436	712	887,148	945,095
Kadampa Art Studio and Internet		336,727	280	337,007	348,797
Properties Expenditure		100,208	6,318	106,526	74,533
International Kadampa Development		1,064,734	982	1,065,716	555,108
Total		<u>3,285,527</u>	<u>9,430</u>	<u>3,294,957</u>	<u>3,007,747</u>
NET INCOME		<u>430,819</u>	<u>2,259,888</u>	<u>2,690,707</u>	<u>3,864,714</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		28,632,643	588,635	29,221,278	25,356,564
TOTAL FUNDS CARRIED FORWARD		<u>29,063,462</u>	<u>2,848,523</u>	<u>31,911,985</u>	<u>29,221,278</u>

The notes form part of these financial statements

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION (REGISTERED NUMBER: 02758093)**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019**

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	13	18,764,062	2,571,844	21,335,906	19,575,263
Investments	14	<u>2,109</u>	<u>-</u>	<u>2,109</u>	<u>18,399</u>
		18,766,171	2,571,844	21,338,015	19,593,662
CURRENT ASSETS					
Stocks	15	339,845	-	339,845	384,160
Debtors	16	10,850,216	-	10,850,216	7,876,184
Investments	17	-	142,443	142,443	148,293
Cash at bank		<u>3,519,960</u>	<u>134,236</u>	<u>3,654,196</u>	<u>3,983,591</u>
		14,710,021	276,679	14,986,700	12,392,228
CREDITORS					
Amounts falling due within one year	18	(1,491,456)	-	(1,491,456)	(627,396)
NET CURRENT ASSETS		<u>13,218,565</u>	<u>276,679</u>	<u>13,495,244</u>	<u>11,764,832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,984,736	2,848,523	34,833,259	31,358,494
CREDITORS					
Amounts falling due after more than one year	19	(2,921,274)	-	(2,921,274)	(2,137,216)
NET ASSETS		<u>29,063,462</u>	<u>2,848,523</u>	<u>31,911,985</u>	<u>29,221,278</u>
FUNDS	22				
Unrestricted funds				29,063,462	28,632,643
Restricted funds				<u>2,848,523</u>	<u>588,635</u>
TOTAL FUNDS				<u>31,911,985</u>	<u>29,221,278</u>

The notes form part of these financial statements

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION (REGISTERED NUMBER: 02758093)**

**STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2019**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 May 2020 and were signed on its behalf by:

H C Wright - Trustee

The notes form part of these financial statements

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Notes	2019 £	2018 £
Cash flows from operating activities		
Cash generated from operations 1	(7,344)	4,104,459
Interest paid	<u>(117,223)</u>	<u>(73,932)</u>
Net cash (used in)/provided by operating activities	<u>(124,567)</u>	<u>4,030,527</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,426,406)	(386,456)
Sale of tangible fixed assets	555,479	-
Interest received	692	579
Transfer of funds held on deposit	<u>5,850</u>	<u>-</u>
Net cash used in investing activities	<u>(1,864,385)</u>	<u>(385,877)</u>
Cash flows from financing activities		
New bank loans in year	1,007,000	1,008,050
Bank loan repayments in year	(180,382)	(135,081)
New concessionary loans in year	850,550	550
Concessionary loan repayments in year	<u>(17,611)</u>	<u>(2,078,885)</u>
Net cash provided by/(used in) financing activities	<u>1,659,557</u>	<u>(1,205,366)</u>
Change in cash and cash equivalents in the reporting period	<u>(329,395)</u>	<u>2,439,284</u>
Cash and cash equivalents at the beginning of the reporting period	<u>3,983,591</u>	<u>1,544,307</u>
Cash and cash equivalents at the end of the reporting period	<u><u>3,654,196</u></u>	<u><u>3,983,591</u></u>

The notes form part of these financial statements

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	2,690,707	3,864,714
Adjustments for:		
Depreciation charges	128,772	103,382
Profit on disposal of fixed assets	(18,488)	-
Interest received	(692)	(579)
Interest paid	117,223	73,932
Impairment of fixed assets	-	204,698
Impairment of investments	16,290	-
Decrease/(increase) in stocks	44,315	(61,777)
Increase in debtors	(2,974,032)	(120,715)
(Decrease)/increase in creditors	(11,439)	40,804
Net cash (used in)/provided by operations	<u>(7,344)</u>	<u>4,104,459</u>

2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank	3,983,591	(329,395)	3,654,196
	<u>3,983,591</u>	<u>(329,395)</u>	<u>3,654,196</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	148,293	(5,850)	142,443
	<u>148,293</u>	<u>(5,850)</u>	<u>142,443</u>
Debt			
Debts falling due within 1 year	(450,467)	(875,499)	(1,325,966)
Debts falling due after 1 year	(2,137,216)	(784,058)	(2,921,274)
	<u>(2,587,683)</u>	<u>(1,659,557)</u>	<u>(4,247,240)</u>
Total	<u>1,544,201</u>	<u>(1,994,802)</u>	<u>(450,601)</u>

The notes form part of these financial statements

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

There are no material uncertainties about the charity's ability to continue.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Regulation 19 of The Charities (Accounts and Reports) Regulations 2008, individually and in aggregate, each of the subsidiary undertakings are not material for the purposes of giving a true and fair view.

On this basis, the financial statements contain information about New Kadampa Tradition - International Kadampa Buddhist Union as an individual charity and do not contain consolidated financial information as the parent of a group.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements and key sources of estimation uncertainty made by trustees and management in preparing these financial statements which also have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Depreciation and impairment of fixed assets
- Impairment provisions for concessionary loans made to centres

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a festival, course, retreat or for provision of other specified service it is deferred until the criteria for income recognition are met.

Donated goods, services and facilities

Donated goods, professional services and facilities are recognised as income when the charity has control over the

item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES - continued

INCOME

On receipt, donated goods, professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

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

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable

Grants offered subject to conditions which have not been met at the statement of financial position date are noted as a commitment but not accrued as expenditure.

ALLOCATION AND APPORTIONMENT OF COSTS

Support costs that cannot be directly attributed to a specific activity are apportioned across all relevant activities on the basis of time spent on each activity by NKT administrative employees.

TANGIBLE FIXED ASSETS

Tangible fixed assets are capitalised at cost. The costs of property repairs, replacement and maintenance are written off as they are incurred. The charity only capitalises items costing more than £10,000.

Depreciation is provided so as to write off the cost of fixed assets to their estimated residual values over their expected useful lives, as follows:

Freehold property	- Land is not depreciated
	Listed buildings - Straight line over 350 years
	Non-listed buildings - Straight line over 80 years
	Other land and buildings - Straight line over 25-50 years
Long leasehold	- Straight line over 80 years, or lease period if shorter
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- Straight line over 4 years

Depreciation is charged on a monthly basis from the calendar month following acquisition or on the bringing into use of the asset, whichever is the later. A full month is charged in the month of disposal.

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value.

Any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

Current asset investments

Current asset investments are measured at cost and comprise of cash balances set aside in separate bank accounts for specific restricted purposes.

STOCKS

Stock is included at the lower of cost or net realisable value after making due allowance for obsolete and slow moving items. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

TAXATION

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

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

FINANCIAL INSTRUMENTS

Concessionary loans

The charity meets the definition of a Public Benefit Entity ("PBE") and applies the measurement provisions of FRS 102 paragraphs PBE34.89-PBE34.97 to all its concessionary loans.

Financial instruments

The charity has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments that are not concessionary loans.

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income or expenditure.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income or expenditure.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income or expenditure.

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in income or expenditure.

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	<u>2,659,741</u>	<u>3,016,574</u>

3. INVESTMENT INCOME

	2019	2018
	£	£
Deposit account interest	<u>692</u>	<u>579</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Festivals	1,411,834	1,903,670
Tharpa Publications	338,270	382,807
Manjushri Centre Activities	783,212	847,672
Shop and World Peace Cafe	330,119	326,836
Kadampa Art Studio Activities	292,125	310,044
Properties Income	169,671	84,279
	<u>3,325,231</u>	<u>3,855,308</u>

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Grants Payable	-	279,583	-	279,583
International Festivals	414,865	-	4,914	419,779
Tharpa Publications	193,901	-	5,297	199,198
Manjushri Kadampa Meditation Centre	880,163	-	6,985	887,148
Kadampa Art Studio and Internet	336,092	-	915	337,007
Properties Expenditure	52,955	-	53,571	106,526
International Kadampa Development	872,376	-	193,340	1,065,716
	<u>2,750,352</u>	<u>279,583</u>	<u>265,022</u>	<u>3,294,957</u>

Included within International Kadampa Development are foreign currency losses of £175,258.

6. GRANTS PAYABLE

	2019 £	2018 £
Grants Payable	<u>279,583</u>	<u>286,132</u>
The total grants paid to institutions during the year was as follows:		
	2019 £	2018 £
Gifts to Centres	<u>279,583</u>	<u>286,132</u>
Gifts to Centres include the following donations:		
	2019 £	2018 £
Grants for Kadampa Art Studio - 2019: 9 (2018: 19)	256,138	262,631
Gifts to Centres - 2019: 4 (2018: 4)	<u>23,445</u>	<u>23,501</u>
	<u>279,583</u>	<u>286,132</u>

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
International Festivals	3,024	-	1,890	4,914
Tharpa Publications	1,717	2,642	938	5,297
Manjushri Kadampa Meditation Centre	4,302	-	2,683	6,985
Kadampa Art Studio and Internet	564	-	351	915
Properties Expenditure	-	-	53,571	53,571
International Kadampa Development	11,483	-	181,857	193,340
	<u>21,090</u>	<u>2,642</u>	<u>241,290</u>	<u>265,022</u>

Activity	Basis of allocation
Management	NKT administrative employees
Finance	NKT administrative employees
Governance costs	NKT administrative employees

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	128,772	103,381
Surplus on disposal of fixed assets	(18,488)	-
Exchange (gains)/losses	174,692	10,539)
Impairment of tangible fixed assets	-	204,698
Impairment of fixed asset investments	16,290	-
Provision for unrecoverable loans	120,842	81,779)
Loans written off	<u>177,637</u>	<u>136,246</u>

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. AUDITORS' REMUNERATION

	2019	2018
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>10,200</u>	<u>10,000</u>
Audit-related assurance services	<u>2,827</u>	<u>2,846</u>
Total fees payable	<u>13,027</u>	<u>12,846</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

	2019	2018
	£	£
Trustees' salaries	<u>8,273</u>	<u>7,680</u>

During the year Heather C. Wright (aka Kelsang Dekyong) received the standard remuneration applicable to all officers and staff members of the charity amounting to £8,273 (2018: £7,680) for her role as a Resident Teacher. No other trustees' received any remuneration or benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

11. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	<u>250,039</u>	<u>278,243</u>
	<u>250,039</u>	<u>278,243</u>

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2019	2018
Manjushri Centre	9	10
Tharpa Publications	3	4
Kadampa Art Studio and Hosting	16	17
Support and Administration	6	7
Kadampa Hotels and School	1	2
	<u>35</u>	<u>40</u>

No employees received emoluments in excess of £60,000.

All charity employees receive the same standard staff remuneration which applies across all departments and to all offices of the charity. The level of the standard staff remuneration of the charity accords with the principle of Buddhist practice through public service.

Volunteers

All aspects of the day to day functioning of Manjushri KMC, Conishead Priory, are run by members of the residential community together with volunteers from the extended community in the local area. The support of the community, as an expression of their service to the public, means that the charity can operate with relatively low staff numbers.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,878,856	137,718	3,016,574
Charitable activities			
International Festivals	1,903,670	-	1,903,670
Tharpa Publications	382,807	-	382,807
Manjushri Kadampa Meditation Centre	847,672	-	847,672
Shop and World Peace Cafe	326,836	-	326,836
Kadampa Art Studio and Internet	310,044	-	310,044
Properties Income	84,279	-	84,279
Investment income	579	-	579
Total	<u>6,734,743</u>	<u>137,718</u>	<u>6,872,461</u>

EXPENDITURE ON

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Charitable activities			
Grants Payable	286,132	-	286,132
International Festivals	630,463	2,874	633,337
Tharpa Publications	164,741	4	164,745
Manjushri Kadampa Meditation Centre	944,738	357	945,095
Kadampa Art Studio and Internet	344,836	3,961	348,797
Properties Expenditure	74,533	-	74,533
International Kadampa Development	553,351	1,757	555,108
Total	<u>2,998,794</u>	<u>8,953</u>	<u>3,007,747</u>
NET INCOME	<u>3,735,949</u>	<u>128,765</u>	<u>3,864,714</u>
 RECONCILIATION OF FUNDS			
Total funds brought forward	24,896,695	459,869	25,356,564
TOTAL FUNDS CARRIED FORWARD	<u><u>28,632,644</u></u>	<u><u>588,634</u></u>	<u><u>29,221,278</u></u>

**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2019	17,750,053	2,628,859	233,905	22,486	20,635,303
Additions	2,367,575	-	58,831	-	2,426,406
Disposals	(1,101,119)	-	-	(5,235)	(1,106,354)
At 31 December 2019	<u>19,016,509</u>	<u>2,628,859</u>	<u>292,736</u>	<u>17,251</u>	<u>21,955,355</u>
DEPRECIATION					
At 1 January 2019	806,301	22,804	210,848	20,087	1,060,040
Charge for year	97,885	22,804	8,083	-	128,772
Eliminated on disposal	(566,527)	-	-	(2,836)	(569,363)
At 31 December 2019	<u>337,659</u>	<u>45,608</u>	<u>218,931</u>	<u>17,251</u>	<u>619,449</u>
NET BOOK VALUE					
At 31 December 2019	<u>18,678,850</u>	<u>2,583,251</u>	<u>73,805</u>	<u>-</u>	<u>21,335,906</u>
At 31 December 2018	<u>16,943,752</u>	<u>2,606,055</u>	<u>23,057</u>	<u>2,399</u>	<u>19,575,263</u>

Included within freehold property additions is an inherited proportion of land and buildings for which a lease is currently in place, as detailed within the leases note. As the purpose of acquiring this property was to further the aims and objectives of the charity it has been accounted for in line with FRS 102 Section 16 - Property, plant and equipment and not FRS 102 Section 17 - Investment Property.

14. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
MARKET VALUE	
At 1 January 2019 and 31 December 2019	<u>18,399</u>
PROVISIONS	
Impairments	<u>16,290</u>
NET BOOK VALUE	
At 31 December 2019	<u>2,109</u>
At 31 December 2018	<u>18,399</u>

**NEW KADAMPA TRADITION -
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. FIXED ASSET INVESTMENTS - continued

The net book value of investments comprises:

	2019 £	2018 £
Investments in the UK	-	-
Investments outside the UK	<u>2,109</u>	<u>18,399</u>

Following the sale of the property in Holland, the investment in Hotel Kadampa Holland B.V. has been impaired in full by £16,290 ahead of the liquidation of the company in 2020.

The company's investments at the balance sheet date in the share capital of companies include the following:

New Kadampa Tradition KMC Spain S.L.

Registered office: Registered in Spain

Nature of business: Rental services

	% holding	2019 £	2018 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		(147,033)	(126,056)
Loss for the year		<u>(27,049)</u>	<u>(29,979)</u>

The summary results for the year were as follows:

	2019 £	2018 £
Gross income	-	21,613
Expenditure	(27,049)	(51,592)
Deficit	<u>(27,049)</u>	<u>(29,979)</u>

Hotel Kadampa Holland B.V.

Registered office: Registered in the Netherlands

Nature of business: Hotel Services

	% holding	2019 £	2018 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		873	(154,613)
Profit for the year		<u>147,444</u>	<u>65,987</u>

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FOR THE YEAR ENDED 31 DECEMBER 2019**

14. FIXED ASSET INVESTMENTS - continued

The summary results for the year were as follows:

	2019	2018
	£	£
Gross income	12,632	136,376
Expenditure	(17,332)	(70,389)
Loans written off	152,144	-
Surplus	<u>147,444</u>	<u>65,987</u>

15. STOCKS

	2019	2018
	£	£
Goods for resale	<u>339,845</u>	<u>384,160</u>

16. DEBTORS

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	127,615	48,361
Concessionary loans to Centres	9,160,157	6,273,550
VAT	855	-
Prepayments and accrued income	39,606	29,392
	<u>9,328,233</u>	<u>6,351,303</u>
Amounts falling due after more than one year:		
Concessionary loans to Centres	<u>1,521,983</u>	<u>1,524,881</u>
Aggregate amounts	<u>10,850,216</u>	<u>7,876,184</u>

Concessionary loans to centres are interest-free and stated after taking into consideration provisions against potentially unrecoverable debts of £586,023 (2018: £205,337). Loans repayable on demand are classed as current assets. Fixed term loans are repayable in full at a future date as stated within the loan agreements and are classed as current asset or long term assets as appropriate to the repayment date in each agreement.

Included within concessionary loans are loans for which the following securities have been pledged:

- £245,777 Loan to KMC Cape Town, South Africa, secured against property owned by Tushita KBC
- £1,183,342 Loan to Nordic KMC, Norway, secured against property owned by Nordisk Kadampa Meditasjonssenter (Nordic KMC)
- £1,744,858 Loan to KMC Stockholm, Sweden, secured against property owned by Kadampa Meditationscenter Stockholm (KMC Stockholm)

**NEW KADAMPA TRADITION -
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. DEBTORS - continued

In line with the objectives and aims of the charity, the concessionary loans have been provided to other Centres in order to support those Centres to increase the Buddhist Faith throughout the world.

The concessionary loans to Centres, before provision for potentially unrecoverable debts is comprised of:

	2019	2018
	£	£
Loans due within one year - 2019: 25 (2018: 23)	9,746,180	6,478,887
Loans due after more than one year - 2019: 4 (2018: 4)	1,521,983	1,524,881
	<u>11,268,163</u>	<u>8,003,768</u>

17. CURRENT ASSET INVESTMENTS

	2019	2018
	£	£
Cash held on deposit	<u>142,443</u>	<u>148,293</u>

Cash held on deposit relates to funds required by the Spanish Government to be set aside until the completion of the Spanish Temple Project. These funds are required to be held on deposit until approval has been granted by the Spanish Government that these funds can be released.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 20)	208,045	165,485
Other loans (see note 20)	1,117,921	284,982
Trade creditors	85,856	73,545
VAT	-	7,082
Other creditors	12,503	-
Accruals and deferred income	67,131	96,302
	<u>1,491,456</u>	<u>627,396</u>

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19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans (see note 20)	<u>2,921,274</u>	<u>2,137,216</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year on demand:		
Bank loans	208,045	165,485
Concessionary loans from Centres	<u>1,117,921</u>	<u>284,982</u>
	<u>1,325,966</u>	<u>450,467</u>
Amounts falling between one and two years:		
Bank loans 1-2 years	<u>217,046</u>	<u>172,487</u>
Amounts falling due between two and five years:		
Bank loans 2-5 years	<u>2,251,156</u>	<u>1,357,672</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years by instalments	453,072	607,057

Concessionary loans from Centres are interest-free. Loans repayable on demand are classed as current liabilities.

Fixed term loans are repayable in full at a future date as stated within the loan agreements and are classed as current liabilities or long term liabilities as appropriate to the repayment date in each agreement.

The concessionary loans from Centres is comprised of:

	2019	2018
	£	£
Other loans from Centres - 2019: 2 (2018: 1)	856,921	6,961
Loans from individuals - 2019: 4 (2018: 4)	<u>261,000</u>	<u>278,061</u>
	<u>1,117,921</u>	<u>284,982</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loans	<u>3,129,319</u>	<u>2,302,701</u>

Properties with a combined net book value of £10,777,028 have been pledged as security against secured debts.

22. MOVEMENT IN FUNDS

	At 1/1/19	Net	Transfers	At
	£	movement	between	31/12/19
		in funds	funds	£
		£	£	
Unrestricted funds				
General funds	22,662,643	430,819	(330,000)	22,763,462
Designated Funds	<u>5,970,000</u>	<u>-</u>	<u>330,000</u>	<u>6,300,000</u>
	28,632,643	430,819	-	29,063,462
Restricted funds				
Spanish Temple Fund	455,299	8,987	-	464,286
KMC Cuernavaca, Mexico	124,785	-	-	124,785
Leeds Property	-	2,250,000	-	2,250,000
Other Funds	<u>8,551</u>	<u>901</u>	<u>-</u>	<u>9,452</u>
	588,635	2,259,888	-	2,848,523
TOTAL FUNDS	<u>29,221,278</u>	<u>2,690,707</u>	<u>-</u>	<u>31,911,985</u>

**NEW KADAMPA TRADITION -
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	3,716,346	(3,285,527)	430,819
Restricted funds			
Spanish Temple Fund	8,987	-	8,987
Leeds Property	2,256,318	(6,318)	2,250,000
Other Funds	4,013	(3,112)	901
	<u>2,269,318</u>	<u>(9,430)</u>	<u>2,259,888</u>
TOTAL FUNDS	<u>5,985,664</u>	<u>(3,294,957)</u>	<u>2,690,707</u>

Comparatives for movement in funds

	At 1/1/18 £	Net movement in funds £	Transfers between funds £	At 31/12/18 £
Unrestricted funds				
General funds	24,546,695	3,735,948	(5,620,000)	22,662,643
Designated Funds	350,000	-	5,620,000	5,970,000
	<u>24,896,695</u>	<u>3,735,948</u>	<u>-</u>	<u>28,632,643</u>
Restricted funds				
Spanish Temple Fund	451,504	3,795	-	455,299
KMC Cuernavaca, Mexico	-	124,785	-	124,785
Other Funds	8,365	186	-	8,551
	<u>459,869</u>	<u>128,766</u>	<u>-</u>	<u>588,635</u>
TOTAL FUNDS	<u>25,356,564</u>	<u>3,864,714</u>	<u>-</u>	<u>29,221,278</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	6,734,743	(2,998,795)	3,735,948
Restricted funds			
Spanish Temple Fund	3,795	-	3,795
KMC Cuernavaca, Mexico	124,785	-	124,785
Other Funds	9,138	(8,952)	186
	<u>137,718</u>	<u>(8,952)</u>	<u>128,766</u>
TOTAL FUNDS	<u>6,872,461</u>	<u>(3,007,747)</u>	<u>3,864,714</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/18 £	Net movement in funds £	Transfers between funds £	At 31/12/19 £
Unrestricted funds				
General funds	24,546,695	4,166,767	(5,950,000)	22,763,462
Designated Funds	350,000	-	5,950,000	6,300,000
	<u>24,896,695</u>	<u>4,166,767</u>	<u>-</u>	<u>29,063,462</u>
Restricted funds				
Spanish Temple Fund	451,504	12,782	-	464,286
KMC Cuernavaca, Mexico	-	124,785	-	124,785
Leeds Property	-	2,250,000	-	2,250,000
Other Funds	8,365	1,087	-	9,452
	<u>459,869</u>	<u>2,388,654</u>	<u>-</u>	<u>2,848,523</u>
TOTAL FUNDS	<u>25,356,564</u>	<u>6,555,421</u>	<u>-</u>	<u>31,911,985</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	10,451,089	(6,284,322)	4,166,767
Restricted funds			
Spanish Temple Fund	12,782	-	12,782
KMC Cuernavaca, Mexico	124,785	-	124,785
Leeds Property	2,256,318	(6,318)	2,250,000
Other Funds	13,151	(12,064)	1,087
	<u>2,407,036</u>	<u>(18,382)</u>	<u>2,388,654</u>
TOTAL FUNDS	<u>12,858,125</u>	<u>(6,302,704)</u>	<u>6,555,421</u>

Restricted Income Funds

Spanish Temple Fund

Donations in Spain have been given to provide funds to construct a Kadampa Temple and to extend accommodation in preparation for the Temple in Spain.

KMC Cuernavaca, Mexico Fund

The KMC Cuernavaca, Mexico Fund is held by NKT-IKBU until KMC Cuernavaca is legally registered and ready to receive donations.

Leeds Property Fund

The Leeds Property Fund is to provide funds to renovate the property in Leeds City Centre acquired in 2019 which, once completed, will be used as a Kadampa Meditation Centre at which point it will form part of the charity's unrestricted charitable activities and will be transferred to unrestricted funds.

Other Funds

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

Unrestricted Income Funds

Designated Fund

To ensure the charity's ability to further its objects both in the UK and internationally, the trustees have designated funds for the development and support of International Temples Project activities worldwide. The trustees further consider reserves equal to one year's running costs and three years of building repair and maintenance costs a suitable level to protect the charity in case of adverse financial events. This is reviewed annually by the trustees.

General Fund

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

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

23. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>46,247</u>

The capital commitment in 2018 relates to equipment for the Kadampa Art Studio ordered in October 2018, which was delivered in April 2019.

24. RELATED PARTY DISCLOSURES

New Kadampa Tradition KMC Spain S.L.
Subsidiary

New Kadampa Tradition KMC Spain S.L. operate from premises in Spain owned by NKT-IKBU. Rent of £40,420 (2018: £21,613) has been charged on this property.

At 31 December 2019 £1,127,561 (2018: £1,240,815) was owed by New Kadampa Tradition KMC Spain S.L. after taking into consideration provisions against potentially unrecoverable debts of £168,236 (2018: £34,422).

Hotel Kadampa Holland B.V.
Subsidiary

Hotel Kadampa Holland B.V. operate from premises in Holland owned by NKT-IKBU on a rent-free basis.

During the year, loans totalling £170,361 were written off.

At 31 December 2019 £Nil (2018: £Nil) was owed by Hotel Kadampa Holland B.V. after taking into consideration provisions against unrecoverable debts of £Nil (2018: £170,361).

KMC France and Bodhichitta IRC
Members

KMC France and Bodhichitta IRC operate from premises in France owned by NKT-IKBU. Rent of £56,973 (2018: £62,666) has been charged on this property.

KMC Spain
Member

KMC Spain operates from premises in Spain owned by NKT-IKBU on a rent-free basis.

Tharpaland IRC
Member

Tharpaland IRC operates from premises in Germany owned by NKT-IKBU on a rent-free basis.

KMC Singapore
Member

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FOR THE YEAR ENDED 31 DECEMBER 2019**

24. RELATED PARTY DISCLOSURES - continued

KMC Singapore operate from premises in Singapore owned by NKT-IKBU on a rent-free basis.

KMC London
Member

KMC London operate from premises in London owned by NKT-IKBU on a rent-free basis.

KMC Paris
Member

KMC Paris operate from premises in Paris owned by NKT-IKBU on a rent-free basis.

KMC Edinburgh
Member

KMC Edinburgh operate from premises in Edinburgh owned by NKT-IKBU on a rent-free basis.

Key management personnel compensation

The total key management personnel compensation for the year was £22,708 (2018: £22,668).

25. ULTIMATE CONTROLLING PARTY

The charity is controlled by its members.

26. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	2019	2018
£		
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	127,615	48,361
Concessionary loans to centres (after provision for potential unrecoverable debts)	10,941,984	7,798,431
Cash held on deposit	142,443	148,293
	<u>11,212,042</u>	<u>7,995,085</u>
Financial liabilities measured at amortised cost		
Bank loans	(3,129,319)	(2,302,701)
Other loans - Concessionary loans from centres	(1,117,921)	(284,982)
Trade creditors	(85,856)	(73,545)

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

26. FINANCIAL INSTRUMENTS - continued

<u>(4,333,096)</u>	<u>(2,661,228)</u>
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27. OPERATING LEASES - LESSOR

Operating leases primarily relate to land leases. Rents receivable of £78,633 (2018: £Nil) have been recognised within properties income in the period. At the balance sheet date there was one lease in place with a remaining contractual term of 4 years ending 5th January 2023.

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Within one year	103,566	-
Between one and five years	<u>207,132</u>	<u>-</u>
	<u>310,698</u>	<u>-</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.