

**AGON SHU UK**

**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**AGON SHU UK**

**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

---

<b>Contents</b>	<b>Pages</b>
<b>Reports</b>	
Reference and administrative information	1
Executive Committee report	2 - 3
Independent examiner's report	4
<b>Accounts</b>	
Statement of financial activities	5
Balance sheet	6
Principal accounting policies	7
Notes to the accounts	8 - 9

## AGON SHU UK

### REFERENCE AND ADMINISTRATIVE INFORMATION

---

<b>Registered Charity Name</b>	Agon Shu UK
<b>Registered Charity Number</b>	Charity number 1050059
<b>Executive Committee of Trustees</b>	N Wada P Mitchell Y Fujii Y Mitchell
<b>Registered Office</b>	45 Woodberry Way London E4 7DY
<b>Website</b>	<a href="http://www.agon.org">www.agon.org</a>
<b>Independent Examiner</b>	P W Hill FCA Hillyates, Chartered Accountants Hill House, 27 Meadowford Newport, Saffron Walden Essex CB11 3QL
<b>Bankers</b>	National Westminster Bank Plc 46 High Street Brentwood Essex CM14 4AL
<b>Solicitors</b>	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE

The Executive Committee of Trustees presents its report and accounts of the Trust for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out on page 7 of the attached accounts and comply with the Trust's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **Objective of the charity**

The Trust adopted its constitution on 7 October 1995 and is governed by a definitive Constitution and Rules dated 7 October 1995, amended 23 July 2001. The Trust is a registered charity, under number 1050059. The Trust's principal address is now at 45 Woodberry Way, London and is the UK branch of a wider charity with its head office in Japan.

The objective of the charity is to advance religion in accordance with the original Buddhist doctrines and methods of Agon Buddhism. All decisions are made by the Trustees. In planning the activities for the year and for the future, Executive Committee Members confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

### **Review of activities, achievements and performance**

Since the UK's national Lockdown due to the COVID-19 pandemic began on March 23, 2020, there have been three lockdowns over a year, the last of which was finally lifted on July 19, 2021. However, the pandemic is not over yet. Due to this situation, the centre was closed for a considerable amount of time for the safety of its members and its visitors and was only open for prayer and the work of a small number of volunteers under the control of the schedule. From March 2020, Agon Shu Japan started a live streaming of all events in Japan on the Internet. During Lockdowns, we communicated with members to offer counselling using telephone and online tools.

From March 2020, Agon Shu Japan started live streaming all events in Japan on the Internet. We also benefited from its services, which became an important main service for European members. As noted below, this included four days of monthly recurring events, annual events, and sacred fire rituals. This year, beside monthly and annual events, the following were broadcast from Japan, and members participated the prayer from home:

April 12, Taiwan branch held the sacred fire ritual in Taipei. This prayer for world peace was joined by all branches. May 17, Agon Goma – sacred fire ritual at Tokyo branch. July 13, Chidorigafuchi National Cemetery in Tokyo for offering lanterns memorial prayer. July 15, the lantern memorial service at the Tokyo branch. August 15, the lantern memorial service for ancestors at Kyoto Main temple.

September 6, the sacred fire ritual was held in Ehime, Shikoku, Japan. October 11, another sacred fire ritual was held in Hokkaido. Both Shikoku and Hokkaido prayers are for 'Earthquake safety', 'Disaster relief', 'COVID-19 Early convergence' and 'World Peace'. The founder's fourth anniversary took place on October 18 at the Centre.

The AGM took place on the afternoon of Saturday December 5, 2020, by Skype meeting. The London Centre (Bondway premises) closing ceremony was held on December 16. Agon Shu New Year's Eve and New Year rituals were live streamed. January 10, 2021, the founder's 100<sup>th</sup> birthday celebration. January 11, Araebisu Sacred Fire ceremony from the main Kyoto temple simultaneously prayed to all Agon Shu branches, prayer for 'Earthquake safety' 'Disaster relief' 'Covid-19 Early convergence' and World Peace. The 48th annual Star Festival (a.k.a. Hoshi Matsuri) was conducted on February 9, 2021, at the main temple in Kyoto. A UK member attended for this live broadcast and members prayed from home.

March 8, we held a sacred fire prayer for the end of the COVID-19 pandemic, and the safety of earthquake and tsunami, which was a live broadcast from Japan for the simultaneous prayer with all overseas branches include. We will continue the prayer at home until the day it ends.

Throughout the year, the charity collected subscriptions from its members and received generous donations.

### **Executive Committee of Trustees**

Members of the Executive Committee are the Trustees and those members who served during the year were N Wada, P Mitchell, Y Fujii and Y Mitchell.

The Executive Committee is elected by the members at the Annual General Meeting. Nominations for election to the Executive Committee may be made by members of Agon Shu UK in writing to the secretary at least 14 days before the Annual General Meeting. If nominations exceed the number of vacancies, then election is by ballot. The Executive Committee may appoint, at a special meeting, not more than two co-opted members so long as the number of co-opted members does not make up more than one third of the members of the committee.

### **Review of financial position**

Despite of a significant increase in rent after the landlords' surveyor conducted an inspection of our premises in February 2017, we had no choice but to stay at the premises until the end of lease with the very generous financial support from our headquarters in Japan because the review period had already passed. We attempted to raise the profile of Agon Shu and to attract more participation in the remaining time left on the lease.

Although during 2021 we received valuable support in the form of members' and visitors' donations, to maintain our solvency we also received financial support from Agon Shu Japan every month from June 2019 until January 2021. Therefore, the reserves of the Trust have been stabilised moving from our Bondway premises.

With the support from Agon Shu Japan, our economic situation was secured until the expiry of our lease in January 2021, but it was inevitable that we had to downsize to more modest accommodation. When we had planned to move to a property with a low rent, and we searched for a property in October, there was a suitable candidate. However, at the end of October, the third Lockdown was announced which changed our plans. With an uncertain future, we have decided to rent a self-storage until the pandemic situation recovers and operating from rent free premises, we will strengthen our finances and use online distribution to promote our mission.

The final period of our time at Bondway was made doubly difficult with, in the addition to dealing with COVID-19 pandemic restrictions, having to manage cashflow to meet the demands of increased rent, service charges and dilapidations. However, the Trustees were able to negotiate a reduction in service charges levied for 2018, 2019 and 2020 and a significant decrease in the level of dilapidations originally demanded.

The Trustees are mindful of the level of the reserves required and they continue to sustain a level of reserves that is able to meet the Trust's obligations. In line with our current operating policy, funds and reserves will continue to be used for maintaining and improving the facilities and services offered by the Centre, as well as for developing the provision of services. The Trust has no set investment policy but places available funds in reputable banks and investments decided by the Trustees.

### **Plans for the future**

The Trustees will be paying attention to the situation of the COVID-19 pandemic throughout the world, regulations in the UK, etc., etc. and consider a future schedule looking for a premises that fit within a budget at a convenient time.

In the UK, Lockdown began in March 2020 with the COVID-19 pandemic and being mindful of an uncertain future the Centre will continue to operate online for the immediate future. Consideration will also be given to activities that use remote methods such as ZOOM. Once the COVID-19 pandemic has subsided, we will also provide members and the public with plans to familiarize themselves with meditation and Buddhism and provide a place to increase their understanding and belief in Agama Buddhism. In the future, we will continue to promote the purification of private homes and areas through the house blessing ceremonies within the limits of COVID-19 restrictions.

With the cooperation of the Agon Shu headquarters in Japan, we will practice the teaching of the tradition and the memorial service of the Sacred Goma ritual.

### **Reserves Policy**

The reserves were based approximately on one year's operating expenses and the Trust can operate in a limited capacity with the bulk of its resources in storage until time and sufficient funding allows a return to full operations.

### **Risk factors**

Risks to the Trust are primarily concerned with the event of a considerable reduction in the levels of donations and subscriptions during any one year, aligned with increases in costs associated with rent, rates, office materials, postal and telecommunications charges. Fortunately, additional funding being made available from head office in 2019/2020 and 2020/2021 allowed the Centre to remain fully open and operational despite the effects of COVID-19, until the end of the lease at Bondway in January 2021. The Trustees have since moved to operate in a limited capacity from rent free premises and the use rented self-storage facilitates. They consider that this is a good way to save on costs and build resources, keeping an eye on the Pandemic situation before finding more suitable premises.

Approved by the Executive Committee on

and signed on its behalf by:

N Wada  
Trustee

**AGON SHU UK  
INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021  
TO THE TRUSTEES OF AGON SHU UK**

---

I report to the trustees on my examination of the accounts of Agon Shu UK ('the trust') for the year ended 31 March 2021 which comprise the statement of Financial Activities, the Balance Sheet and related notes on pages 5 to 9.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

**Responsibilities and basis of report**

As trustees of the charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

**Independent examiner's statement**

I confirm that I am qualified to undertake the examination because I am a member of the ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I confirm that I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Hillyates, Chartered Accountants  
Hill House, 27 Meadowford  
Newport, Saffron Waldon  
Essex, CB11 3QL

Peter William Hill, FCA  
Independent Examiner

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Income and endowments from:</b>			
Donations and legacies	1	5,038	8,117
Agon Shu Japan contributions		60,500	55,000
Income from charitable activities	2	37,775	50,157
Income from investments – interest receivable		-	-
Other income		254	-
<b>Total income and endowments</b>		<b>103,567</b>	<b>113,274</b>
<b>Expenditure on:</b>			
Expenditure on charitable activities			
Rent, property insurance and services		53,871	67,933
Costs and provisions for dilapidations		3,780	12,000
Relocation costs and expenses		5,582	-
Storage costs relating to relocation		1,357	-
Rates		2,680	3,248
		67,270	83,181
Telephones, postage, stationery and computer expenses		3,566	5,108
Depreciation	5	590	771
Independent examiners fees		1,320	1,320
HQ festivals and events		-	3,104
Offerings		609	2,204
Miscellaneous expenses		851	346
<b>Total expenditure</b>		<b>74,206</b>	<b>96,034</b>
<b>Net income and net movement in funds</b>		<b>29,361</b>	<b>17,240</b>
<b>Reconciliation of funds</b>			
Total unrestricted funds brought forward		51,653	34,413
<b>Total unrestricted funds carried forward</b>		<b>81,014</b>	<b>51,653</b>

All of the Trust's activities were derived from continuing operations during the above two financial years.

All recognised gains are included in the above statement of financial activities.

**AGON SHU UK**

**BALANCE SHEET AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	5		-		590
<b>Current assets</b>					
Debtors	6	618		15,850	
Cash at bank and in hand		<u>95,591</u>		<u>65,116</u>	
		<b>96,209</b>		<b>80,966</b>	
<b>Creditors:</b> amounts falling due within one year	7	<u>(15,195)</u>		<u>(29,903)</u>	
<b>Net current assets</b>			<b>81,014</b>		<b>51,063</b>
<b>Total assets less current liabilities</b>			<b>81,014</b>		<b>51,653</b>
<b>Total funds</b>					
Unrestricted funds			<b>81,014</b>		<b>51,653</b>

The accounts were approved by the Executive Committee on

and signed on its behalf by:

N Wada  
Trustee



The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

**Basis of preparation**

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction values unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), issued on 16 July 2014, Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Agon Shu UK constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

**Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts and have made this assessment in respect to a period of one year from the date of approval of these accounts. The COVID-19 outbreak has had and continues to have a major impact on life in general and a high level of uncertainty for many. The Centre is now operating in a limited capacity from rent free premises pending finding more suitable premises from which to rebuild its activities and its reserves. The Trustees have therefore concluded that for the next twelve months the charity will be able to meet its liabilities as they fall due and that the going concern basis of accounting remains appropriate.

**Income recognition**

All income is included in the Statement of Financial Activities when the trust is entitled to the income and the amount can be quantified with reasonable accuracy. No value is included in income or expenditure for the time donated by volunteer help provided.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the trust to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Charitable expenditure, which includes irrecoverable VAT, comprises those costs incurred by the trust in the delivery of its activities and services for its beneficiaries. Due the activities undertaken by the trust and the costs it actually incurs, it is considered impracticable to differentiate between direct and any support costs.

**Tangible fixed assets and depreciation**

All tangible fixed assets are stated at cost or estimated market value at the date of receipt where the asset has been donated to the charity less depreciation. Amortisation and depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Lease refurbishment costs - Straight line basis over the life of the lease that ended on 22 January 2021

Fixtures, fittings & equipment - 20% straight line basis but subject to the remaining life of the lease

Sundry equipment purchases – items costing less than £250 written off in the year of purchase

**Accumulated funds**

The funds held by the trust are unrestricted general funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

**Leasing commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**Cash flow**

The accounts do not include a cash flow statement because the trust is exempt from the requirement to prepare such a statement under the Charities SORP (FRS 102) Update Bulletin 1.

**Taxation**

The trust is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**1. Donations and legacies**

	2021 £	2020 £
Donations and gifts	1,006	3,465
Enrolment fees	136	-
Dues	3,896	4,652
	<u>5,038</u>	<u>8,117</u>

**2. Income from charitable activities**

	2021 £	2020 £
Memorial services	20,424	30,116
Prayer sticks and tools	8,381	10,015
Prayer services	1,188	1,606
Talismans and charms	7,782	8,420
	<u>37,775</u>	<u>50,157</u>

**3. Executive committee of trustees**

No remuneration was paid, nor any expenses reimbursed to Trustees during the year (2020 - £nil).

**4. Employees**

There were no employees during the year. Agon Shu UK is administered by volunteers.

**5. Tangible fixed assets**

	Lease refurbishment costs £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	17,463	26,315	43,778
Additions	-	-	-
Deletions on relocating offices	(17,463)	(23,747)	(41,210)
At 31 March 2021	<u>-</u>	<u>2,568</u>	<u>2,568</u>
<b>Depreciation and amortisation</b>			
At 1 April 2020	17,463	25,725	43,188
Charge for the year	-	590	590
Deletions on relocating offices	(17,463)	(23,747)	(41,210)
At 31 March 2021	<u>-</u>	<u>2,568</u>	<u>2,568</u>
<b>Net book value</b>			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2020	<u>-</u>	<u>590</u>	<u>590</u>

**6. Debtors**

	2021 £	2020 £
Amounts falling due within one year:		
Rates refund	618	-
Prepayments of rent and service charges	<u>-</u>	<u>15,850</u>
	<u>618</u>	<u>15,850</u>

**7. Creditors: amounts falling due within one year**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Provisions for service charge arrears and dilapidations	<b>13,500</b>	26,139
Income in advance	<b>375</b>	2,444
Other creditors and accruals	<b>1,320</b>	1,320
	<b>15,195</b>	29,903

**8. Commitments under operating leases**

With the expiry of the lease at Bondway in January 2021, the Trust no longer has any material commitments under operating leases. The commitment to the current storage facilities is limited to one month's rentals of £535.

**9. Related party transactions**

Agon Shu UK is the UK branch of a wider charity with its head office in Japan. Agon Shu UK enjoys the general support of its head office and expenditure has been incurred from time to time for festivals, trips to other centres and to meet the cost of visiting Agon Shu priests from Kyoto. During the period June 2019 until January 2021, Agon Shu Japan made monthly contributions to ensure that the Trust was able to remain operational.

The aggregate value of donations and other monies received from Trustees where no conditions have been placed on these receipts amounted to £16,766.

**10 Post balance sheet events and the future of Agon Shu UK**

With the COVID-19 Pandemic having had a major impact on life in general since the initial Lockdown in March 2020, the Centre adapted the way it operated throughout the period April 2020 to January 2021, when the lease at 31-33 Bondway expired. The Centre now operates from the premises of two of the Trustees and much of its resources have been transferred to a storage facility pending a suitable time to recommence full operations.