

Heart Jewel Kadampa Buddhist Centre
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2020

A J BROWN
Chartered accountant
Unit 19B
Escrick Business Park
York
YO19 6FD

Heart Jewel Kadampa Buddhist Centre

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2020

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Heart Jewel Kadampa Buddhist Centre

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name Heart Jewel Kadampa Buddhist Centre

Charity registration number 1124913

Company registration number 06485934

Principal office and registered office Glenholme
Holme Road
Matlock Bath
Matlock
DE4 3NU

The trustees

Corrine Turner

Mr D King

J Andrews

C E Sherriff

(Appointed 17 July 2020)

(Retired 17 July 2020)

Accountants

A J Brown
Chartered accountant
Unit 19B
Escrick Business Park
York
YO19 6FD

Structure, governance and management

Governing Document

The Charity is constituted as a company limited by guarantee under the Companies Act and governed by its Memorandum and Articles of Association and is also a registered charity.

Trustee Recruitment and Training

Trustees are recruited from within the Centre or from similar centres so that they have knowledge and understanding of the Charity's aims and workings. Each trustee is guided by the current trustees and other members of the organisation principally the Resident Teacher and can obtain advice from other trustees and members of other Centres following the same aims and objects as ourselves.

Related Charities

The Charity is a member of the New Kadampa Tradition- International Kadampa Buddhist Union (NKT-IKBC) which is made up of many centres throughout the world with the same objects however they are all independent charities linked by their objects and there is no financial dependency between them although funds may pass between centres to fulfil aims and objectives.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

Objectives and activities

Objects

As stated in our Memorandum and Articles of Association the objects of the Charity are to promote the Buddhist faith under the spiritual guidance of the elected General Spiritual Director of the New Kadampa Tradition-International Kadampa Buddhist Union (NKT-IKBU) principally through the activities of teaching, study, practice and the observance of moral discipline all within the Mahayana Buddhist Tradition of Atisha and Je Tsongkhapa as taught by Venerable Geshe Kelsang Gyatso the founder of the NKT-IKBU.

Aims

The Charity aims to provide tranquility and spiritual teachings to enable students to study, practice and observe the moral disciplines as set out in the objects.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

Achievements and performance

Heart Jewel is a residential Buddhist meditation centre and bookshop, set up in 2008, and located in Matlock Bath. The centre is a registered charity, a non-profit religious organisation established, organised and operated for religious purposes. It is home to three residents and the Centre's teacher.

The Centre predominantly serves the people of the Derbyshire Dales area, but also attracts people from further afield for day courses, and helps visitors to Derbyshire maintain their meditation or Buddhist practice.

The aims of the charity are to help people, both Buddhist and non Buddhist, gain greater happiness, peace of mind and clarity in their daily lives. It aims to make the teachings of meditation and Buddhism available in an accessible and practical format. The Centre specifically promotes the teachings of the Buddha through the Kadam lineage, under the guidance of Venerable Geshe Kelsang Gyatso and New Kadampa Tradition - International Kadampa Buddhism Union. It is linked by this tradition of Buddhism and our Spiritual Guide to many Kadam Buddhist Centres throughout the world, but it is financially independent from these.

Meditation Classes

Meditation classes are available for beginners and non-Buddhists, through to advanced meditations for more experienced Buddhist practitioners. Teachings are centred on the Buddhist principles of developing compassion for all beings, and developing insight into the nature of reality. Buddhist meditations and teachings train our mind to be more peaceful and less stressed.

The Heart Jewel Centre has a resident Buddhist monk who teaches classes and provides support and guidance to those attending the centre.

The General Programme

Heart Jewel Centre runs weekly drop-in meditation classes. Classes are held at the Centre and also at 'branches' throughout the surrounding area (e.g Chesterfield, Belper and Wirksworth).

The Foundation Programme

This study programme is run on Sundays and is available for people who can commit to a longer term programme of study and practice. This programme includes examinations and discussion classes to help people deepen their practical understanding.

Day courses and retreats

The Centre runs regular courses and retreats (where we focus on meditation rather than teaching) throughout the year. These are held mainly at the Centre but also at venues in 'branch' towns and other residential Kadampa Centres in the UK.

Other events and activities include free public talks, visits to local community groups and daily prayers.

Community and fundraising events

The Centre is open to visits from schools and other local community groups. We also raise funds through meal and meditation evenings and other fundraising events.

Synopsis for 2020

As for everyone, this year has been an unusual one for Heart Jewel Centre with the pandemic situation and the way the Centre had to function completely changed. We closed the doors at the

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

beginning of March and are yet to re-open them.

Our classes and events however, went on-line using zoom. To enable this we purchased video and recording equipment and a computer to stream the classes.

So although much of our income coming from in-person events and classes went to zero, the number of centre card subscribers increased - from 8 to 20, as people could attend more classes online. Our online classes included 2 weekly evening classes, 2 lunchtime classes, a monthly weekend course and our foundation programme class.

We were also eligible, thankfully, for local council grants which have enabled the Centre to continue during this unusual time.

Our AGM was held via zoom on 17 July 2020. And our constitution was changed in November 2020. Carol Sheriff stepped down as a director and was replaced by Kelsang Droljang of London KMC.

We look forward to the new term in September 2021 when we hope to be fully open again and running all our usual events and activities again.

Financial review

Reserves Policy

The trustees consider that a level of free reserves should be retained in liquid funds equivalent to cover six months overhead expenditure in order to maintain the basic operations of the charity and provide some surety against adverse financial events.

Investment Policy

The trustees consider that minimal risk should be taken regarding investments and consequently have a policy to place funds on deposit only, to earn interest.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

Mr D King
Trustee

Heart Jewel Kadampa Buddhist Centre

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Heart Jewel Kadampa Buddhist Centre

Year ended 31 December 2020

I report on the financial statements for the year ended 31 December 2020, which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

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Independent Examiner's Report to the Trustees of Heart Jewel Kadampa Buddhist Centre *(continued)*

Year ended 31 December 2020

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

A J BROWN
Chartered accountant

Unit 19B
Escrick Business Park
York
YO19 6FD

Heart Jewel Kadampa Buddhist Centre

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Statement of Financial Activities (including income and expenditure account)

31 December 2020

		2020		2019
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	5	14,272	14,272	4,888
Charitable activities	6	19,662	19,662	24,445
Other trading activities	7	25	25	488
Investment income	8	1	1	3
Total income		<u>33,960</u>	<u>33,960</u>	<u>29,824</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	9	141	141	99
Expenditure on charitable activities	10,11	22,134	22,134	25,693
Total expenditure		<u>22,275</u>	<u>22,275</u>	<u>25,792</u>
Net income and net movement in funds		<u>11,685</u>	<u>11,685</u>	<u>4,032</u>
Reconciliation of funds				
Total funds brought forward		111,447	111,447	107,415
Total funds carried forward		<u>123,132</u>	<u>123,132</u>	<u>111,447</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

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Statement of Financial Position

31 December 2020

		2020		2019
		£	£	£
Fixed assets				
Tangible fixed assets	15		171,593	171,593
Current assets				
Cash at bank and in hand		14,213		6,981
Creditors: amounts falling due within one year	16	<u>3,509</u>		<u>3,511</u>
Net current assets			<u>10,704</u>	<u>3,470</u>
Total assets less current liabilities			<u>182,297</u>	<u>175,063</u>
Creditors: amounts falling due after more than one year	17		<u>59,165</u>	<u>63,616</u>
Net assets			<u><u>123,132</u></u>	<u><u>111,447</u></u>
Funds of the charity				
Unrestricted funds			<u>123,132</u>	<u>111,447</u>
Total charity funds	19		<u><u>123,132</u></u>	<u><u>111,447</u></u>

For the year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Mr D King
Trustee

The notes on pages 9 to 15 form part of these financial statements.

Heart Jewel Kadampa Buddhist Centre

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Glenholme, Holme Road, Matlock Bath, Matlock, DE4 3NU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

Fund accounting

Restricted funds are funds that have been donated or raised for a specific purpose imposed by the donor or the way the funds have been raised. These funds must be expended in accordance with the restriction when raised. Unrestricted funds are funds donated or raised with no restriction and are to be used at the discretion of the trustees.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

All income and expenditure is accounted for gross, that is without netting off. Costs are recognised as they are incurred that is on an accruals basis and are allocated to the type of income to which they relate and are apportioned on a reasonable basis if required depending on the type of expense. The charity is not able to recover value added tax suffered on the expenditure which is incurred therefore the cost is accounted for gross (includes the VAT) and allocated accordingly.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The Charity is limited by guarantee whereby in the event of winding up the Company each member guarantees to pay a maximum of £10 towards payment of creditors.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
General Donations	4,272	4,272	4,888	4,888
Grants				
Government grant income	10,000	10,000	—	—
	<u>14,272</u>	<u>14,272</u>	<u>4,888</u>	<u>4,888</u>

Heart Jewel Kadampa Buddhist Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Charitable activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Teaching & Accommodation	19,662	19,662	24,445	24,445

7. Other trading activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Fundraising events	–	–	235	235
Shop Income	25	25	253	253
	<u>25</u>	<u>25</u>	<u>488</u>	<u>488</u>

8. Investment income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Bank interest receivable	1	1	3	3

9. Costs of other trading activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Shop costs - purchases	141	141	99	99

10. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Teaching & Accommodation	17,107	17,107	20,017	20,017
Support costs	5,027	5,027	5,676	5,676
	<u>22,134</u>	<u>22,134</u>	<u>25,693</u>	<u>25,693</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
Teaching & Accommodation	17,107	4,153	21,260	24,819
Governance costs	–	874	874	874
	<u>17,107</u>	<u>5,027</u>	<u>22,134</u>	<u>25,693</u>

Heart Jewel Kadampa Buddhist Centre

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

12. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>875</u>	<u>875</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	<u>7,920</u>	<u>7,920</u>

The average head count of employees during the year was 1 (2019: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of employees	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

14. Trustee remuneration and expenses

The trustees did not receive any remuneration during the current or previous year.

15. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 January 2020 and 31 December 2020	<u>169,950</u>	<u>4,060</u>	<u>174,010</u>
Depreciation			
At 1 January 2020 and 31 December 2020	<u>–</u>	<u>2,417</u>	<u>2,417</u>
Carrying amount			
At 31 December 2020	<u>169,950</u>	<u>1,643</u>	<u>171,593</u>
At 31 December 2019	<u>169,950</u>	<u>1,643</u>	<u>171,593</u>

16. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	<u>2,860</u>	<u>2,860</u>
Accommodation Deposits	<u>649</u>	<u>651</u>
	<u>3,509</u>	<u>3,511</u>

Heart Jewel Kadampa Buddhist Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

17. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	55,165	58,116
Other creditors	4,000	5,500
	<u>59,165</u>	<u>63,616</u>

18. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>10,000</u>	<u>—</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
General Fund	<u>111,447</u>	<u>33,960</u>	<u>(22,275)</u>	<u>123,132</u>

General Fund

The General Fund are funds which are unrestricted and are to be applied at the discretion of the trustees.

20. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	2020 £
Tangible fixed assets	171,593	171,593
Current assets	10,704	10,704
Creditors greater than 1 year	(59,165)	(59,165)
Net assets	<u>123,132</u>	<u>123,132</u>