

Company registered number: 05114516
Charity registered number: 1104491

SOKA GAKKAI INTERNATIONAL - UK

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR 31 DECEMBER 2020

SOKA GAKKAI INTERNATIONAL - UK
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and the financial statements of Soka Gakkai International - UK (referred to as "SGI-UK") for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS102).

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which SGI-UK is established are stated in the current governing document as follows:

To promote in the United Kingdom and elsewhere in the World the study and practice of Nichiren Buddhism as taught by Soka Gakkai International by such means as the trustees think fit including, but not limited to:

- (A) The promotion of peace and understanding between peoples of different cultures and races;
- (B) The education of the public in arts of cultural and educational value (including the arts of music, song, dance, drama, literature, painting, drawing and sculpture);
- (C) The education of the public about conservation, protection and improvement of the environment;
- (D) The education of the public about human rights and their maintenance and observation;
- (E) The relief of poverty, sickness, infirmity and old age; and
- (F) The education of the public about peaceful means of conflict resolution.

Charitable Activities

In pursuance of its charitable objectives, and in order to achieve the overall aims of its mission, the principal charitable activity of SGI-UK is the "advancement of religion" as it relates to the Buddhism of Nichiren Daishonin.

Each year, this overall single charitable activity is undertaken in a number of ways by SGI-UK:

- Providing and maintaining centres for the study and practice of Nichiren Buddhism and other activities directed towards the furtherance of the charity's mission;
- Commissioning, printing, publishing, displaying and circulating newspapers, pamphlets, books, circulars, magazines, recordings, tapes, films, electronic information, and any other educational materials;
- Organising or supporting lectures, seminars, courses, classes, workshops, conferences and meetings;
- Promoting and staging artistic, musical, cultural and dramatic performances, shows, exhibitions, concerts and other events; and
- Co-operating with and supporting other voluntary, non-governmental and statutory bodies and organisations including the United Nations whose purposes are compatible with the objectives of the charity.

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Indicators, Milestones & Benchmarks

The trustees monitor a range of measures to determine the success of the charity in meeting its objectives. These measures include:

- Level of membership of SGI-UK and the trend over time.
- Changes in the number of districts and other organisational units.
- Attendance at courses, meetings and events to study and share the teachings of Nichiren.
- Circulation and readership of publications.
- Feedback from delegates and the public more generally.
- The extent of, and feedback from, other entities with whom SGI-UK co-operates or to whom SGI-UK provides support.
- Numbers of weddings and funerals.
- Academic research on SGI-UK.
- Study exam statistics.

Public Benefit

The trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance publication "The Advancement of Religion for the Public Benefit") into consideration in preparing their statements on public benefit contained within this trustees' annual report.

Benefits & Beneficiaries

In accordance with its charitable objectives, SGI-UK strives to advance religion as it relates to the Buddhism of Nichiren Daishonin. The charity's principal beneficiaries are therefore:

- The members of SGI-UK;
- People exploring whether they wish to become members of SGI-UK; and
- Members of the public who come to any SGI-UK activity in order to find out about Buddhism in the Nichiren tradition.

In addition beneficiaries include people who visit Taplow Court Open Days and come to cultural activities that we hold, both being ways of opening ourselves to society and making friends, as well as communicating our attitude to life, without explicitly teaching about Buddhism and school children who visit Taplow Court as an educational resource also benefit. Finally, those groups in the local community whom we allow to use Taplow Court without charge in order to hold charitable or educational activities also benefit.

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The benefits provided to beneficiaries by SGI-UK are:

- The practice of Buddhism is a benefit in itself, being a practice and philosophy that enables the individual to strengthen their lives, overcome weakness and achieve goals. This growth in the individual affects their families, communities and places of work. [Indeed in the words of the President of SGI “A great human revolution in the life of one person can change the destiny of humankind and our entire planet” Daisaku Ikeda];
- The organisation of monthly discussion meetings throughout the UK open to all at no charge, where Buddhism in the Nichiren tradition is communicated through short presentations, experiences and open discussion;
- The organisation of monthly study meetings throughout the UK where the writings of Nichiren are studied also open to all at no charge;
- The provision of seminars, other study opportunities and courses, as expanded elsewhere in this report;
- Explanations about Buddhism to school children at Taplow Court and in schools countrywide, where local members speak by invitation as Buddhist practitioners during RE lessons and at other times;
- Introductory talks about Buddhism held at our London centres and at various places country wide;
- Conduct of religious ceremonies – marriages and funerals; and
- A leadership network which exists to provide continuous support to people in their practice of Buddhism.

Trustees’ Assessment of Public Benefit

In relation to their assessment of the delivery by the charity of public benefit, the trustees take into consideration the following sources of evidence:

- Members’ experiences of practice shared at meetings and published in our monthly magazine;
- Numbers of members and guests attending discussion meetings, study meetings and taking part in the annual study course and attending Buddhist courses;
- Number of school visits to Taplow Court and the positive responses elicited by these; and
- Number of weddings and funerals conducted.

We appreciate that the benefit cannot best be conveyed through numbers, and that the best gauge of benefit is the first one above, members’ experiences.

Grant Making Policy

The charity does not currently give grants in any formal structured manner as a means by which it fulfils its charitable objectives, and therefore, the trustees have not set a grant making policy.

However, from time to time, SGI-UK will provide funding by way of donations to certain other voluntary, non-governmental and statutory bodies and organisations where the trustees are satisfied that such support will help to promote the Buddhism of Nichiren Daishonin through peace, culture and education.

Relationships with Related Parties

SGI-UK is a member of the Network of Buddhist Organisations in the United Kingdom and a corporate member of UNICEF and the Commonwealth Human Ecology Council. SGI-UK is an active member of Religions for Peace UK. As a member of the Soka Gakkai International (“SGI”) community worldwide, SGI-UK is implicitly related to all similar SGI entities and in particular works closely with the founder SGI entity based in Tokyo, Japan.

Representation on Other Bodies

SGI-UK does not currently pursue its charitable objectives through representation on any other external bodies.

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ACHIEVEMENTS AND PERFORMANCE

Activities & Events

At the beginning of March 2020, ahead of the requirement by the UK Government to enter lockdown, SGI-UK suspended face to face activities in light of the growing concerns around the Covid-19 Coronavirus situation. All our activities moved online to platforms such as Zoom and were held in this way for the rest of the year. Events and activities which could not be adapted to take place online, such as Open Days, study exams or courses at Taplow Court and other venues were postponed. Generally, attendance at online activities was higher than before the lockdown.

Most staff were able to continue to work either from home or at our centres. Some staff were furloughed for short periods. As residential courses and other activities at Taplow Court were suspended, there was no need for food preparation, so the canteen staff joined the gardening team and also used some of their time to prepare meals for the Maidenhead Foodbank and Slough Outreach charities, for which they were nominated for the Buckinghamshire Council's Proud of Bucks Awards.

Although our shops selling Buddhist books and items were closed, our online shop and mail order continued.

Core activities to promote the study and practice of Nichiren Buddhism as taught by SGI

Our basic method of introducing people to SGI-UK and Nichiren Buddhism is through inviting them to the monthly discussion meetings held by our 632 districts around the country. These meetings would usually be held in members' own homes, but became virtual meetings online from early March. Study lectures, introductory talks and public lectures also moved online. The London Ikeda Peace Centre at 7 Wakefield Street, London WC1, the South London National Centre in Brixton and the West London Centre in Acton were well used for the first two months of the year, but then were closed except for staff use and maintenance. We were able to do some important work to the fabric of our centres while they were closed.

Our monthly magazine, The Art of Living ("AOL"), has over 4,200 subscriptions and the print run of 6,600 each month was reduced later in the year to 5,200, because the shops in our centres were not open to sell individual copies.

Districts as referred to above are organised into chapters, usually consisting of 2 to 4 districts. Study of Nichiren Daishonin's writings are organised monthly, usually on a chapter level. There are 169 Chapters. Preparation for lectures is held some months before each lecture, support material being sent electronically to all lecturers. Introductory lectures continued online.

At the beginning of the year, there were 5 (2019:19) residential courses held at Taplow Court attended by a total of some 311 (2019: 1,389) members. These courses were organised by headquarters from around the country.

Some 4 dozen summer courses were held throughout the country between June and September 2020. Most were organised on Area level, some for just one of the 4 divisions, but many were held with either all divisions together or with men and young men or women and young women together.

Meetings to inspire and support Leaders were held online were organised nationally and locally. In November all leaders were invited to an inspiration meeting and more than 3,000 attended.

The new rhythm of study courses began with Grade 3 being held in the early part of the year. 244 members submitted essays and online interviews were arranged later in the spring. 176 members passed the exam which is one of the criteria for leaders to become SGI-UK study lecturers. The Grade 1 exam which was planned for May was postponed first to November and then to 2021. All these exams are now validated by SGI Europe and the SGI Study Department in Japan. Study exams give a structured study syllabus for all members to take advantage of.

The SGI-UK Study Department has split into four subgroups, which will focus on particular areas of study. These are: study courses and exams, study lecturers training, study materials and publications and study admin.

Outreach activities in 2020

[Note: In light of the COVID-19 pandemic, all physical SGI-UK meetings were suspended from Monday 3 March and online activities were encouraged in their place.]

PEACE

International Campaign to Abolish Nuclear Weapons (ICAN) event



On 14 and 15 February, ICAN held a forum themed 'How to ban bombs and influence people' at the Salle Olympe de Gouges in Paris, led by Beatrice Fihn, Director of ICAN. The forum provided ideas on raising awareness of the UN's Treaty on the Prohibition of Nuclear Weapons and achieving a global ban.

Fifteen SGI members from around Europe, including SGI-UK General Director Robert Harrap, attended the conference.

SGI-UK and nuclear weapons divestment

SGI-UK contributed to a report compiled by a group of faith organisations about UK banks and pension funds

and their investment in nuclear weapons. The report was launched to the public on 27 May. It gives the findings of a survey revealing that billions of pounds are invested by UK institutions in companies that produce nuclear weapons. It has a Foreword written by Baroness Susan Miller and has contributions from different faith groups and churches including SGI-UK, the Quakers, Christian CND, Pax Christi, the Methodist Church and others. The report also suggests actions people can take to encourage divestment away from nuclear weapons. See: <https://moneyoutofnukes.wordpress.com/read-the-report>

SGI-UK's message of solidarity with SGI-USA

Following the death of George Floyd, SGI-UK publicly shared a message of solidarity with SGI-USA on 3 June.

2020 Peace Proposal talks

On 25 July, fifty-two SGI-UK members of *North London Area* and guests attended an online lecture by SGI-UK General Director Robert Harrap on President Ikeda's 2020 Peace Proposal. Attendees were particularly interested in how the peace proposals have impacted Robert's life and practice and to hear of the efforts SGI members make to improve society. One person commented on how encouraged they were to 'become a shining light of hope instead of a pit of despair'.

On 29 October, *Wales and the Marches Area* hosted a public webinar entitled 'A proposal for peace – towards our shared future' in which SGI-UK General Director Robert Harrap talked about President Ikeda's 2020 Peace Proposal, together with Dr Rebecca Johnson, founding director of ICAN (International Campaign for the Abolition of Nuclear Weapons), and Josie Parkhouse, SGI-UK youth division member and peace activist. In the week that the Treaty for the Prohibition of Nuclear Weapons (TPNW) reached the milestone of fifty state ratifications, this event explored the vision of a future overcoming the existential threats we are currently facing, based on sound Buddhist principles, shared determination and 'optimistic outrage'.

On 1 December, SGI-UK members of *Cornwall Headquarters* and guests hosted an online lecture on President Ikeda's 2020 Peace Proposal given by SGI-UK General Director Robert Harrap and Sanya Rajpal, SGI-UK Student Division Leader and a youth advocate.

Interfaith/intra-Buddhist activities

Buddhists in action for climate change

On 1 February, SGI-UK hosted a day of workshops, dialogue and talks at SGI-UK South London National Centre in Brixton organised by the Network of Buddhist Organisation's Eco Dharma Network. Fifty people from different Buddhist traditions came together to reflect on how the rich variety of Buddhist practices can support and inform our responses to the climate crisis. Ideas were explored of what Buddhists can do both individually and collectively.

SGI-UK members engage in BAM!



Buddhist Action Month (or BAM) is an initiative created by the Network of Buddhist Organisations (NBO) as a way of supporting meaningful progress for individuals and society. The whole of June this year was devoted to the theme 'Bodhisattvas... for the Earth'. Below are some of the ways that SGI-UK members have responded to this in their local community:

- ⇒ With his wife and two children, SGI-UK member Tomo Hayakawa did a litter picking activity in their local park (Humberstone Park, Leicester). Tomo was inspired to see his family engaging with this activity and contribute to the local community in this way. Some park visitors shared that they were inspired to see children contributing to the litter picking.
- ⇒ NBO and Eco Dharma Network organised a webinar on 6 June themed 'Buddhist climate action in a post-COVID era'. SGI-UK member Olivia Fuchs attended, giving her the courage to speak on a Faith for the Climate webinar together with Rabbi Jeffrey Newman and Kamran Shezad on 17 June. On 30 June, she organised a meeting with her MP as part of a virtual lobby called 'The Time is Now'. Seventeen people discussed the importance of building a healthy, greener and fairer future.
- ⇒ *Cambridgeshire North & West Norfolk Chapter* joined forces with *Peterborough District* by collecting crisp packets that cannot be recycled in the conventional way. Later in October, a few *Peterborough District* members were able to get together in a local park to take photos of Ioanis Konstantinopoulos, Peterborough Young Men's District Leader, carrying his net sack of crisp packets (pictured). This enabled many people outside of the organisation to learn about SGI and our efforts for the environment.

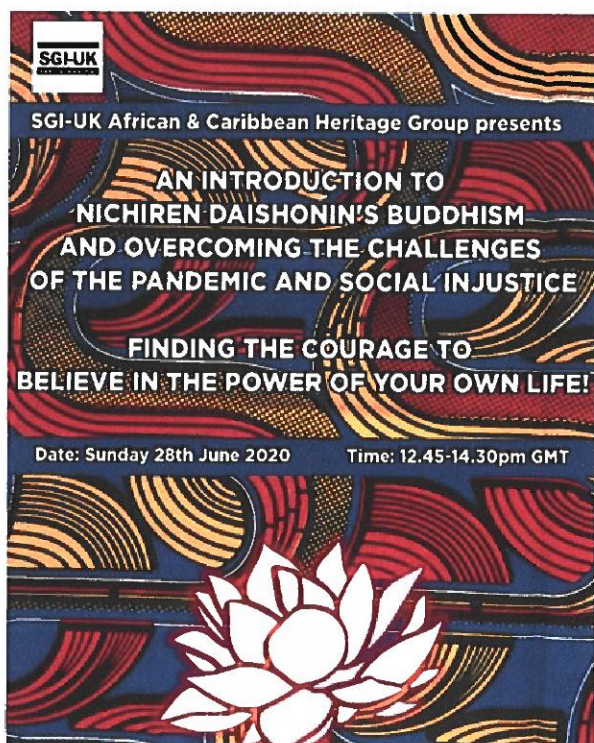
Morgan Stanley's interfaith panel on race for Interfaith Week 2020

On 9 November, SGI-UK member Gabrielle Westhead joined an interfaith panel hosted by Morgan Stanley as a Buddhist representative to discuss issues and thoughts around race and faith. It was attended by 120 Morgan Stanley employees. Questions included: 'What does your faith teach about the importance of diversity?' and 'What are the faith communities doing to promote diversity in broader society?'



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Community activities



Tufnell Park District's online introductory meeting
Tufnell Park District held their first online introductory meeting for SGI-UK members and interested guests on 10 May. Of the fifteen participants, nine were guests.

African Caribbean Heritage Group's first-ever online introductory meeting
On 28 June, the *African Caribbean Heritage Group* welcomed over 300 attendees to their online introductory meeting (flyer pictured).

The purpose of the event was to introduce people of African and Caribbean heritage to Nichiren Buddhism and explore overcoming the challenge of the pandemic and social injustice.

It was also an opportunity to acknowledge the history and contribution of African and Caribbean members to SGI-UK and celebrate the diversity of our organisation.

North Kensington Headquarters supported the Grenfell community

North Kensington Headquarters contributed to a community project of making face masks for bereaved family members and key community members to mark the third anniversary of the Grenfell Tower tragedy on 14 June. Undertaken by Emzee Haywoode on behalf of Humanity for Grenfell (H4G) and supported by Grenfell Unity (GU), the sewing of the face masks took place in Wornington College and individually at home.

Black LGBTQI+ Pride inspiration and celebration meeting

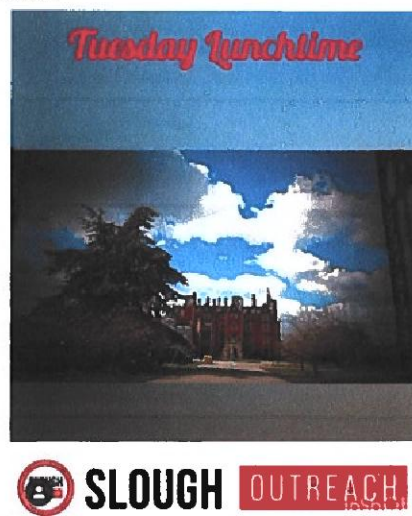
On 27 June, a warm and welcoming online space was created for black LGBTQI+ SGI-UK members and guests, where eighty people came together. The meeting included experiences, sharing SGI-UK's aforementioned message of solidarity with SGI-USA and small dialogue groups.

Taplow Court chefs support Maidenhead Foodbank and Slough Outreach

Since SGI-UK members have not been coming to Taplow Court due to the pandemic, the chefs in the canteen at Taplow Court, starting in June and continuing to the end of 2020, have been making 400 meals a week to be distributed by Maidenhead's Foodbank and Slough Outreach that care for the vulnerable and the homeless. For this, they were nominated for the Buckinghamshire Council's Proud of Bucks Awards.

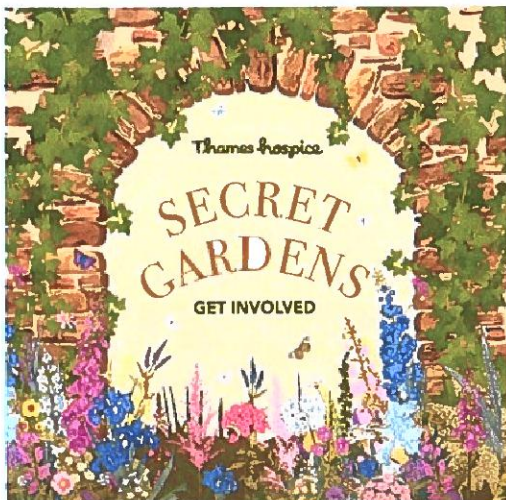
Lewes members support Food Banks

On 19 July, SGI-UK members living in Lewes were delighted to support Lewes Coronavirus Volunteers, a volunteer-run civic response group, in an effort to collect for the Sussex town's Food Banks. The activity was part of a town-wide effort by diverse groups in Lewes to come together to make sure fellow townspeople wouldn't go hungry in these difficult times. Four members wore SGI-coloured facemasks and enjoyed participating outside of Waitrose. At the same time, there were four vicars outside Tesco, and a sports team covering Aldi.



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Taplow Court in Thames Hospice 'Secret Gardens'



SGI-UK has been supporting Thames Hospice for many years now by making the hall and grounds at Taplow Court available for free for fundraising concerts and events, and their ways of fundraising have had to adapt with the COVID-19 pandemic.

In the summer of 2020, SGI-UK contributed the gardens of Taplow Court to an exclusive virtual tour of eight Berkshire and Buckinghamshire gardens from the comfort of one's own home – all in the name of fundraising for a good cause.

Thames Hospice's annual Light up a Life event

Premiering on 13 December, SGI-UK member Gabrielle Westhead represented Buddhism in an interfaith statement involving nine faiths for Thames Hospice's annual Light up a Life event:

<https://www.youtube.com/watch?v=kM1eNBvCwJQ>

Tufnell Park District's online introductory meeting

On 29 November, thirty-four people – including sixteen guests – attended *Tufnell Park District's* 'Introduction to Buddhism' event on Zoom. The theme was 'The legacy of our lifetime: how we can change towards a more humanistic society?' and featured experiences and a Q&A session with guests.

CULTURE

Buddhism at the British Library: Exhibition and chanting session

Running until 23 February 2020, a Buddhism exhibition at the British Library was split into four sections: The Buddha, Buddhist Philosophy, the Spread of Buddhism and Buddhist Practice. The final section featured a short film in which the Director of the Centre for Applied Buddhism (CfAB) Jamie Cresswell and several other SGI-UK members from *Camden Headquarters* talk about their Buddhist practice.

SGI-UK General Director Robert Harrap was invited by the curators to lead an early morning chanting session, alongside fifteen SGI-UK members from *Camden Headquarters*, with members of the public on 6 February.



EDUCATION

Academic outreach

The Centre for Applied Buddhism (CfAB) collaborate towards a webinar on the ecological crisis

On 12 September, the Centre for Applied Buddhism (CfAB) in collaboration with Network of Buddhist Organisations (NBO) and Eco Dharma Network organised a webinar with writer David R Loy, author of *Ecodharma: Buddhist Teachings for the Ecological Crisis*.

Climate change webinar series

Towards COP26 in November 2021, SGI-UK and the Centre for Applied Buddhism (CfAB) began a series of monthly climate change webinars, beginning in October 2020 and will continue until November 2021. Below are the flyers for the webinars in November 2020 and December 2020 shared on SGI-UK's social media channels. The themes of the SGI-UK and Centre for Applied Buddhism (CfAB) climate change webinars to follow into 2021 are:



- Climate action and the need for transformation, January 2021
- Creative ecologies, February 2021
- Economics, sustainability and the power of simple, early April 2021
- Introducing the Soka Institute for Environmental Studies and Research of the Amazon, late April 2021
- Hope for the Future: speaking out for climate justice, May 2021
- Taplow Court – Thinking creatively and taking action in response to the climate emergency, June 2021
- Racial justice and climate action, July 2021

Education outreach

Virtual Freshers' Fair for Bicester and Banbury College

During the week of 21-25 September 2020, members of *Thames Valley Area*, including local students, virtually manned a Freshers' Fair stall for prospective students of Bicester and Banbury College. They also produced a short video explaining the basics of Buddhist philosophy and what it is like to practise Buddhism in daily life.

Virtual Introduction to students preparing to be teachers of Religious Education

On 13 October, Robert Harrap and staff member Scott Hartley introduced 70 graduates studying at UCL's Institute of Education and on other PGCE courses to the Buddhism of Nichiren Daishonin and the activities for peace, culture and education of the SGI in an online seminary.

TAPLOW COURT ACTIVITIES & VISITS

Maidenhead's Got Talent! at Taplow Court

On 1 March, young dancers, singers and actors performed at the fourth annual Maidenhead's Got Talent! showcase organised by Rotary in Maidenhead and hosted at Taplow Court. The afternoon began with a matinee concert for primary schools and clubs and an evening show for performing art and senior schools, with a mixture of singing, piano-playing and dance. The purpose of the event is not only to showcase the young performing talent in Maidenhead but to also bring the community and local schools together in celebration of diversity and multiculturalism, and to raise money for local charities. SGI-UK was proud to host once again.

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MEDIA

Robert Harrap interviewed on Chaplin Talks website



On 15 June, SGI-UK General Director Robert Harrap was interviewed by Charlie Chaplin's grandson Spencer for a series of interviews for the Chaplin Talks website. Robert explained why SGI President Daisaku Ikeda uses Charlie Chaplin so often in his encouragement, and how his comic genius is a source of inspiration. See: <https://youtu.be/wdmakcq394A>

BBC Radio 2 Pause for Thought

SGI-UK General Director Robert Harrap recorded twelve sessions of Pause for Thought on *BBC Radio 2*, exploring themes from 'Trying to live sustainably' to 'Embracing the outdoors'.

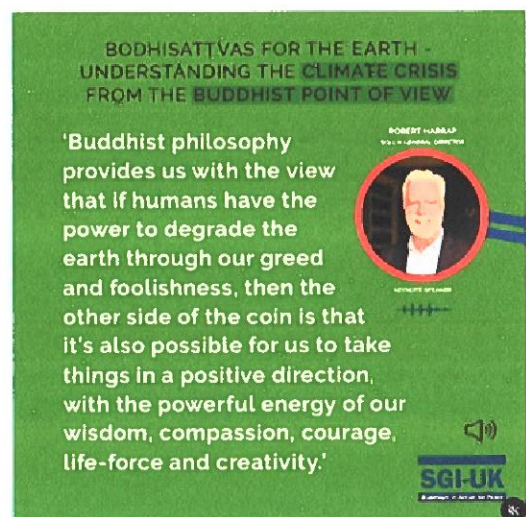
WEBSITE AND SOCIAL MEDIA

During COVID-19, SGI-UK's social media channels became a mainstay for promoting virtual outreach activities and promoting peace, culture and education, seeing our follower statistics gradually rise over the year:

Facebook (@sgiukofficial): 6,739
Twitter (@sgiuk): 6,505
Instagram (@sgiukofficial): 15,955

Climate change thread on social media

To support the climate change webinar series, the SGI-UK social media team created a climate change thread in their content creation for Facebook, Twitter and Instagram (example below).



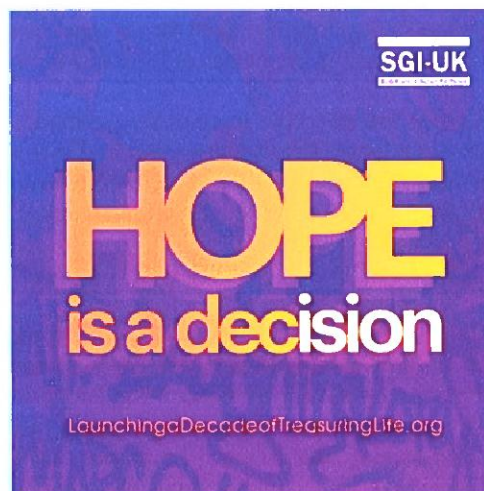
'Launching a Decade of Treasuring Life' blog launch

Led by youth division members, SGI-UK launched its 'Launching a Decade of Treasuring Life' blog in November 2020.

Complete with Buddhist experiences and creative pieces of expression, the blog's content is shared on SGI-UK's social media channels for wider reach:

As of 15 June 2021, the blog has been visited 19,000 times, of which 11,000 visitors are unique.

See: www.launchingadecadeoftreasuringlife.org



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Impact of Activities & Events

Level of membership of SGI-UK and the trend over time (increasing or decreasing)

By early March, 87 new members had joined SGI-UK, and our membership ceremonies were suspended for the rest of the year (2019: 368).

Changes in the number of districts and other organisational units

The number of districts at the end of 2019 was 632 (At the end of 2018: 628).

Attendance at courses, meetings and events to study and share the teachings of Nichiren

The monthly average discussion meeting attendance in 2020 was 4,270 (2019: 4,303). And the average number of guests attending discussion meetings each month was 1,448 (2019: 852).

5 courses were held at Taplow Court in the early months (in the whole of 2019: 19) with some 311 participants (2019: 1,389).

Circulation and readership of publications

In December 2020, 4,200 subscribers purchased 4,581 copies (in December 2019: 4,213 subscribers purchased 4,611 copies) of our monthly publication, 'The Art of Living'. The print run was reduced from 6,600 to 5,200 because our SGI-UK shops were not open to sell issues not sold by subscription or mail order (2019: 6,600).

Numbers of weddings and funerals

SGI-UK conducted 1 wedding (2019: 22 weddings and ceremonies of commitment (being recognition of civil partnerships) and 23 funerals (2019: 36).

Study exam statistics

The Grade 3 exam took place with 244 members submitting a long essay, and following an online oral interview, 176 members passing. The Grade 1 exam was expected to take place in May, but was postponed first to November and then to 2021. Meetings to prepare for the exam continued online.

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FINANCIAL REVIEW

Financial Results of Activities & Events

SGI-UK generated total unrestricted income of £2,391,990 (2019: £2,698,843) and total income on endowment funds of £78,231 (2019: £108,295).

Total expenditure amounted to £3,260,606 (2019: £3,854,079) the vast majority of which was incurred furthering the principal activity of the charity that being the advancement of religion.

Grant Making

The charity does not currently give grants as a means by which it fulfils its charitable objectives.

Reserves Policy

SGI-UK relies upon the support of its members to continue its work in the United Kingdom. Because of this recurring need for annual voluntary income, which by its nature is inevitably unpredictable, it is the current policy of the trustees to endeavour to build up a reserve of unrestricted funds equal to three to six months operating costs, which are not designated for any other specific purpose. The trustees consider reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's activities while consideration is given to ways in which additional funds may be raised.

At the balance sheet date, SGI-UK had "free reserves" of £877,264 (2019: £716,726) which represents 3.9 months of operating costs less depreciation. The operating costs for Shop, Publications and Courses have differing income streams. With regard to covering the income received specifically from Donations and Legacies (£1,985,468) free reserves represents 5.3 months' income. Free reserves are therefore considered to be adequate but not excessive.

The trustees have agreed to designate £200,000 of reserves for major maintenance projects at Taplow Court, £500,000 to finance local centres in the future.

In addition to "free reserves", at the balance sheet date, the trustees were holding £17,550,723 (2019: £18,052,246) of unrestricted funds in a designated fund known as the Designated Fixed Assets Fund representing the resources required to finance the net book value of all functional fixed assets, and also £32,058,817 (2019: £29,143,798) of restricted funds in an expendable endowment fund known as the Commemorative Expendable Endowment Fund.

Investments Policy

The trustees have wide ranging powers to invest the funds of SGI-UK as they see fit, and in practice, they use a range of banking facilities to ensure that funds generate appropriate levels of return, whilst minimising risk.

During the year, the investments generated investment income of £nil (2019: £16,280). Details of the investment portfolio and its performance during the year are shown in note 12 to the financial statements.

For the year ended 31 December 2020, the charity's cash deposits generated investment income of £86,079 (2019: £97,659) which represents an average income return of 1.1% (2019: 0.8%).

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PLANS FOR FUTURE PERIODS

Future Strategy

The trustees envisage a steady increase in the size of SGI-UK in the next 10 years. As indicated earlier, as local areas reach about 500 active members, it will become appropriate to open community centres in localities around the UK in the same way as the three centres in London. The trustees monitor the regional growth in membership and in consultation with local areas, will look for and open community centres as they become required. The trustees also envisage improving the residential facilities for courses at Taplow Court within this time frame. In 2018 SGI-UK invited local Areas to make proposals when they feel they are ready to support a Centre in their Area. Although no proposal had been received by the end of that year but some Areas have been discussing creating a proposal based on their local circumstances.

Future Activities & Events

General Director Robert Harrap will continue to promote SGI-UK in society, continuing to lecture on SGI President Daisaku Ikeda's Peace Proposal, give talks such as his contributions to BBC Radio 2 'Pause for Thought' as they are requested, and engaging in other ways as well.

The Youth Division launched the '1 – 2 – 3 – Be the Light!' campaign which ran through to 18 November 2020, the 90th anniversary of the founding of the Soka Gakkai. This campaign is focussed on 'treasuring the person in front of you' and growing conviction in one's own power and is supported by study.

SGI-UK and the Centre for Applied Buddhism are planning to participate in the COP26 Climate Change conference in Glasgow in November 2021 (postponed from 2020) with panel events and the new 'Seeds of Hope and Action' exhibition created by SGI together with Earth Charter International.

We will continue to further develop and promote opportunities for schools to visit Taplow Court.

All 3 Grade study courses will be held in 2021 with exams expected to be held in November 2021.

Impact of Activities & Events

Success of SGI-UK will be measured in terms of the increase in membership and the quality and extent of support given to our existing membership.

Discussion meeting attendance is a good measure of the degree of member activity. In 2020 with meetings online there was a small upward trend in the attendance at discussion meetings, with a rise in the average number of guests. In 2021 there will be an effort to consolidate this central SGI activity.

Another indication of our development is the extent of collaboration, cooperation and support with other organisations and movements, and also the quality of feedback from them. We will continue to develop our cooperation with academic bodies and we will continue to hold collaborative events and in particular we will be developing the use of Taplow Court as a resource for local schools.

SOKA GAKKAI INTERNATIONAL - UK
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees of the charity, who are also the directors of the company, have held office since 1 January 2020, as follows:

S J Ball
K Fujii
R P Harrap
F J Harrow
G Holman
J Y E Peters-Smith
R A Samuels
S Thornton
P S Williams
S Wilson

The principal address of the charity and the registered office of the company is the offices of SGI-UK at Taplow Court, Berry Hill, Taplow, Near Maidenhead, Berkshire SL6 0ER.

The charity is registered under the charity number 1104491, and the company is incorporated with the company registration number 05114516. Toni-Ann Hirayama is the company secretary.

The trustees have made the following professional appointments:

Solicitor:	Womble, Bond, Dickinson, 4, More, London Riverside, SE1 2AU Horsey Lightly Solicitors, Devon House, 12/15 Dartmouth Street, Queen Anne's Gate, London SW1H 9BL
Auditor:	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG
Bankers:	Triodos Bank, Deanery Road, Bristol, BS1 5AS Investec Bank plc, 2 Gresham Street, London EC2V 7QP Lloyds Bank plc, SME Banking, High Wycombe and Amersham Barclays Bank plc, Slough - East Berkshire Group, Leicester, Leicestershire LE87 2BB
Investment Managers:	BMO F & C Responsible Investment Fund Royal London Ethical Bond Fund Steward Investors Asia Pacific Sustainability B Fund Montanaro Better World Fund

The following additional key members of staff assist the trustees with the day-to-day management of the charity:

S McWilliam	Senior Manager
J Fagence	Senior Manager
M Mehta	Senior Manager

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

Soka Gakkai International (“SGI”) is a Buddhist association with more than 12 million members in 192 countries and territories worldwide. For SGI members, Buddhism is a practical philosophy of individual empowerment and inner transformation that enables people to develop themselves and take responsibility for their lives. As lay believers and “engaged Buddhists,” SGI members strive in their everyday lives to develop the ability to live with confidence, to create value in any circumstances and to contribute to the well-being of friends, family and community. The promotion of peace, culture and education is central to SGI’s activities.

“Soka” is a Japanese word meaning “value creation”, and “Gakkai” means “society”.

Although the first members of SGI in the UK appeared in 1961, SGI-UK was originally set up in the United Kingdom under a declaration of trust dated 2 January 1975 and became an unincorporated registered charity in England and Wales on 28 January 1975. Having updated its declaration of trust on 17 June 1993, SGI-UK was then incorporated on 28 April 2004 and was re-registered as an incorporated charity on 22 June 2004.

In its current legal form, SGI-UK is a registered charity, and a company limited by guarantee, not having share capital. Every member of the company is also a trustee and director, and undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

SGI-UK is governed by its rules and regulations, as set down in the company’s Memorandum and Articles of Association dated 28 April 2004.

Organisational Structure

The overall strategic direction of the charity is approved by the trustees, who have delegated to the National Committee to deliberate and propose the organisational activities. The trustees usually meet formally every two months, in the evening.

SGI-UK members are organised into local districts nationwide. These districts are further organised into chapters, headquarters, regions and areas, all with volunteer leaders in faith. The districts meet several times a month in members’ homes and hold a monthly discussion meeting open to members and guests.

The General Director and two Vice-General Directors have been appointed by the trustees to manage the day-to-day operations and to make decisions in this regard on behalf of the trustees. The General Director and the two Vice-General Directors are assisted by a management team for the following functions/departments:

- Conference services
- Courses and administration
- Facilities management
- General administration
- Membership
- Publications production and distribution
- External relations
- Shop
- Accounts
- Weddings and funerals
- Human resources
- Content management (publications and website)

SOKA GAKKAI INTERNATIONAL - UK
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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Subcommittees

At the present time, there are two formal subcommittees of the board of trustees and directors. These are the National Committee and the Finance Committee.

National Committee

Role:

To make all the initial decisions about the activities and direction of SGI-UK within the strategic framework and budgetary constraints set by the trustees and directors.

Current membership:

Robert Harrap, General Director
Robert Samuels, General Men's Division Leader; Executive Advisor
Kazuo Fujii, Vice General Director
Sue Thornton, Vice General Director
Suzanne Pritchard, Vice General Director

Sanda McWilliam, General Women's Division Leader and Vice General Director

Justine Marchant, Women's Division Leader
Fiona Harrow, Women's Division Secretary General
Yuki Davenne, Vice Women's Division Leader
Tobi Keryk, Vice Women's Division Leader

David Woodger, Men's Division Leader
Munish Mehta, Men's Division Secretary General
Chris Nembhard, Vice Men's Division leader

Koichi Samuels, Youth Division Leader
Anna Hashimoto, Young Women's Division Leader
Emma Howard, Vice-Young Women's Division Leader
Peggy Freyne, Vice-Young Women's Division Leader
Andy Huxley, Young Men's Division Leader
Ryo Ashida, Vice-Young Men's Division Leader
Ed Hunte, Vice-Young Men's Division Leader

Responsibilities:

To meet once a month to deliberate and determine national direction and activities.

Finance Committee

Role:

To deal with detailed financial matters on behalf of the trustees and directors.

Membership:

The following trustees currently comprise the Finance Committee - S J Ball, K Fujii, R P Harrap, R A Samuels, S Thornton, P S Williams, S Wilson.

Responsibilities:

- To review the finances of SGI-UK every two months;
- To make recommendations about investment decisions; and
- To approve unbudgeted expenditures up to £1,000.

SOKA GAKKAI INTERNATIONAL - UK
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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Finance Committee (continued)

Key Management Personnel

The key management personnel are the General Director, Robert Harrap and the three senior managers: S. McWilliam, J. Fagence and M. Mehta.

Pay of key management personnel is set by members of the Remuneration committee of the Trustees in consultation with the General Director. The General Director's pay is based on the pay of his predecessor.

Working with Volunteers

SGI-UK relies upon the continuing assistance of a wide range of volunteers, the vast majority of whom are members. All local activities are organised and conducted by members who are volunteers. Planning and decision making committees are all held on a volunteer basis. The three London centres are manned entirely by volunteers and at Taplow Court teams of 5 volunteers staff the reception 363 days of the year. Young men and young women in dedicated groups support all activities at a local and national level. Volunteers give their time and efforts with an open heartedness based on the Buddhist spirit of contribution. The trustees would like to express their gratitude and deep respect for these tireless efforts.

Method of Recruitment, Appointment, Election, Induction & Training of Trustees

Recruitment

At present, the trustees are members of SGI-UK who offer certain skills and attributes. As and when a need is identified by the trustees for additional skills and attributes to be included within the composition of the board, the trustees look to the membership of SGI-UK to recruit suitable candidates.

Appointment & Election

The trustees are empowered to appoint additional trustees under the terms of the governing document as and when the need arises. Trustees are appointed by way of a recommendation and a vote. A simple majority of the existing trustees is required to elect a new trustee.

Induction & Training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, on the content of the current governing document, on the decision making processes utilised by the charity, and on the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will assist them to undertake and fulfil their role.

Professional Indemnity Insurance

The charity has taken out a trustees' indemnity insurance policy that provides professional indemnity cover amounting to £1 million in respect of any one claim for the trustees of the charity. The cost of this insurance policy to the charitable company for the year was £1,278 (2019: £900).

Risk & Corporate Governance Matters

SGI-UK's risk management strategy identifies and defines (through assessing uncertainty) whether SGI-UK will achieve its objectives; deciding upon the action to be taken to control them and monitoring the progress of the action taken. The risks that would qualify for the SGI-UK risk register and that the Trustees see as being critical to the effective running of the organisation include:

- Those risks that could seriously impact on the achievement of SGI-UK's key objectives and interests, including its reputation; and
- Those risks where action at National Committee and/or Trustee level in SGI-UK is needed.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk & Corporate Governance Matters (continued)

A sub-group of SGI-UK Trustees has developed a structured approach to managing risk and has developed a 'living' risk register. Looking at different Risk Categories - areas where risks are found - the Trustee sub-group considered:

- External: risks not wholly within our control, but where action can be taken to mitigate the risk;
- Organisational: risks relating to our existing organisation and membership; and
- Assets and Facilities: risks relating to our finances, estate and IT.

SGI-UK's risk management process:

1. Identify risks

- Identify risks: what could stop the objectives from being achieved?
- Define risk descriptions: describe the risk, its cause and its possible effects.

2. Assess risks

- Identify current controls: what's already in place to control the risk?
- Assess current risk: score the risk according to its potential impact and likelihood of occurrence - specifying what will be done, by when and by whom.

3. Managing risk

- Identify and select further controls: what new measures are needed to control the risk?
- Assign target risk: what new score do we want these measures to achieve for the severity score of the risk, and by when? We worked on the following basis:
 - Impact: Catastrophic, Severe, Moderate, Minor, Low using the five point scale.
 - Probability: Very unlikely, Unlikely, Possible, Likely, Very likely.
- Identify and assign risk and control owners: who's responsible for what?

4. Monitor and report

At the monitoring and reporting stage:

- Complete the Risks Register – this was undertaken by a sub-group of the Trustees with experience in risk management.
- Report and escalate as appropriate – to the Trustees.
- Monitor and review – on a quarterly basis.

SGI-UK has a Risks Register which classifies all perceived risks under the following headings:

- | | |
|--------------------------|---------------------------|
| 1. Reputation | 5. Financial issues |
| 2. Commercial issues | 6. Staffing issues |
| 3. Organisational issues | 7. Members' experience |
| 4. Information and IT | 8. Estates and facilities |

SGI-UK's principal risks and how they are mitigated:

Security risk of physical assets

SGI-UK has a business continuity and disaster recovery plan in place in the event that our headquarters at Taplow Court becomes unavailable for the administration of the organisation. We continue to maintain and improve our centres so that they are safe and comfortable places for our members to conduct Buddhist activities.

SOKA GAKKAI INTERNATIONAL - UK

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Cyber security

SGI-UK's IT committee has put in place systems to ensure the IT infrastructure and data of SGI-UK are protected from cyber-attack. Members of the committee have had training since spring 2017 in the general Data Protection Regulations to ensure that SGI-UK complies with this change in the law, and protects our members' data.

Safeguarding

SGI-UK updates our Child Protection Policy on an annual basis, and carries out training for volunteers involved in activities with children. We have appointed supervisors of volunteers who have appropriate DBS checks and who have training in ensuring the well-being of children involved in our activities.

Covid-19

The Covid – 19 pandemic continues to make future planning difficult, therefore the Trustees of SGI-UK believe it prudent to maintain sufficient current funds to enable the continued protection and maintenance of its assets, to meet any current liabilities, and to meet staff costs for at least 6 months.

To that end a fixed term deposit which was held at Lloyds Bank that matured on 27th April 2020 to the value of £653,725 had been kept in a current account to allow easy access. The monies previously held as the Designated Taplow Court Fund and the Designated Centres Fund were transferred to the General Fund to provide sufficient cover for the short to medium term.

Due to the generous donations made by the members of SGI-UK throughout 2020 it has not been necessary to access these funds. General donations and other similar types of voluntary income totalled £1,934,131 in 2020 compared to £1,853,369 in 2019.

Therefore, the Trustees have decided to re-establish the Designated Taplow Court Fund and the Designated Centres Fund.

Fundraising Approach and Performance

Contributions to the SGI-UK Kosen-rufu Fund, which supports our activities, are only made by members of SGI and SGI Center.

We have an SGI-UK Kosen-rufu Fund Contributions and Donations Policy, based on the Charity Commission guidance CC20, which is posted on the members' website.

Contributions are freely given. The decision to make a contribution and how much to contribute is the choice of each member. Encouragement around contribution must not put any member under pressure to make a contribution.

The Trustees consider carefully the question of accepting contributions from non-SGI sources and any anonymous donations.

Donors of single donations of £5,000 or more will be contacted to confirm that the donation complies with all relevant regulations.

SGI-UK will make sure that vulnerable people are protected.

Expansion of these and other points are all contained in the policy document.

Our overall fundraising performance was total contributions to the Kosen-rufu Fund £1,602,364 (2019: £1,569,192) with an additional £284,891 (2019: £273,774) received in the form of Gift Aid and Bequests £46,876 (2019: £10,403).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees' & Directors' Responsibilities in the Preparation of Financial Statements

The trustees (who are also the directors of Soka Gakkai International - UK for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they 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 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 Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Acts 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Statement as to Disclosure of Information to the Auditor

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.


SMALL COMPANY EXEMPTIONS

In preparing this report the directors have taken advantage of small company exemptions.

FUNDS HELD AS CUSTODIAN

Although SGI-UK maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, SGI-UK does not currently hold, and the trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

This report was approved by the trustees on 16 September 2021, and was signed for and on behalf of the board by


..... General Director
R Harrap

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOKA GAKKAI INTERNATIONAL - UK

Opinion

We have audited the financial statements of Soka Gakkai International – UK for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 2020 and of the charitable company's net movement in funds, including the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOKA GAKKAI INTERNATIONAL - UK

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 Trustees' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, 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.

Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and UK tax law.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the recognition of income from legacies and grants. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOKA GAKKAI INTERNATIONAL - UK

- Challenging assumptions and judgements made by management in their critical accounting estimates

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 auditor's report.

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 Auditor's 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.



Lee Stokes (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 20/9/2021

SOKA GAKKAI INTERNATIONAL - UK

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:					
Donations, legacies and grants	3	1,985,468	-	1,985,468	1,853,369
<i>Charitable activities:</i>					
• Advancement of religion	4	384,274	-	384,274	825,430
Investments	5	22,248	78,231	100,479	128,339
Total income		<u>2,391,990</u>	<u>78,231</u>	<u>2,470,221</u>	<u>2,807,138</u>
EXPENDITURE ON:					
Costs of raising funds	6	-	-	-	(7,844)
Charitable activities					
• Advancement of religion	7	<u>(3,260,465)</u>	<u>(141)</u>	<u>(3,260,606)</u>	<u>(3,846,235)</u>
Total expenditure		<u>(3,260,465)</u>	<u>(141)</u>	<u>(3,260,606)</u>	<u>(3,854,079)</u>
NET (EXPENDITURE)/INCOME BEFORE GAINS/(LOSSES) ON INVESTMENTS		(868,475)	78,090	(790,385)	(1,046,941)
Net gains/(losses) on investments	12	<u>-</u>	<u>3,356,929</u>	<u>3,356,929</u>	<u>3,286,969</u>
NET (EXPENDITURE)/INCOME		(868,475)	3,435,019	2,566,544	2,240,028
Transfers between funds		<u>520,000</u>	<u>(520,000)</u>	<u>-</u>	<u>-</u>
		(348,475)	2,915,019	2,566,544	2,240,028
Other Recognised Gains and Losses					
Gains/(losses) on revaluation of heritage assets	11	<u>7,490</u>	<u>-</u>	<u>7,490</u>	<u>30,800</u>
NET MOVEMENT IN FUNDS		(340,985)	2,915,019	2,574,034	2,270,828
RECONCILIATION OF FUNDS					
Fund balances brought forward					
At 1 January 2020		<u>19,468,972</u>	<u>29,143,798</u>	<u>48,612,770</u>	<u>46,341,942</u>
Fund balance carried forward					
At 31 December 2020	19	<u>19,127,987</u>	<u>32,058,817</u>	<u>51,186,804</u>	<u>48,612,770</u>

The notes on pages 28 to 42 part of these financial statements.

SOKA GAKKAI INTERNATIONAL - UK

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2019

Comparative Statement of Financial Activities for the year ended 31 December 2019

	Unrestricted Funds £	Endowment Funds £	Total 2019 £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	1,853,369	-	1,853,369
<i>Charitable activities:</i>			
• Advancement of religion	825,430	-	825,430
Investments	20,044	108,295	128,339
Total income	<u>2,698,843</u>	<u>108,295</u>	<u>2,807,138</u>
EXPENDITURE ON:			
Costs of raising funds	-	(7,844)	(7,844)
Charitable activities			
• Advancement of religion	(3,846,176)	(59)	(3,846,235)
Total expenditure	<u>(3,846,176)</u>	<u>(7,903)</u>	<u>(3,854,079)</u>
NET (EXPENDITURE)/INCOME	(1,147,333)	100,392	(1,046,941)
Net (losses)/gains on investments	-	3,286,969	3,286,969
NET (EXPENDITURE)/INCOME	(1,147,333)	3,387,361	2,240,028
Transfers between funds	520,000	(520,000)	-
	(627,333)	2,867,361	2,240,028
Gains/(Losses) on revaluation of heritage assets	30,800	-	30,800
NET MOVEMENT IN FUNDS	(596,533)	2,867,361	2,270,828
RECONCILIATION OF FUNDS			
Fund balances brought forward			
At 1 January 2019	<u>20,065,505</u>	<u>26,276,437</u>	<u>46,341,942</u>
Fund balance carried forward			
At 31 December 2019	<u>19,468,972</u>	<u>29,143,798</u>	<u>48,612,770</u>

SOKA GAKKAI INTERNATIONAL - UK

BALANCE SHEET

AT 31 DECEMBER 2020

Company Number: 05114516

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	10	16,293,583	16,802,596
Heritage assets	11	1,257,140	1,249,650
Investments	12	31,145,133	29,726,371
		<u>48,695,856</u>	<u>47,778,617</u>
CURRENT ASSETS			
Stocks	13	222,568	271,057
Debtors	14	242,230	237,927
Cash at bank and in hand		2,169,641	507,041
		<u>2,634,439</u>	<u>1,016,025</u>
LIABILITIES			
Creditors: Amounts falling due within one year	15	(143,491)	(181,872)
NET CURRENT ASSETS		<u>2,490,948</u>	<u>834,153</u>
NET ASSETS		<u><u>51,186,804</u></u>	<u><u>48,612,770</u></u>
THE FUNDS OF THE CHARITY			
Endowment funds			
Commemorative Expendable Endowment Fund	19	32,058,817	29,143,798
Unrestricted income funds			
General Fund	19	877,264	716,726
Designated Taplow Court Fund	19	200,000	200,000
Designated Local Centres Fund	19	500,000	500,000
Designated Fixed Assets Fund	19	17,550,723	18,052,246
TOTAL CHARITY FUNDS		<u><u>51,186,804</u></u>	<u><u>48,612,770</u></u>

The financial statements on pages 28 to 42 were approved by the trustees and authorised for issued and are signed on their behalf by:


General Director
R Harrap

16 September 2021

SOKA GAKKAI INTERNATIONAL - UK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Note	£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	22	(314,870)	(467,153)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		100,479	128,339
Purchase of tangible assets		(61,717)	(70,170)
Purchase of listed investments		(5,500,000)	(10,226,849)
Proceeds from sale of listed investments		4,000,000	9,814,083
Decrease/(increase) in fixed term deposits		3,438,168	310,951
Movement in investment cash		-	415,387
Net cash (used in)/provided by investing activities		<u>1,977,470</u>	<u>371,741</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		1,662,600	(95,412)
Cash and cash equivalents at the beginning of the reporting period		507,041	602,453
Cash and cash equivalents at the end of the reporting period		<u><u>2,169,641</u></u>	<u><u>507,041</u></u>

SOKA GAKKAI INTERNATIONAL - UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

General information

Soka Gakkai International – UK is a private charitable company limited by guarantee incorporated in England (company number 05114516, charity number 1104491). The registered office and principal place of business is at Taplow Court Berry Hill, Taplow, Near Maidenhead, Berkshire SL6 0ER.

The charitable company's principal activity is the "advancement of religion" as it relates to the Buddhism of Nichiren Daishonin.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention, except as modified for the annual revaluation of fixed asset investments. Within the definitions of FRS 102, the charitable company is a public benefit entity. The financial statements have been prepared in accordance with the accounting policies set out in more detail below, to comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, and Accounting and Reporting by Charities: the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2020). Figures are presented in sterling and rounded to the nearest pound.

Going concern

The Trustees of SGI-UK have looked at the potential impact of the ongoing Covid – 19 pandemic on cash flows and have taken action to mitigate the effect. SGI-UK has free reserves of £1,577,264 as of 31/12/2020. The Trustees have decided to re-establish the Designated Taplow Court Fund and the Designated Local Centres Fund to their pre pandemic level and to keep the balance as free reserves of £877,264 at 31/12/2020.

The Trustees have looked at potential cash flow for 2021 & 2022 and having considered the success of the UK vaccination programme whilst remaining cautious of the possible effects of new Covid variants consider this level of reserves to be sufficient to allow for the continued operation of SGI-UK.

At the balance sheet date the trustees were holding £17,550,723 of unrestricted funds in a designated fund known as the Designated Fixed Assets Fund representing the resources required to finance the net book value of all functional fixed assets, and also £32,058,817 of restricted funds in an expendable endowment fund known as the Commemorative Expendable Endowment Fund.

Income

General donations and other similar types of voluntary income are brought into account when receivable and donated income is included gross of any attributable tax recoverable, where relevant. Donations given for specific purposes are treated as restricted income.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator or executor of the estate has communicated in writing both the amount and settlement date of the legacy income. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition as income in the financial statements is subject to the value of the gift being reliably measureable with a degree of reasonable accuracy and the title to the asset having been transferred to the charitable company.

Income claimed under the Coronavirus Job Retention Scheme is recognised when the associated expenditure on staff costs is incurred.

Investment income is accounted on a receivable basis once the dividend has been declared or the interest has been earned. Credit is taken in the financial statements for the proportions of all other types of income which are receivable in the financial period.

SOKA GAKKAI INTERNATIONAL - UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (Continued)

Expenditure

Expenditure is allocated to the charitable company's principal activity as directed costs where the costs can be identified as being directly related to the activity. All costs that cannot be identified as relating directly to the charitable company's principal activity are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Governance costs are the costs associated with running the charitable company as a charitable company, and include a proportion of staff costs, costs of the trustees' meetings and audit fees.

Expenditure is recognised in the period in which the rights and obligations that relate to goods received by, or services performed for, the charitable company are materially fulfilled, with the relevant liability to pay the suppliers concerned being recognised as a liability.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year and have a cost of £1,000 or more are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land. A full year of depreciation is charged in the year of purchase. The rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Freehold properties	at 2% on a straight line basis
Short leasehold properties	over the remaining life of the lease
Plant and machinery	at 15% or 20% on a reducing balances basis

Heritage assets

Heritage assets, consisting of ornaments and art collections, are included in the balance sheet at fair value. The gains or losses arising upon their annual revaluation are included in the statement of financial activities. They are not depreciated as they are considered to have indefinite lives.

Investments

The charitable company's investments are included in the balance sheet at fair value (their market value). The gains or losses arising upon their annual revaluation are included in the statement of financial activities.

Stocks

Stocks are valued at the lower of the cost and net realisable value.

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payment are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in proportion to the remaining balance outstanding.

All other leases are "Operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

SOKA GAKKAI INTERNATIONAL - UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (Continued)

Financial instruments

A financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets and liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method, less any impairments.

Cash is represented by cash in hand and deposits with financial institutions repayable without notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Pension contributions

The charitable company makes contributions into defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

Fund accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which are available for use in furtherance of the general objective of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year end are carried forward in the balance sheet.

Expendable endowment funds allow the capital of the fund to be spent if the trustees so determine, subject to any specific requirements of the fund.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

In the opinion of the trustees, there were no specific judgements and assumptions that were critical to the preparation of these financial statements. The only estimate considered to be critical is estimating the useful economic life of tangible fixed assets.

SOKA GAKKAI INTERNATIONAL - UK
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

3. DONATIONS AND LEGACIES

	Total 2020 £	Total 2019 £
General donations and other similar types of voluntary income	1,934,131	1,853,369
Amounts claimed under the Coronavirus Job Retention Scheme	51,337	-
	<u>1,985,468</u>	<u>1,853,369</u>

4. ADVANCEMENT OF RELIGION

	Total 2020 £	Total 2019 £
Income from events and courses	19,111	277,473
Publications income	176,241	170,667
Shops income	146,633	342,824
Other income	42,289	34,466
	<u>384,274</u>	<u>825,430</u>

5. INVESTMENTS

	Unrestricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Bank interest receivable on short term cash deposits	7,848	78,231	86,079	97,659
Income from investments listed on a recognised stock exchange	-	-	-	16,280
Rent receivable under operating leases	14,400	-	14,400	14,400
	<u>22,248</u>	<u>78,231</u>	<u>100,479</u>	<u>128,339</u>

Comparative figures:

	Unrestricted Funds £	Endowment Funds £	Total 2019 £
Bank interest receivable on short term cash deposits	5,644	92,015	97,659
Income from investments listed on a recognised stock exchange	-	16,280	16,280
Rent receivable under operating leases	14,400	-	14,400
	<u>20,044</u>	<u>108,295</u>	<u>128,339</u>

6. RAISING FUNDS

	Total 2020 £	Total 2019 £
Investment management costs	-	7,844

SOKA GAKKAI INTERNATIONAL - UK

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

7. COSTS OF THE ADVANCEMENT OF RELIGION	Unrestricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Costs of events & courses, regional, divisional, national and group costs:				
Direct costs	65,453	-	65,453	455,084
Staff costs	1,402,323	-	1,402,323	1,327,204
Provision of facilities	1,360,391	-	1,360,391	1,430,730
Publications costs	86,424	-	86,424	80,064
Shop costs	95,458	-	95,458	182,489
Other direct costs	27,573	-	27,573	91,487
Donations to SGI Europe	-	-	-	27,054
Costs of the Centre for Applied Buddhism (CfAB)	8,170	-	8,170	12,153
	<u>3,045,792</u>	<u>-</u>	<u>3,045,792</u>	<u>3,606,265</u>
Support costs (see note 8)	214,673	141	214,814	239,970
	<u>3,260,465</u>	<u>141</u>	<u>3,260,606</u>	<u>3,846,235</u>

Comparative figures:

COSTS OF THE ADVANCEMENT OF RELIGION	Unrestricted Funds £	Endowment Funds £	Total 2019 £
Costs of events & courses, regional, divisional, national and group costs:			
Direct costs	455,084	-	455,084
Staff costs	1,327,204	-	1,327,204
Provision of facilities	1,430,730	-	1,430,730
Publications costs	80,064	-	80,064
Shop costs	182,489	-	182,489
Other direct costs	91,487	-	91,487
Donations to SGI Europe	27,054	-	27,054
Costs of the Centre for Applied Buddhism (CfAB)	12,153	-	12,153
	<u>3,606,265</u>	<u>-</u>	<u>3,606,265</u>
Support costs (see note 8)	239,911	59	239,970
	<u>3,846,176</u>	<u>59</u>	<u>3,846,235</u>

SOKA GAKKAI INTERNATIONAL - UK

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

8. SUPPORT & GOVERNANCE COSTS	Support Costs £	Governance Costs £	Total 2020 £	Total 2019 £
Staff costs	167,132	-	167,132	192,079
Auditor's remuneration:				
Audit fees	-	15,665	15,665	15,014
Other fees	-	1,718	1,718	4,416
Legal and professional fees	20,319	-	20,319	17,086
Bank interest, bank charges and other finance costs	4,285	-	4,285	5,281
Other indirect costs	5,695	-	5,695	6,094
	<u>197,431</u>	<u>17,383</u>	<u>214,814</u>	<u>239,970</u>

Included within auditors' remuneration are amounts payable to Haysmacintyre LLP in respect of audit services of £14,100 (2019: £13,600).

Comparative figures:

SUPPORT & GOVERNANCE COSTS	Support Costs £	Governance Costs £	Total 2019 £
Staff costs	192,079	-	192,079
Auditor's remuneration:			
Audit fees	-	15,014	15,014
Other fees		4,416	4,416
Legal and professional fees	17,086	-	17,086
Bank interest, bank charges and other finance costs	5,281	-	5,281
Other indirect costs	6,094	-	6,094
	<u>220,540</u>	<u>19,430</u>	<u>239,970</u>

9. STAFF COSTS

	2020 No.	2019 No.
The average monthly number of persons employed by the charitable company (excluding non-executive trustees) during the year was as follows:		
Advancement of religion	43	41
	£	£
Staff costs for the above persons:		
Wages and salaries	1,246,917	1,243,029
Social security costs	123,581	123,581
Other pension costs	118,130	111,914
Staff training and health insurance	36,523	40,759
	1,525,151	1,519,283

Total emoluments and pension contributions were payable to the following trustees solely in relation to their roles as senior members of staff under the authority set down in the company's Memorandum and Articles of Association dated 28 April 2004:

2020

	Remuneration £	Pension Contributions £	Other Benefits £	Total £
R P Harrap – General Director	64,800	4,768	-	69,568
R A Samuels – Vice General Director	17,850	1,600	1,767	21,217
K Fujii – Vice General Director	38,880	2,861	2,946	44,687
	121,530	9,229	4,713	135,472

2019

	Remuneration £	Pension Contributions £	Other Benefits £	Total £
R P Harrap – General Director	64,488	4,745	-	69,233
R A Samuels – Vice General Director	31,038	3,200	2,242	36,480
K Fujii – Vice General Director	38,693	2,847	2,731	44,271
	134,219	10,792	4,973	149,984

No other trustee received remuneration from the charitable company during the current or previous year.

9. STAFF COSTS (continued)

Other than as disclosed above during the current and previous year, no employee received total emoluments in excess of £60,000.

However, including the amounts disclosed above, the aggregate remuneration and benefits for the key management personnel for their services to the charity amounted to £320,929 (2019: £335,504).

During the year no trustees (2019: Nil) were reimbursed for travel or other expenses incurred in their role as trustee on behalf of the charity.

The charity has taken out a trustees' indemnity insurance policy that provides professional indemnity cover amounting to £1 million in respect of any one claim for the trustees of the charitable company. The cost of this insurance policy to the charitable company for the year was £1,278 (2019: £900).

Contribution of volunteers

In addition to the trustees, the charitable company is also reliant upon the major contributions made by thousands of volunteers who contribute significant amounts of their time in the delivery of charitable activities.

The Trustees estimate that volunteers provide at least 85,000 man hours per year towards the work of the charitable company at its four centres and an incalculable amount of hours in support of its activities throughout the country, for which the trustees express their sincere thanks.

10. TANGIBLE ASSETS

	Freehold properties £	Short Leasehold properties £	Plant and machinery £	Total £
Cost:				
1 January 2020	22,822,975	5,893	2,118,490	24,947,358
Additions	12,817	-	48,360	61,177
Disposals	-	-	(37,250)	(37,250)
31 December 2020	<u>22,835,792</u>	<u>5,893</u>	<u>2,129,600</u>	<u>24,971,285</u>
Depreciation:				
1 January 2020	6,690,721	426	1,453,615	8,144,762
Charge for year	456,716	426	106,234	563,376
Disposals	-	-	(30,436)	(30,436)
31 December 2020	<u>7,147,437</u>	<u>852</u>	<u>1,529,413</u>	<u>8,677,702</u>
Net book value:				
31 December 2020	<u>15,688,355</u>	<u>5,041</u>	<u>600,187</u>	<u>16,293,583</u>
31 December 2019	<u>16,132,254</u>	<u>5,467</u>	<u>664,875</u>	<u>16,802,596</u>

SOKA GAKKAI INTERNATIONAL - UK

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE ASSETS (Continued)

The cost of the charitable company's interest in freehold land has been assessed by the trustees to be so immaterial that it has been treated as £Nil for the purposes of calculating depreciation.

Certain elements of the charitable company's property assets are let, when surplus to requirements, to tenants in order to generate rental income under operating leases.

11. HERITAGE ASSETS

Ornaments and art collection	2020 £	2019 £
1 January	1,249,650	1,218,850
Revaluation	7,490	30,800
Fair value at 31 December 2020	<u>1,257,140</u>	<u>1,249,650</u>

The ornaments and art collection were valued by Gurr Johns, independent art advisors and valuers, at 31 October 2020. All items have been held for more than 5 years.

12. INVESTMENTS

	2020 £	2019 £
Listed investment portfolio	23,524,428	18,667,499
Fixed term deposits	<u>7,620,705</u>	<u>11,058,872</u>
Total investments	<u>31,145,133</u>	<u>29,726,371</u>
Investment listed on a recognised stock exchange, held primarily to provide an investment return, at market value:		
1 January 2020	18,667,499	14,967,764
Additions at cost	5,500,000	10,226,849
Disposal proceeds	(4,000,000)	(9,814,083)
Realised (losses)/gains	(331,216)	591,248
Unrealised (losses)/gains	<u>3,688,145</u>	<u>2,695,721</u>
Cash held by investment managers	<u>23,524,428</u>	<u>18,667,499</u>
Fair value at the end of the year	<u>23,524,428</u>	<u>18,667,499</u>
Historical cost at the end of the year	<u>17,818,043</u>	<u>15,989,700</u>
At the balance sheet date, the market value of the charity's listed investment portfolio comprised:		
UK Investments	23,524,428	18,667,499
Overseas investments	<u>-</u>	<u>-</u>
	<u>23,524,428</u>	<u>18,667,499</u>

SOKA GAKKAI INTERNATIONAL - UK

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. STOCKS

	2020	2019
	£	£
Finished goods and goods for resale	222,568	271,057

14. DEBTORS

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	690	12,385
Other debtors	19,401	9,877
Prepayments and accrued income	222,139	215,665
	<u>242,230</u>	<u>237,927</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	57,143	115,153
Other taxation and social security costs	43,490	41,919
Accruals	42,858	24,800
	<u>143,491</u>	<u>181,872</u>

16. PENSION COMMITMENTS

The charitable company makes contributions into defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs (as shown in note 9) is the total contributions payable for the year. There is no amount payable at the balance sheet date to be included in creditors: amounts falling due within one year as this was paid before year end.

SOKA GAKKAI INTERNATIONAL - UK

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. FINANCIAL COMMITMENTS

2020 **2019**
£ **£**

At 31 December 2020, the charitable company was committed to make the following total future minimum payments under non-cancellable operating leases:

In respect of land and building leases:

Within one year	85,000	85,000
Between one and five years	340,000	340,000
After five years	580,833	665,833
	<u>1,005,833</u>	<u>1,090,833</u>

The current land and buildings lease was renegotiated and finalised in 2019.

In respect of plant and machinery leases:

Within one year	11,006	11,006
Between one and five years	19,665	30,671
	<u>30,671</u>	<u>41,677</u>

19. THE FUNDS OF THE CHARITY

	1 January 2020 £	Income £	Expenditure £	Gains/losses fixed assets & Investments £	Transfers Between Funds £	31 December 2020 £
Endowment funds:						
Commemorative Expendable Endowment Fund	29,143,798	78,231	(141)	3,356,929	(520,000)	32,058,817
Unrestricted income Funds:						
General Fund	716,726	2,391,990	(3,260,465)	7,490	1,021,523	877,264
Designated Taplow Court Fund	200,000	-	-	-	-	200,000
Designated local Centres Fund	500,000	-	-	-	-	500,000
Designated Fixed Assets Fund	18,052,246	-	-	-	(501,523)	17,550,723
Total unrestricted funds	<u>19,468,972</u>	<u>2,391,990</u>	<u>(3,260,465)</u>	<u>7,490</u>	<u>520,000</u>	<u>19,127,987</u>
Total funds	<u>48,612,770</u>	<u>2,470,221</u>	<u>(3,260,606)</u>	<u>3,364,419</u>	<u>-</u>	<u>51,186,804</u>

The commemorative Expendable Endowment fund was set up in 2006 upon receipt of an initial donation from Soka Gakkai international Centre in Japan to mark the 75th anniversary of the foundation of Soka Gakkai. The investment income generated, as well as the principal amount of the endowment, is available to be spent at any time by the trustees in promoting the charitable purposes of Soka Gakkai International – UK after consultation with the representatives of the donor. Funds are transferred into the General Fund once agreement has been reached to do so. At the balance sheet date, net unrealised gains of £2,836,929 (31 December 2019: Unrealised gains £2,677,799) arising upon the revaluation of investments were included within the Commemorative Expendable Endowment fund balance.

The Designated Taplow Court Fund was re-established in 2020 by way of a transfer of £200,000 funding from the General Fund which will be used for major maintenance projects at Taplow Court. As this fund will be utilised in the event of unforeseen major maintenance, there is no set time frame for its use.

The Designated local centres fund was re-established in 2020 by way of a transfer of £500,000 in funding from the General Fund which will be used to finance local centres in the future. As this fund will be utilised in the event that charity decides to purchase a new centre, there is no set time frame for its use.

The Designated Fixed Assets Fund has been set up to clearly identify the funds of the charity that are being held as tangible and heritage assets used to promote the charitable purposes of Soka Gakkai International – UK. Accordingly, transfers are made to or from the Designated Fixed Assets Fund at each balance sheet date to reflect additions and disposals of tangible assets, depreciation charged thereon and any impairment.

19. THE FUNDS OF THE CHARITY – comparative figures

	1 January 2019 £	Income £	Expenditure £	Gains/losses fixed assets & Investments £	Transfers Between Funds £	31 December 2019 £
Endowment funds:						
Commemorative Expendable Endowment Fund	26,276,437	108,295	(7,903)	3,286,969	(520,000)	29,143,798
Unrestricted income Funds:						
General Fund	839,347	2,698,843	(3,846,176)	30,800	993,912	716,726
Designated Taplow Court Fund	200,000	-	-	-	-	200,000
Designated local Centres Fund	500,000	-	-	-	-	500,000
Designated Fixed Assets Fund	18,526,158	-	-	-	(473,912)	18,052,246
	<u>20,065,505</u>	<u>2,698,843</u>	<u>(3,846,176)</u>	<u>30,800</u>	<u>520,000</u>	<u>19,468,972</u>
	<u>46,341,942</u>	<u>2,807,138</u>	<u>(3,854,079)</u>	<u>3,317,769</u>	<u>-</u>	<u>48,612,770</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Current Assets £	Current Liabilities £	TOTAL 2020 £
Endowment funds:					
Commemorative Expendable Endowment Fund	-	31,145,133	913,684	-	32,058,817
Unrestricted income funds:					
General Fund	-	-	1,020,755	(143,491)	877,264
Designated Taplow Court Fund	-	-	200,000	-	200,000
Designated Local Centres Fund	-	-	500,000	-	500,000
Designated Fixed Assets Fund	17,550,723	-	-	-	17,550,723
NET ASSETS	<u>17,550,723</u>	<u>31,145,133</u>	<u>2,634,439</u>	<u>(143,491)</u>	<u>51,186,804</u>

SOKA GAKKAI INTERNATIONAL - UK
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS – comparative figures

	Tangible Fixed Assets £	Investments £	Current Assets £	Current Liabilities £	TOTAL 2019 £
Endowment funds:					
Commemorative Expendable Endowment Fund	-	29,080,139	63,659	-	29,143,798
Unrestricted income funds:					
General Fund	-	646,232	252,366	(181,872)	716,726
Designated Taplow Court Fund	-	-	200,000	-	200,000
Designated Local Centres Fund	-	-	500,000	-	500,000
Designated Fixed Assets Fund	18,052,246	-	-	-	18,052,246
NET ASSETS	18,052,246	29,726,371	1,016,025	(181,872)	48,612,770

21. RELATED PARTY TRANSACTIONS

SGI-UK is a member of the Network of Buddhist Organisations in the United Kingdom and a corporate member of UNICEF and the Commonwealth Human Ecology Council. As a member of the Soka Gakkai International (“SGI”) community worldwide SGI-UK is implicitly related to all similar SGI entities and particular works closely with the founder SGI entity based in Tokyo, Japan.

During the year, the charitable company gave donations amounting to £nil (2019: £27,054) to SGI Europe. SGI-UK printed publications to the value of £nil (2019: £12,036) to be used by SGI in other European countries at the request of SGI Europe (SGI-EBA). £nil (2019: £12,036) was owed to SGI-UK from SGI-EBA for the publications at the year-end.

During the year trustees donated a total of £24,040 (2019: £14,675) to the charity.

22. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2020 £	2019 £
NET MOVEMENT IN FUNDS FOR THE REPORTING PERIOD	2,566,544	2,270,828
Adjustments for:		
Dividends, interest and rents from investments	(100,479)	(128,339)
(Gains)/losses on listed investments	(3,356,929)	(3,286,969)
Depreciation charges	563,376	574,870
Revaluation of ornaments and art collection	-	(30,800)
Loss on disposal of fixed assets	6,813	12
Decrease/(increase) in stocks	48,489	60,985
(Increase)/Decrease in debtors	(4,303)	140,319
Decrease in creditors	(38,381)	(68,059)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(314,870)	(467,153)