

**AGON SHU UK**

**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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<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

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<b>Registered Charity Name</b>	Agon Shu UK
<b>Registered Charity Number</b>	Charity number 1050059
<b>Executive Committee of Trustees</b>	N Wada 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 2022.

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 Lockdown due to the COVID-19 pandemic began on March 23, 2020, there have been three lockdowns, the last of which was finally lifted on July 19, 2021. However, the pandemic is not yet over. Due to this situation, and since the end of the lease with Create and moving out of the premises at 31-33 Bondway in January 2021, we have temporarily moved the office to 45 Woodberry Way. The service to members and administration is mostly operated from there and we communicate with members to offer counselling on telephone and online services.

From March 2020, Agon Shu Japan started live streaming all events in Japan on the Internet. We also benefited from this service, 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 in prayer from home:

July 13, the lantern memorial service at the Tokyo branch. July 15, Chidorigafuchi National Cemetery in Tokyo for offering lanterns memorial prayer. August 14, the lantern memorial service for ancestors at Kyoto Main temple.

September 12, the sacred fire ritual was held in Hakone. October 31 the sacred fire ritual was held in Fuji Mountain Yamanashi, Japan, both prayers are for 'Earthquake safety', 'Disaster relief', 'COVID-19 Early convergence' and 'World Peace'. The founder's fifth anniversary took place on October 10 at the main temple, Japan.

November 21, another sacred fire ritual was held in Izumo Shimane, prayer for 'Earthquake safety', 'Disaster relief', and 'World Peace', in praise of God world.

The AGM took place on the afternoon of Saturday December 11, 2021, by Zoom. Agon Shu New Year's Eve and New Year rituals were live streamed. January 9, 2022, the founder's birthday celebration. January 10, 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. January 23, the framework-raising ceremony of the MITAMAYA (mausoleum) in Kashiwara Seichi, Nara. The 49th annual Star Festival (a.k.a. Hoshi Matsuri) was conducted on February 13, 2022, at the main temple in Kyoto. A UK member attended for this live broadcast and members prayed from home.

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. P Mitchell resigned as a Trustee on 11 December 2021.

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**

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. However, due to the uncertainty of the future, we have decided to rent self-storage until the pandemic situation recovers, operating from rent-free premises (including the utilities and internet), strengthen our finances and use online distribution to promote our mission. And it still continues to the present day. We discussed the matter with Agon Shu Japan and we decided to wait and see how the situation of the world economic, covid 19 pandemic, the war in Ukraine and Russia will be change.

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 the storage, and communications 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.

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 of rented self-storage facilitates. They consider that this is a sensible 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 2 December 2022 and signed on its behalf by:

N Wada  
Trustee

**AGON SHU UK  
INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022  
TO THE TRUSTEES OF AGON SHU UK**

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I report to the trustees on my examination of the accounts of Agon Shu UK ('the trust') for the year ended 31 March 2022 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  
5 December 2022

Peter William Hill, FCA  
Independent Examiner

**AGON SHU UK**
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>Income and endowments from:</b>			
Donations and legacies	1	7,741	5,038
Agon Shu Japan contributions		-	60,500
Income from charitable activities	2	33,899	37,775
Other income		291	254
<b>Total income and endowments</b>		<b>41,931</b>	<b>103,567</b>
<b>Expenditure on:</b>			
Expenditure on charitable activities			
Rent, property insurance and services		-	53,871
Costs and provisions for dilapidations		-	3,780
Relocation costs and expenses		-	5,582
Storage costs relating to relocation		6,227	1,357
Rates		-	2,680
		<b>6,227</b>	<b>67,270</b>
Telephones, postage, stationery and computer expenses		1,147	3,566
Depreciation	5	56	590
Independent examiners fees		1,080	1,320
HQ festivals and events		-	-
Offerings		55	609
Miscellaneous expenses		397	851
<b>Total expenditure</b>		<b>8,962</b>	<b>74,206</b>
<b>Net income and net movement in funds</b>		<b>32,969</b>	<b>29,361</b>
<b>Reconciliation of funds</b>			
Total unrestricted funds brought forward		81,014	51,653
<b>Total unrestricted funds carried forward</b>		<b>113,983</b>	<b>81,014</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 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	5		364		-
<b>Current assets</b>					
Debtors	6	-		618	
Cash at bank and in hand		116,239		95,591	
		<u>116,239</u>		<u>96,209</u>	
<b>Creditors:</b> amounts falling due within one year	7	<u>(2,620)</u>		<u>(15,195)</u>	
<b>Net current assets</b>			<u>113,619</u>		<u>81,014</u>
<b>Total assets less current liabilities</b>			<u>113,983</u>		<u>81,014</u>
<b>Total funds</b>					
Unrestricted funds			<u>113,983</u>		<u>81,014</u>

The accounts were approved by the Executive Committee on 2 December 2022 and signed on its behalf by:

N Wada  
Trustee



**PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2022**

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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 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. 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:

Fixtures, fittings & equipment - 20% straight line basis

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**

	2022 £	2021 £
Donations and gifts	2,811	1,006
Enrolment fees	182	136
Dues	4,748	3,896
	<u>7,741</u>	<u>5,038</u>

**2. Income from charitable activities**

	2022 £	2021 £
Memorial services	15,201	20,424
Prayer sticks and tools	10,968	8,381
Prayer services	432	1,188
Talismans and charms	7,298	7,782
	<u>33,899</u>	<u>37,775</u>

**3. Executive committee of trustees**

No remuneration was paid, nor any expenses reimbursed to Trustees during the year (2021 - £nil).

**4. Employees**

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

**5. Tangible fixed assets**

	Fixtures, fittings & equipment  £
<b>Cost or valuation</b>	
At 1 April 2021	2,568
Additions	420
Deletions	(575)
At 31 March 2022	<u>2,413</u>
<b>Depreciation and amortisation</b>	
At 1 April 2021	2,568
Charge for the year	56
Deletions	(575)
At 31 March 2022	<u>2,049</u>
<b>Net book value</b>	
At 31 March 2022	<u>364</u>
At 31 March 2021	<u>-</u>

**6. Debtors**

	2022 £	2021 £
Amounts falling due within one year:		
Rates refund	<u>-</u>	<u>618</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provisions for service charge arrears and dilapidations	-	13,500
Income in advance	<b>1,540</b>	375
Other creditors and accruals	<b>1,080</b>	1,320
	<b>2,620</b>	15,195

**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 continues to operate from the rent free premises of one of the Trustees and much of its resources have been transferred to a storage facility pending a suitable time to recommence full operations.