

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION**

RfM Fylde Ltd, Statutory Auditor
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 2021**

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**NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021. 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 Kadampa Meditation 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 Ulverston, Cumbria, UK.

In support of the activities of the International Temples Project ('ITP'), 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 ITP 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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**REPORT OF THE TRUSTEES
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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 KMC, 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. Due to continued Covid 19 restrictions in 2021, the Charity continued to broadcast online this same programme of beginners' and advanced courses, as well as the services of prayer and meditation.

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. Where Covid-19 restrictions allow, free 15-minute meditation sessions are offered daily in the Temple. 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, although these are temporarily suspended due to current restrictions. 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 Kadampa Buddhism is being newly established in countries where there has been no prior activity.

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**REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

Volunteers

All aspects of the day to day functioning of Manjushri KMC, are run by members of the residential community together with volunteers from the extended community both local and international. 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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ACHIEVEMENT AND PERFORMANCE

Charitable activities

Manjushri Kadampa Meditation Centre, Conishead Priory

As Covid restrictions continued well into 2021 in one form or another, Manjushri KMC continued to offer a full and varied spiritual programme of meditation retreats and courses, study programmes and prayer services throughout the year. At the beginning of the year these were offered as wholly-online events, subsequently transitioning to a blended model of live streamed in-person events as government guidelines and local conditions permitted.

The year began with the traditional retreat month in January, with 160 people joining all or part of the month's retreat programme which was offered for the first time online. This was closely followed by a weekend course taught by the Centre's Resident Teacher (who also serves as the General Spiritual Director of the NKT-IKBU). Due to Covid restrictions, this popular weekend event was offered wholly online, thereby enabling 2500 people from 21 countries to participate. A second course taught by the same Teacher in June attracted a similar number of participants, both in-person and online.

As Covid restrictions were gradually lifted, it was heartening to see a rise in demand for in-person events over online ones, highlighting the importance of Conishead Priory as a place of refuge and spiritual support.

Throughout the year, the 70 acres of Conishead Priory grounds remained open to the visiting public, as did the Centre's café, in accordance with government guidelines. This was deeply appreciated by the local community, many of whom expressed their thanks directly.

Our normal programme of school and group visits remained temporarily suspended, but it will resume as soon as it is safe to do so.

International Festivals

Due to continuing restrictions on international travel, all three annual NKT-IKBU International Festivals (Spring, Summer, and Fall) were streamed online from the Kadampa World Peace Temple at Conishead Priory. In addition, the Summer and Fall festivals had a small in-person attendance. The online streaming capacity evolved for the Summer and Fall Festivals to include live translation, and a system of re-broadcasting in different time zones, each of which also offered live translation. Involving teams of hundreds of volunteers around the world, these truly international events were virtually attended by a total of 14,000 people.

More specifically, the online International Spring Festival was held over a period of 5 days, and was attended by 4000 people, from 45 countries; the online International Summer Festival was held over a period of two weeks, and was attended by 6500 people, from 65 countries; and the International Fall Festival was held over a period of 6 days and was attended by 3400 people from 58 countries.

Tharpa Publications UK

Tharpa Publications sales remained steady throughout the year with a continued emphasis on online sales, whilst in-person sales through 'bricks-and-mortar' bookshops and NKT Buddhist Centres continued to be adversely affected by lockdowns and other restrictions.

Throughout the year, many of Tharpa Publications' existing books were reprinted with redesigned and updated covers, and several new products were launched. Tharpa Publications UK also provided the ecommerce platform for the online gift and ritual shop, which accompanied the live-streamed International Festivals.

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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 NKT-IKBU Temple developments, and for Kadampa Meditation Centres (KMCs) and International Kadampa Retreat Centres (IKRCs) throughout the world. The Studio was busy throughout the year, mainly producing the Buddha statues and ornaments for a new Kadampa Temple for World Peace being constructed by the Charity at its property near Málaga in Spain. This new Temple was inaugurated at the International Spring Festival held there in June 2022. In addition, the Art Studio produced statues and ornaments many other Kadampa Centres around the world.

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 International Temples Project (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 seating over 200 people, and a shop and café area. The renovation project continued to be delayed by the Covid-19 pandemic, but work progressed significantly in 2021. Kadampa Meditation Centre Leeds' spiritual activities began in late Spring 2022 and the Centre was officially opened on 9 July 2022 by Gen-la Kelsang Dekyong, NKT-IKBU General Spiritual Director.

During the year the Charity also purchased properties in São Paulo in Brazil, Stuttgart in Germany, and Dumfries in Scotland; and it entered into a purchase agreement which was completed in April 2022 for a property in Cologne, Germany. Through the support of the International Temples Project, the local Kadampa Meditation Centres in these cities are able to use these properties to develop their activities for the benefit of their local community.

International Temples Project funds in the form of an interest-free loan were made available to KMC Mexico to assist with the purchase of land on which they Centre will build a new urban Kadampa Temple serving the large population of Mexico City. ITP funds also assisted on-going renovation programme costs for Mahasiddha KMC in Durban, South Africa; KMC Dublin, KMC Wales, KMC Stockholm, KMC Mallorca, and KMC Nottingham.

As detailed above, the ITP funded the production of statues and other artwork in the Kadampa Art Studio for a number of city centre Kadampa Meditation Centres. Total grants raised for the Kadampa Art Studio in 2021 amounted to £30,940.

A total of £46,605 was also given in grants and £2,444,808 in interest-free loans in support of other ITP activities throughout the world.

Donations made to the Charity's International Temples Project Fund in 2021, totalled £545,165.

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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FINANCIAL REVIEW

Principal funding sources

The principal funding sources for the Charity in 2021 included the surplus from the NKT-IKBU International Spring, Summer and Fall Festivals, and the surpluses from Tharpa Publications and Manjushri KMC.

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 the sum of one year's running costs and three years of building, repair and maintenance costs is a suitable level to protect the charity in case of adverse financial events. This is also reviewed annually by the trustees.

FUTURE PLANS

The Charity continues to offer material support for the development of NKT-IKBU Buddhist Centres through its International Temples Project. Plans include but are not limited to assisting with the purchase of a new property for KMC Birmingham, help with the renovation costs of KMC Glasgow's new property, and renovation costs for the Charity's property in Dumfries.

The principal ITP project for 2022-23 will be essential renovations and improvements to the Charity's headquarters at Conishead Priory, Cumbria, UK, which is the 'mother Centre' for the International Kadampa Buddhist Union.

Long-term plans include the construction of traditional Kadampa Temples for World Peace at the Charity's principal properties in France and Germany. Planning permissions for both projects have already been granted.

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**REPORT OF THE TRUSTEES
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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);
- (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
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Trustees

Heather C. Wright (aka Kelsang Dekyong), appointed on 1 August 2009
Henry F. Shefveld (aka Kelsang Jampa), appointed on 10 January 2016
Jennifer J. Andrews (aka Kelsang Droljang), appointed on 24 July 2012
Paul A. P. Boseley, appointed 1 May 2018, resigned on 5 August 2021
Lisa M. Devine (aka Kelsang Phachog), appointed on 5 August 2021

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 Ltd, Statutory Auditor
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.

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.

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**REPORT OF THE TRUSTEES
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STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 Ltd, Statutory Auditor, 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 the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 16 September 2022 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 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
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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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the religious charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEW KADAMPA TRADITION -
INTERNATIONAL KADAMPA
BUDDHIST UNION (REGISTERED NUMBER: 02758093)**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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 Ltd, Statutory Auditor
Summerdale
Head Dyke Lane
Pilling
Lancashire
PR3 6SJ

16 September 2022

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

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	511,950	33,215	545,165	977,657
Charitable activities					
International Festivals		2,489,185	-	2,489,185	2,056,228
Tharpa Publications		216,459	-	216,459	224,933
Manjushri Kadampa Meditation Centre		592,255	-	592,255	718,663
Shop and World Peace Cafe		318,849	-	318,849	193,566
Kadampa Art Studio and Internet		30,335	-	30,335	65,884
Properties Income		460,638	-	460,638	204,386
Investment income	3	88	-	88	327
Total		<u>4,619,759</u>	<u>33,215</u>	<u>4,652,974</u>	<u>4,441,644</u>
EXPENDITURE ON					
Charitable activities	5				
Grants Payable		59,944	17,601	77,545	470,642
International Festivals		90,127	165	90,292	102,684
Tharpa Publications		166,569	-	166,569	163,040
Manjushri Kadampa Meditation Centre		752,310	-	752,310	775,342
Kadampa Art Studio and Internet		92,154	-	92,154	220,206
Properties Expenditure		176,400	-	176,400	394,517
International Kadampa Development		1,088,447	-	1,088,447	(1,756,898)
Total		<u>2,425,951</u>	<u>17,766</u>	<u>2,443,717</u>	<u>369,533</u>
NET INCOME		2,193,808	15,449	2,209,257	4,072,111
Transfers between funds	22	94	(94)	-	-
Net movement in funds		<u>2,193,902</u>	<u>15,355</u>	<u>2,209,257</u>	<u>4,072,111</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		33,155,261	2,828,835	35,984,096	31,911,985
TOTAL FUNDS CARRIED FORWARD		<u>35,349,163</u>	<u>2,844,190</u>	<u>38,193,353</u>	<u>35,984,096</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 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	13	22,315,149	2,824,205	25,139,354	20,545,210
Investments	14	<u>2,109</u>	<u>-</u>	<u>2,109</u>	<u>2,109</u>
		22,317,258	2,824,205	25,141,463	20,547,319
CURRENT ASSETS					
Stocks	15	395,360	-	395,360	349,854
Debtors	16	14,014,495	-	14,014,495	11,844,085
Investments	17	-	157,040	157,040	150,926
Cash at bank		<u>4,253,464</u>	<u>19,389</u>	<u>4,272,853</u>	<u>7,243,598</u>
		18,663,319	176,429	18,839,748	19,588,463
CREDITORS					
Amounts falling due within one year	18	(3,177,376)	(156,444)	(3,333,820)	(1,468,332)
NET CURRENT ASSETS		<u>15,485,943</u>	<u>19,985</u>	<u>15,505,928</u>	<u>18,120,131</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		37,803,201	2,844,190	40,647,391	38,667,450
CREDITORS					
Amounts falling due after more than one year	19	(2,454,038)	-	(2,454,038)	(2,683,354)
NET ASSETS FUNDS	22	<u>35,349,163</u>	<u>2,844,190</u>	<u>38,193,353</u>	<u>35,984,096</u>
Unrestricted funds				35,349,163	33,155,261
Restricted funds				<u>2,844,190</u>	<u>2,828,835</u>
TOTAL FUNDS				<u>38,193,353</u>	<u>35,984,096</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 2021**

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 16 September 2022 and were signed on its behalf by:

H C Wright - Trustee

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Notes	2021 £	2020 £
Cash flows from operating activities		
Cash generated from operations 1	295,415	1,575,059
Interest paid	(76,991)	(88,471)
Net cash provided by operating activities	<u>218,424</u>	<u>1,486,588</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,827,587)	(910,356)
Sale of tangible fixed assets	171,457	3,239,911
Interest received	88	327
Transfer of funds held on deposit	(6,114)	(8,483)
Net cash (used in)/provided by investing activities	<u>(4,662,156)</u>	<u>2,321,399</u>
Cash flows from financing activities		
Bank loan repayments in year	(224,813)	(218,585)
New concessionary loans in year	1,697,800	-
Net cash provided by/(used in) financing activities	<u>1,472,987</u>	<u>(218,585)</u>
Change in cash and cash equivalents in the reporting period	<u>(2,970,745)</u>	<u>3,589,402</u>
Cash and cash equivalents at the beginning of the reporting period	<u>7,243,598</u>	<u>3,654,196</u>
Cash and cash equivalents at the end of the reporting period	<u>4,272,853</u>	<u>7,243,598</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 2021**

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

	2021	2020
	£	£
Net Income for the reporting period (as per the Statement of Financial Activities)	2,209,257	4,072,111
Adjustments for:		
Depreciation charges	97,249	97,628
Profit on disposal of fixed assets	(35,263)	(1,636,485)
Interest received	(88)	(327)
Interest paid	76,991	88,471
Increase in stocks	(45,506)	(10,009)
Increase in debtors	(2,170,410)	(993,869)
Increase/(decrease) in creditors	163,185	(42,461)
Net cash provided by operations	<u>295,415</u>	<u>1,575,059</u>

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

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
Net cash			
Cash at bank	7,243,598	(2,970,745)	4,272,853
	<u>7,243,598</u>	<u>(2,970,745)</u>	<u>4,272,853</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	150,926	6,114	157,040
	<u>150,926</u>	<u>6,114</u>	<u>157,040</u>
Debt			
Debts falling due within 1 year	(1,345,303)	(1,702,303)	(3,047,606)
Debts falling due after 1 year	(2,683,354)	229,316	(2,454,038)
	<u>(4,028,657)</u>	<u>(1,472,987)</u>	<u>(5,501,644)</u>
Total	<u>3,365,867</u>	<u>(4,437,618)</u>	<u>(1,071,751)</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 2021**

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 2021**

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.

Investments in subsidiaries

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

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.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

Other 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 2021**

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 2021**

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

	2021	2020
	£	£
Donations	<u>545,165</u>	<u>977,657</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>88</u>	<u>327</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Festivals		
International Festivals	2,489,185	2,056,228
Tharpa Publications		
Tharpa Publications	216,459	224,933
Manjushri Centre Activities		
Manjushri Kadampa Meditation Centre	592,255	718,663
Shop and World Peace Cafe		
Shop and World Peace Cafe	318,849	193,566
Kadampa Art Studio		
Kadampa Art Studio and Internet	30,335	65,884
Activities		
Properties Income	460,638	204,386
	<u>4,107,721</u>	<u>3,463,660</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Grants Payable	-	77,545	-	77,545
International Festivals	84,676	-	5,616	90,292
Tharpa Publications	163,278	-	3,291	166,569
Manjushri Kadampa Meditation Centre	741,041	-	11,269	752,310
Kadampa Art Studio and Internet	89,348	-	2,806	92,154
Properties Expenditure	103,810	-	72,590	176,400
International Kadampa Development	454,947	-	633,500	1,088,447
	<u>1,637,100</u>	<u>77,545</u>	<u>729,072</u>	<u>2,443,717</u>

Included within charitable activity costs are exchange losses of £630,584.

6. GRANTS PAYABLE

	2021 £	2020 £
Grants Payable	<u>77,545</u>	<u>470,642</u>
The total grants paid to institutions during the year was as follows:		

	2021 £	2020 £
Gifts to Centres	<u>77,545</u>	<u>470,642</u>

Gifts to Centres include the following donations:

	2021 £	2020 £
Grants for Kadampa Art Studio - 2021: 3 (2020: 7)	30,940	49,189
Gifts to Centres - 2021: 10 (2020: 12)	<u>46,605</u>	<u>421,453</u>
	<u>77,545</u>	<u>470,642</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
International Festivals	4,298	-	1,318	5,616
Tharpa Publications	2,302	331	658	3,291
Manjushri Kadampa Meditation Centre	6,937	2,206	2,126	11,269
Kadampa Art Studio and Internet	2,148	-	658	2,806
Properties Expenditure	-	-	72,590	72,590
International Kadampa Development	(6,040)	-	639,540	633,500
	<u>9,645</u>	<u>2,537</u>	<u>716,890</u>	<u>729,072</u>

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

Within International Kadampa Development direct costs is a provision for unrecoverable debts of £648,196.

8. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	97,249	97,626
Surplus on disposal of fixed assets	(35,263)	(1,636,485)
Exchange (gains)/losses	630,584	(356,388)
Provision for unrecoverable loans	<u>214,231</u>	<u>(71,765)</u>

9. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>10,650</u>	<u>10,500</u>
Audit-related assurance services	<u>3,066</u>	<u>3,815</u>
Total fees payable	<u>13,716</u>	<u>14,315</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. TRUSTEES' REMUNERATION AND BENEFITS

	2021	2020
	£	£
Trustees' salaries	<u>7,176</u>	<u>7,386</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 £7,176 (2020: £7,386) for her role as a Resident Teacher. No other trustees' received any remuneration or benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	210,688	268,454
Other pension costs	<u>29,028</u>	<u>20,096</u>
	<u>239,716</u>	<u>288,550</u>

In addition to the above staff costs, included within Freehold Property additions are further staff costs totalling £53,968 (2020: £nil) for the cost of Kadampa Art Studio labour in making statues that form part of the fabric of the building of the new Temple for World Peace in Malaga, Spain.

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

	2021	2020
Manjushri Centre	9	9
Tharpa Publications	5	5
Kadampa Art Studio and Hosting	16	17
Support and Administration	7	7
Kadampa Hotels	<u>-</u>	<u>1</u>
	<u>37</u>	<u>39</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.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	594,266	383,391	977,657
Charitable activities			
International Festivals	2,056,228	-	2,056,228
Tharpa Publications	224,933	-	224,933
Manjushri Kadampa Meditation Centre	718,663	-	718,663
Shop and World Peace Cafe	193,566	-	193,566
Kadampa Art Studio and Internet	65,884	-	65,884
Properties Income	204,386	-	204,386
Investment income	327	-	327
Total	<u>4,058,253</u>	<u>383,391</u>	<u>4,441,644</u>
EXPENDITURE ON			
Charitable activities			
Grants Payable	67,563	403,079	470,642
International Festivals	102,684	-	102,684
Tharpa Publications	163,040	-	163,040
Manjushri Kadampa Meditation Centre	775,342	-	775,342
Kadampa Art Studio and Internet	220,206	-	220,206
Properties Expenditure	394,517	-	394,517
International Kadampa Development	(1,756,898)	-	(1,756,898)
Total	<u>(33,546)</u>	<u>403,079</u>	<u>369,533</u>
NET INCOME/(EXPENDITURE)	4,091,799	(19,688)	4,072,111
RECONCILIATION OF FUNDS			
Total funds brought forward	29,063,462	2,848,523	31,911,985
TOTAL FUNDS CARRIED FORWARD	<u>33,155,261</u>	<u>2,828,835</u>	<u>35,984,096</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2021	18,307,242	2,628,859	292,736	17,251	21,246,088
Additions	4,786,125	-	24,479	16,983	4,827,587
Disposals	(145,020)	-	-	-	(145,020)
At 31 December 2021	<u>22,948,347</u>	<u>2,628,859</u>	<u>317,215</u>	<u>34,234</u>	<u>25,928,655</u>
DEPRECIATION					
At 1 January 2021	385,213	68,412	230,002	17,251	700,878
Charge for year	64,327	22,804	9,410	708	97,249
Eliminated on disposal	(8,826)	-	-	-	(8,826)
At 31 December 2021	<u>440,714</u>	<u>91,216</u>	<u>239,412</u>	<u>17,959</u>	<u>789,301</u>
NET BOOK VALUE					
At 31 December 2021	<u>22,507,633</u>	<u>2,537,643</u>	<u>77,803</u>	<u>16,275</u>	<u>25,139,354</u>
At 31 December 2020	<u>17,922,029</u>	<u>2,560,447</u>	<u>62,734</u>	<u>-</u>	<u>20,545,210</u>

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2021 and 31 December 2021	<u>2,109</u>
NET BOOK VALUE	
At 31 December 2021	<u>2,109</u>
At 31 December 2020	<u>2,109</u>

The net book value of investments comprises:

	2021 £	2020 £
Investments in the UK	-	-
Investments outside the UK	<u>2,109</u>	<u>2,109</u>

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

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14. FIXED ASSET INVESTMENTS - continued

New Kadampa Tradition KMC Spain S.L.

Registered office: Registered in Spain

Nature of business: Rental services

Class of share:	% holding
Ordinary	100

	31/12/21	31/12/20
	£	£
Aggregate capital and reserves	(165,199)	(167,844)
Loss for the year	<u>(6,631)</u>	<u>(12,623)</u>

The summary results for the year were as follows:

	2021	2020
	£	£
Gross income	-	-
Expenditure	<u>(6,631)</u>	<u>(12,623)</u>
Deficit	<u>(16,631)</u>	<u>(12,623)</u>

15. STOCKS

	2021	2020
	£	£
Goods for resale	<u>395,360</u>	<u>349,854</u>

16. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	177,797	131,096
Other debtors	488,262	-
Concessionary loans to Centres	12,420,012	10,168,038
VAT	-	5,240
Prepayments and accrued income	9,496	7,922
	<u>13,095,567</u>	<u>10,312,296</u>
Amounts falling due after more than one year:		
Concessionary loans to Centres	<u>918,928</u>	<u>1,531,789</u>
Aggregate amounts	<u>14,014,495</u>	<u>11,844,085</u>

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16. DEBTORS - continued

Concessionary loans to centres are interest-free and stated after taking into consideration provisions against potentially unrecoverable debts of £728,565 (2020: £514,335). 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:

- £209,513 loan to KMC Cape Town, South Africa, secured against property owned by Tushita KBC
- £1,295,957 loan to KMC Mexico, Mexico, secured against property owned by KMC Mexico
- £1,183,342 loan to Nordic KMC, Norway, secured against property owned by Nordisk Kadampa Meditasjonssenter (Nordic KMC)
- £1,757,273 loan to KMC Stockholm, Sweden, secured against property owned by Kadampa Meditationscenter Stockholm (KMC Stockholm)

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:

	2021	2020
	£	£
Loans due within one year - 2021: 30 (2020: 25)	13,148,577	10,682,372
Loans due after more than one year - 2021: 4 (2020: 4)	918,928	1,531,789
	<u>14,067,505</u>	<u>12,214,161</u>

17. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Cash held on deposit	<u>157,040</u>	<u>150,926</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.

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FOR THE YEAR ENDED 31 DECEMBER 2021**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 20)	231,885	227,382
Other loans (see note 20)	2,815,721	1,117,921
Trade creditors	191,240	67,795
VAT	3,022	-
Other creditors	16,052	11,645
Accruals and deferred income	75,900	43,589
	<u>3,333,820</u>	<u>1,468,332</u>

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

	2021	2020
	£	£
Bank loans (see note 20)	<u>2,454,038</u>	<u>2,683,354</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	231,885	227,382
Concessionary loans	<u>2,815,721</u>	<u>1,117,921</u>
	<u>3,047,606</u>	<u>1,345,303</u>
Amounts falling between one and two years:		
Bank loans 1-2 years	<u>1,025,441</u>	<u>236,372</u>
Amounts falling due between two and five years:		
Bank loans 2-5 years	<u>1,311,183</u>	<u>2,158,871</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years by instalments	117,414	288,111

Concessionary loans 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:

	2021	2020
	£	£
Other loans from Centres - 2021: 6 (2020: 2)	2,554,720	856,921

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20. LOANS - continued

Loans from individuals - 2021: 4 (2020: 4)	261,000	261,000
	<u>2,815,720</u>	<u>1,117,921</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>2,685,923</u>	<u>2,910,736</u>

Properties with a combined net book value of £11,164,237 have been pledged as security against secured debts.

22. MOVEMENT IN FUNDS

	At 1/1/21	Net	Transfers	At
	£	movement	between	31/12/21
		in funds	funds	£
		£	£	
Unrestricted funds				
General funds	26,495,261	2,193,808	(149,906)	28,539,163
Designated Funds	6,660,000	-	150,000	6,810,000
	<u>33,155,261</u>	<u>2,193,808</u>	<u>94</u>	<u>35,349,163</u>
Restricted funds				
Spanish Temple Fund	568,198	5,944	-	574,142
Leeds Property	2,250,000	660	-	2,250,660
Other Funds	10,637	8,845	(94)	19,388
	<u>2,828,835</u>	<u>15,449</u>	<u>(94)</u>	<u>2,844,190</u>
TOTAL FUNDS	<u>35,984,096</u>	<u>2,209,257</u>	<u>-</u>	<u>38,193,353</u>

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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	4,619,759	(2,425,951)	2,193,808
Restricted funds			
Spanish Temple Fund	5,944	-	5,944
Leeds Property	660	-	660
Other Funds	26,611	(17,766)	8,845
	<u>33,215</u>	<u>(17,766)</u>	<u>15,449</u>
TOTAL FUNDS	<u>4,652,974</u>	<u>(2,443,717)</u>	<u>2,209,257</u>

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General funds	22,763,462	4,091,799	(360,000)	26,495,261
Designated Funds	6,300,000	-	360,000	6,660,000
	<u>29,063,462</u>	<u>4,091,799</u>	<u>-</u>	<u>33,155,261</u>
Restricted funds				
Spanish Temple Fund	464,286	103,912	-	568,198
KMC Cuernavaca, Mexico	124,785	(124,785)	-	-
Leeds Property	2,250,000	-	-	2,250,000
Other Funds	9,452	1,185	-	10,637
	<u>2,848,523</u>	<u>(19,688)</u>	<u>-</u>	<u>2,828,835</u>
TOTAL FUNDS	<u>31,911,985</u>	<u>4,072,111</u>	<u>-</u>	<u>35,984,096</u>

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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	4,058,253	33,546	4,091,799
Restricted funds			
Spanish Temple Fund	103,912	-	103,912
KMC Cuernavaca, Mexico	272,790	(397,575)	(124,785)
Other Funds	6,689	(5,504)	1,185
	<u>383,391</u>	<u>(403,079)</u>	<u>(19,688)</u>
TOTAL FUNDS	<u>4,441,644</u>	<u>(369,533)</u>	<u>4,072,111</u>

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

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General funds	22,763,462	6,285,607	(509,906)	28,539,163
Designated Funds	6,300,000	-	510,000	6,810,000
	<u>29,063,462</u>	<u>6,285,607</u>	<u>94</u>	<u>35,349,163</u>
Restricted funds				
Spanish Temple Fund	464,286	109,856	-	574,142
KMC Cuernavaca, Mexico	124,785	(124,785)	-	-
Leeds Property	2,250,000	660	-	2,250,660
Other Funds	9,452	10,030	(94)	19,388
	<u>2,848,523</u>	<u>(4,239)</u>	<u>(94)</u>	<u>2,844,190</u>
TOTAL FUNDS	<u>31,911,985</u>	<u>6,281,368</u>	<u>-</u>	<u>38,193,353</u>

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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	8,678,012	(2,392,405)	6,285,607
Restricted funds			
Spanish Temple Fund	109,856	-	109,856
KMC Cuernavaca, Mexico	272,790	(397,575)	(124,785)
Leeds Property	660	-	660
Other Funds	33,300	(23,270)	10,030
	<u>416,606</u>	<u>(420,845)</u>	<u>(4,239)</u>
TOTAL FUNDS	<u>9,094,618</u>	<u>(2,813,250)</u>	<u>6,281,368</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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23. CAPITAL COMMITMENTS

During the year, the charity entered into a contract to purchase a freehold property in Cologne, Germany to further its charitable activities. The purchase completed on 14 April 2022 when ownership of the property transferred to the charity.

The contract was for the property be purchased in euros at a value of €1,177,813, including taxes.

Included within other debtors are the costs paid up to 31 December 2021 of £488,262, equivalent to €572,813.

The remaining €605,000, equivalent to £507,813 was contracted for but not provided in these financial statements.

There were no capital commitments for the year ended 31 December 2020.

24. RELATED PARTY DISCLOSURES

New Kadampa Tradition KMC Spain S.L.

Subsidiary

At 31 December 2021 £1,274,339 (2020: £1,275,297) was owed by New Kadampa Tradition KMC Spain S.L. before taking into consideration a provision against potentially unrecoverable debts of £165,198 (2020: £167,844).

KMC France and Bodhichitta IRC

Members

KMC France and Bodhichitta IRC operate from premises in France owned by NKT-IKBU. Rent of £60,755 (2020: £62,700) has been charged on this property.

KMC Spain

Member

KMC Spain operates from premises in Spain owned by NKT-IKBU. Rent of £34,500 (2020: £36,181) has been charged on this property.

Tharpaland IRC

Member

Tharpaland IRC operates from premises in Germany 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

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24. RELATED PARTY DISCLOSURES - continued

Member

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

KMC Leeds

Member

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

Vajrasattva KMC

Member

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

KMC Sao Paulo

Member

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

KMC Stuttgart

Member

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

Key management personnel compensation

The total key management personnel compensation for the year was £26,318 (2020: £22,908).

25. ULTIMATE CONTROLLING PARTY

The charity is controlled by its members.

26. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	177,797	131,096
Concessionary loans to centres (after provision for potential unrecoverable debts)	11,986,047	11,699,827
Cash held on deposit	157,040	150,926
	<u>12,320,884</u>	<u>11,981,849</u>
Financial liabilities measured at amortised cost		
Bank loans	(2,685,923)	(2,910,736)
Other loans - Concessionary loans	(2,815,721)	(1,117,921)

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26. FINANCIAL INSTRUMENTS - continued

Trade creditors	(191,240)	(67,795)
	<u>(5,692,884)</u>	<u>(4,096,452)</u>

27. OPERATING LEASES - LESSOR

Operating leases primarily relate to land leases. Rents receivable of £365,384 (2020: £105,505) have been recognised within properties income in the period, which includes the surrender value of a lease with a contractual term of 4 years ending 5th January 2023 that was terminated early.

At the balance sheet date there were no leases in place.

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

	2021	2020
	£	£
Within one year	-	105,505
Between one and five years	<u>-</u>	<u>105,505</u>
	<u>-</u>	<u>211,010</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.