

# **Report of the Trustees of Western Chan Fellowship CIO for the Year Ended 31 December 2021**

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## **INTRODUCTION**

Western Chan Fellowship CIO ("the CIO") is the successor charity to Western Chan Fellowship (WCF – no. 1068637) which was dissolved in March 2018 following the transfer of its assets to the CIO on 30<sup>th</sup> June 2017.

WCF arose out of over 20 years of retreats run by John Crook at Maenllwyd, his farmhouse in Mid-Wales. It was formed, at his prompting, in 1997 and registered as a charity in 1998 with John Crook as its first formal Teacher. Thereafter WCF took over the running of such retreats and in its latter years also widened its remit by running them at other venues throughout the UK.

Just before his sudden death in 2011, John Crook handed over control of Maenllwyd to his children who at the same time entered into a formal agreement with WCF to regulate the shared use of Maenllwyd by both the Crook family and WCF.

At that time WCF had started an updating of its constitution. It became clear that part of this process could usefully include incorporation of WCF using the relatively new vehicle of a Charitable Incorporated Organisation with voting members other than its trustees.

After much preparation and hard work, the CIO was formed and registered with the Charity Commission (no. 1166162) in 2016 and, after due preparation and process, took over the running of the WCF's business on 30<sup>th</sup> June 2017. There was a seamless transfer of assets at that time so that there was no break experienced by its retreatants or members who, in late 2017, were offered, and almost all accepted, a free transfer of membership from WCF to the CIO. 2021 is the fourth full year of trading for the CIO.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

Western Chan Fellowship CIO is a Charitable Incorporated Organisation and was registered as such with the Charity Commission on 22<sup>nd</sup> March 2016. The CIO was established under a constitution based largely on the Standard Constitution for a "Charitable Incorporated Organisation with voting members other than its trustees" drafted by the Charity Commission which establishes the objects, powers and governance of the CIO. Some of the amendments and additions made relate to the Appointment, Removal and Responsibilities of a Guiding Teacher.

### **Recruitment and appointment of new trustees**

All trustees give their time as trustees voluntarily, and, save as noted in the accounts, receive no benefits from the charity. Expenses are reclaimed by some, and this is also noted in the accounts.

Because it is important for trustees of the CIO to have an understanding of and sympathy with the work of the charity, all trustees are required, by its constitution, to be members of the CIO. Potential trustees therefore also have to be members of the CIO which in turn requires them to have attended at least three retreats run by the CIO and, once a member, continue attending such retreats and practising Buddhism. Often trustees will, before taking on the role,

have attended many more than three retreats with the CIO and its predecessor charity, WCF. Attendance on retreats over a number of years is an effective introduction to the work of the charity.

All new trustees are given previous Trustee Meeting minutes and encouraged to seek early clarification from existing trustees of any issues they are not sure about. As the trustees run a consensus approach to decision making, new trustees can be gradually introduced to the matters addressed and dealt with by the trustees.

### **Organisational structure and decision making**

Under its constitution the CIO can have up to 10 trustees. At the beginning of 2021 there were 8 trustees which number was increased to 9 when Catherine Burns was co-opted as a trustee on 5<sup>th</sup> June 2021. During the year one trustee resigned, leaving a total of 8 at the end of 2021. The trustees met six times in 2021 to manage the charity. Due to the ongoing restrictions imposed by the COVID-19 pandemic these meetings all occurred remotely using Microsoft Teams, which is also used for committee communications.

In addition to the charity's Commercial Employers and Public Liability Insurance, there was, as in previous years, a qualifying Third-Party Indemnity Policy in place for the trustees throughout the year.

A Practice Committee, consisting of the retreat leaders who regularly lead retreats for the charity and have a particular experience in supporting the charity's objectives, are consulted on matters of practice, and organise and lead the retreat programme of the charity. These teachers are unpaid but may receive donations from people who attend the charity's retreats.

Day to day responsibility for operations is carried out by the officers who are elected from amongst the trustees or, in the case of the Guiding Teacher, serves as an ex-officio trustee. This work is also carried out voluntarily.

### **Wider network**

The charity has links with a wide network of Buddhist and meditation organisations throughout the UK. Via its website, the charity also facilitates networking between its meditation groups throughout the UK.

It is a member of both the Network of Buddhist Organisations (NBO) and the European Buddhist Union. It takes an active part on both these organisations.

The charity operates within the wider Chan tradition and maintains links with other similar organisations in Europe, the USA and Taiwan.

### **Related parties**

Any related party interests are declared by trustees. In 2021 a specific related interest continued from 2019. It was declared in 2019 and is ongoing.

In 2018 Simon Child, a CIO trustee and the charity's Guiding Teacher, and his wife bought entirely from their own resources Shawbottom Farm, Upper Hulme, Leek, Staffs ST13 8UQ ("SBF") with the intention of converting part of it into a retreat centre. He declared this related interest to his fellow trustees in early course.

In July 2019 planning permission was obtained for such a change of use and the conversion works involved.

Since July 2019 the trustees have held meetings, without Simon Child being present, and agreed to enter into negotiations to hire SBF from him as the main retreat centre of the CIO. After costing the potential level of nightly charge, a range of potential charges was mooted. Then a professional valuation relating to those charges has been obtained and a provisional daily hire charge and other terms of hire, based on the Standard Terms of Hire which are intended to be used for the hire of SBF to other parties than the CIO, been agreed in principle.

A form of draft agreement has also been agreed. Following Covid-related and other delays the building works are now almost complete and the agreement will be finalised soon.

Save for cooking for the charity and matters in relation to SBF set out above, none of our trustees receive remuneration or other benefits from their work with the charity other than the reimbursement of expenses. There was no connection between any trustee with any supplier of goods or services to the charity.

Work has continued in 2021 to ensure that all Trustees are aware of the Charity Commission guidance and definition of related party interests and the need to declare any interest either at the start of a meeting or when an item becomes relevant to make a declaration. Depending on the item appropriate action is then taken regarding that item and the trustee's involvement in connection therewith.

### **Change of the CIO's primary retreat venue**

As a result of the negotiations on SBF and the start of the conversion works, the trustees, again in the absence of Simon Child, also made the decision not to renew the hire agreement for Maenllwyd which expired on 30<sup>th</sup> September 2020. The possessions of the CIO at Maenllwyd, details of which had been agreed with the Owners of Maenllwyd, were transferred from Maenllwyd to SBF on 19/20 September 2020. This change became final on 30<sup>th</sup> September 2020.

Due to delays caused by COVID-19 and the lockdowns arising from it, together with difficulties arising from the builders contracted to undertake the work at SBF, the opening of SBF for retreats has not yet taken place.

A training event for WCF leaders "Pointing Out The Great Way" was the first event at SBF held in October 2021, at which an opening ceremony took place.

### **Risk management**

There are policies in place to guide leaders in the avoidance and management of risk so that retreatants and other users of the charity are protected.

When the charity starts running events at SBF, a new set of appropriate guidelines will be drawn up.

### **Objectives and aims**

Our purposes are set out in the objects within our Constitution, and are:

1. to advance the education of the public in general on the subject of the principles and practice of Buddhism; and
2. to advance the religion of Buddhism principally but not exclusively in the United Kingdom for the benefit of the public;

in each case by providing training in the Linji and Caodong traditions of Chan Buddhism, as transmitted through Master Sheng Yen, and distributing materials about Buddhism in written and other media to inform others about Buddhism, and, as a supplement to such advancement, to explore the relationship between Chan practice, Chan theory and other meditative practices and understanding.

In pursuit of these purposes, we aim to provide a year-round programme of residential meditation retreats of varying length led by our teachers who are all based firmly in the Chan Tradition. The meditation and instruction are drawn from the Chan Buddhist tradition. We are not sectarian, but primarily draw upon teachings that are compatible with the Chan tradition and its focus on meditation as a beneficial transformative process, with our retreats concentrating on silent meditation rather than a ritual-based or liturgical content.

To maintain an inspiring and reflective environment for our retreats, we also aim to support the guestmasters who care for those who attend our retreats and support retreatants' day-to-day needs during retreats; wherever a retreat is held, we aim to maintain silence within the

retreat centre environs. We aim to make retreats and off-site activities accessible to all and to provide financial assistance with the cost of retreats for people on low incomes.

### **Ensuring our work delivers its aims**

As a general principle, each year we review the successes and otherwise of the previous year's programme as we embark upon compiling the next year's programme. After each retreat we ask retreatants to submit retreat reports, and we note comments on our administration, facilities, the quality of teaching, and the types of retreat on offer. Our retreat leaders are central to the success of our enterprise, so they have regular peer supervision sessions. The Practice Committee members provide advice and feedback on the quality of the programme and the quality of the environment offered by the centres we use. Trustees, teachers and staff work closely together to ensure that our activities are closely aligned with our objects and that we comply with the Charity Commission's guidance on public benefit.

In 2021 we were only able to run one in person retreat, which took place at Maenllwyd, using the updated risk management guidelines provided by the owners. WCF drew up Covid risk management guidelines for the retreat which complied with government guidelines at the time.

4 online retreats were held, which adhered to the general principles of asking for feedback which was generously and appreciatingly given.

### **The focus of our work**

During 2021 our work has been severely curtailed by the radical effect of COVID-19 and consequent Government guidelines and regulations affecting both residential events and religious gatherings.

Four online and one in-person retreats were held during 2021. This was a dramatic reduction to the usual retreat programme which is offered. WCF continued to make activities available to the public, despite the restrictions imposed by COVID-19, in the following ways:

- We support new teachers by inviting them to work alongside experienced teachers on longer retreats. This ensures that there are sufficient teachers available to lead retreats and provide us with support in the longer term. Two of our online retreats run in 2021 were led jointly by two new retreat leaders under the guidance of two of our established retreat leaders.
- We support 17 local groups throughout Great Britain each of which has a leader approved by the Trustees. These groups take Chan out into their local community. Many of these groups seamlessly went online when lockdown started. Others either stopped temporarily or joined together with those continuing online.
- We use a variety of media to communicate with those who visit us in order to ensure that their needs are met and that during their stay with us they have a sense of being well looked-after. Our website is regularly updated and contains clear information about our prices and the discounted rates that we offer in order to support those on lower incomes to attend our retreats. We use Facebook and Twitter alongside our website to ensure that information about our activities is kept up to date during the year. We also publish at least two Newsletters a year – these continued during 2021. Normally, our Programme is published on our website in the autumn of the preceding year as well as being circulated as a paper or electronic leaflet to our mailing list to those who have opted into such mailings and, on request, to other meditation centres and meditation sitting groups in the UK. At the end of 2021, due to COVID-19 this practice had to be left in abeyance
- As is common in the Buddhist tradition our teachers offer their services free of charge. Retreatants are invited to make donations, known in the Buddhist tradition as 'dana', to help the teachers with their living costs and enable them to continue giving their time to teaching. This helps us keep our prices low whilst still being able to offer retreats led by experienced teachers.



## **OBJECTIVES AND ACTIVITIES**

### **Significant activities**

During 2021 the Charity's activities focused on several main areas:

- **Innovations within and outside our retreat programme**

Over the last few years, we have reached out to the public with innovative retreats firmly based in the Chan tradition but linked to an activity. This is with the intent to broaden our practice to embrace everyday life. In 2017 we put on three new styles of retreats. Two were co-run by one of our retreat leaders together with a member, one a professional stone carver (held in Dorset) and one a keen triathlete (held in North Yorkshire). The other was a short 4 night Taste of Chan away from Maenllwyd in the Peak District, run over Spring half-term; this was set up to enable newcomers to Chan to sample each of our three main types of retreat in one retreat. All three were well supported in 2017 and offered again in 2018 and two (4 night Taste of Chan and the Stone-Carving) also were offered in 2019.

Building on this in 2018 we also offered a calligraphy retreat (held in West Cornwall), again co-run by one of our retreat leaders together with a member who teaches calligraphy. This was also fully subscribed and was repeated with success in 2019. The feedback from these retreats is that the combination of mindful activity, led with sensitivity, and meditation practice can produce a powerful experience and practice for the participants.

None of these retreats have been able to continue in 2021 because of COVID-19, which led to the development of online retreats and events.

The charity ran two successful experimental online retreats towards the end of 2020 both structured to enable those taking part to continue to work on weekdays but partake in early morning and evening session together with full days of online meditation, talks and discussions either end of the working week. These online retreats continued the charity's offering of at least two personal interviews during the retreat which all participants find to be a supportive and unique part of our offerings.

Online retreats continued to be offered in 2021 with a total of 4 retreats occurring. The retreats continued with the structure developed in 2020 and feedback indicated they were highly appreciated. One of the online retreats had the theme of the environment, which was a new innovation.

One in-person retreat was able to be held in the autumn of 2021. This conformed to the traditional format of Silent Illumination retreats and was held at the old retreat centre of Maenllwyd. Covid regulations complying with government guidance to limit likelihood of virus transmission were followed and no problems occurred.

During the 2021 the WCF ran 2 listening circles on racism for leaders of the WCF. This initiative occurred in response to the death of George Floyd, together with the Black Lives Matter movement, which highlights racial inequalities in many areas of society.

The aim of the Listening Circle was to increase awareness and self-knowledge, within a safe, comfortable, non-judgemental and welcoming environment; so that Leaders learn more and become increasingly skilful at creating environments that are accessible to people from different races and cultures. It was an opportunity to draw on their individual experience of race/racism and to explore new perspectives that will strengthen bonds with others. It is hoped this area will be explored again in person at future events.

The charity has decided, consistent with core Buddhist principles and its duties to act responsibly, to address the environmental impact of its activities by purchasing Gold Standard carbon offsets to reflect the carbon impact of its retreats and other activities. As a start, in 2020 the sum of £100 was paid in respect of the charity's 2019 retreats. It is intended to develop this in future years. Consultation with the Head of Faith Charities Engagement at the Charity Commission confirmed that this is regarded as an appropriate application of

charitable funds.

- **General Data Protection Regulation (GDPR)**

Because we have no physical centre or office, our web site is our primary interface with the public, both for information on our activities and for those wanting to attend our retreats. Behind this is a comprehensive database including all those who have been in contact with the charity, or its predecessor WCF, since 1998. While the charity has always been aware of Data Protection and complied with its requirements, GDPR put data protection on a new footing which placed much more onus on Data Controllers, which the charity is.

After successfully implementing GDPR procedures in 2017, these have continued to be adhered to in 2021.

- **Safeguarding**

The charity, and its predecessor WCF, have always taken the safeguarding of retreatants and others who come into contact with the charity seriously and have had policies in this regard in place for many years.

However, the recent emphasis by the Charity Commission on this area of concern has been noted. In 2018 the charity appointed, from amongst the trustees, a dedicated Safeguarding Officer. This has resulted in new policies being either adopted or drafted for adoption in relation to both Vulnerable Adults and Children. This suite of policies was put in place in 2019.

Further it was decided in 2019 that all local Group Leaders should have a basic DBS certificate. The cost would be borne by the CIO. Through the efforts of the Safeguarding Officer, by the end of 2019 all Group Leaders had a current DBS certificate. This is reviewed annually.

- **Developing and updating our suite of policies**

In addition to new GDPR-related and Safeguarding policies, the trustees embarked on a complete review of all policies. These have been updated and revised where necessary. They were all agreed in 2019 and are now being reviewed. Many are available on our website.

- **Maintaining financial stability and resourcing our future plans.**

Our policy is to keep costs as low as possible. The pricing policy is to ensure that our prices are competitive and also provide lower-cost options to people whose finances are restricted. Our price structure is based on a standard price per night.

Discounts are offered on all retreats and also target particular groups such as under-35s who may not be at a stage of life to afford fully priced retreats. In 2018, the booking process was adjusted to facilitate this and this continues with success. As part of its diversity policy the charity wishes to continue to make retreats appropriately priced to encourage access to the programme for all people.

The charity continues to operate its Support Fund. The fund, supported by donations, provides financial help with retreat costs for people on low incomes.

## **Publications**

The Charity publishes a regular journal, New Chan Forum, twice a year and has continued to do this in 2021. This is edited voluntarily by a member and is distributed without charge to members, our groups throughout the UK and various allied Buddhist organisations in the UK and elsewhere. It also available on subscription to non-members and is available for free download from the public pages of our website.

The charity also has published, and keeps in print, two introductory booklets on Buddhism for Westerners and Meditation written by its former and present Guiding Teachers respectively.

These are distributed free of charge through its retreats and groups as a resource for them and the public. Encouragingly, both were reprinted in 2019 with a print run of 1,000 each.

### **WCF CIO Groups**

The charity supports 17 local groups throughout Great Britain. To ensure that the charity continues to abide by its objects and stay true to the Chan lineage, each is led by an approved leader.

When COVID-19 and its restrictions on religious meeting (which our group meetings clearly were) struck, many of our groups, after consulting their local members, went online via Zoom or Google Meet and continue to do so while the restrictions last. Others, after such consultation, decided to suspend meetings until in person meeting is again allowed.

One unsought result of the COVID-19 lockdown is the ability of members to join local groups remotely that are away for their area. For some this has been a considerable benefit of lockdown and the charity will be investigating how to accommodate this development in future.

Each group Leader has a personal mentor drawn from our retreat leaders. To develop and support this aspect of the charity, a Leaders' Retreat is run annually which combines training with support and Sangha (community) development. In order to ensure future leaders both for groups and the charity, potential group leaders are also invited to such retreats to start the process of understanding the possibilities within the charity for both their personal development and the roles on offer for committed volunteers. This was last run online via Zoom in 2020 and did not occur in 2021.

In addition, some Groups organise Day Retreats for their members and the wider community. These are advertised in our Newsletters and on the charity's web site. In 2021, some were held online, with opportunities to meet in person being taken when possible.

In addition, the Pointing Out the Great Way residential training programme continued in 2021 for a second set of Group Leaders and potential group leaders. This was modelled on the very successful first running of this course in 2015-2016.

Local Groups are an integral part of the charity's offering for the public benefit as a result of which their local assets are reflected in the charity's accounts.

### **How our activities deliver public benefit**

The main activities in support of our charitable objectives are described in earlier sections of this report.

Information about the number of people who have attended our programme and the financial support with costs that they have received is detailed in the section on "Achievement and Performance" below.

### **Volunteers**

The Charity has stayed close to its grassroots and is supported throughout the year by the dedicated work of a community of volunteers without whose help and dedication the charity would cease to function.

These include (in no particular order) retreat leaders, guest masters, editor of New Chan Forum, group leaders and organisers of weekend retreats throughout Great Britain, transcribers of retreat talks which are then published in New Chan Forum, cooks' co-ordinator so that there are trained cooks at each retreat wherever it is held, admin staff who run and maintain the website and booking system and the lifts co-ordinator on whom retreatants rely to enable them to access our retreats.

The trustees are very appreciative and grateful for all their unstinting contributions to the work of the charity.

## **STRATEGIC REPORT**

### **ACHIEVEMENT AND PERFORMANCE**

#### **Charitable activities**

Key facts:

The charity held one residential group retreat of a length of 7 nights and four online retreats which ran over 6 to 9 days.

The charity's Support Fund has given help towards the cost retreats of £655 to 9 retreatants.

The charity had 78 full members and 23 associate members at 31/12/21 (77 full members and 23 associate members at 31/12/20).

#### **Fundraising activities**

We continue to invite donations to the Support Fund (which provides financial help with retreat costs for people on low incomes) through the opportunity to pay a "supporting" fee for a place on a retreat.

Ad hoc donations can be made to any of our funds via our website, through CAFonline and Paypal and also at the end of retreats. Information is also available on our website about payroll giving and leaving a legacy.

Donors are able to download a Gift Aid declaration from our website and the charity continues to claim Gift Aid annually.

### **FINANCIAL REVIEW**

#### **Reserves policy**

The charity's unallocated reserve enables the charity to continue to operate in the event of a major decline in income as a result of unforeseen circumstances or emergencies. The remaining unallocated balance is transferred to the Designated Equipment and Property Assets Reserve to facilitate the long-term plan of buying and equipping a retreat centre.

#### **Financial Position**

The accounts show a deficit at the end of 2021 as a result of the COVID-19 pandemic and its effect on the retreat programme, as well as increased insurance expenses. The charity has more than sufficient funds to continue operating whilst looking ahead to the development of the strategic direction of the charity.

The charity made a deficit of £1,128 in 2021 compared with a surplus for 2020 of £7,032.

The accounts show a -£1,128 deficit for 2021, but £1,250 of donations and associated Gift Aid was directed to the Restricted Property Fund leaving a total deficit of -£2,378 on unrestricted funds.

The overall deficit results from the continuation of the COVID-19 pandemic and the effect on our retreat programme, an increase in our insurance costs, and a decrease in fortuitous donations and the lack of a sale of a Charity asset compared to 2020.

We continue our efforts to keep our cost base as low as possible and because of our very low income in 2021 we are able to take advantage of the Charity Commission rules that state that an independent examination is not required for Charitable Incorporated Organisations if income is less than £25,000 in a year. Further costs have been saved as we are producing and filing our own accounts for 2021.

#### **Bank accounts**

The charity continues to operate an ethical banking policy, by banking with the Co-operative Bank, Charities Aid Foundation Bank, Triodos Bank and Charity Bank. Each account has a

balance below the level set by the government guaranteed Financial Services Compensation Scheme. At 31<sup>st</sup> December 2021 the charity had £231,190 (£231,932 at 31/12/20) distributed between these independent banks.

WESTERN CHAN FELLOWSHIP CIO

Statement of Financial Position

31 December 2021

		2021			2020
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	4	2,695	1,000	3,695	9,446
Charitable activities	5	12,887	0	12,887	52,750
Investment income	6	234	0	234	545
Other income	7	855	250	1,105	2,298
<b>Total income</b>		<b>16,671</b>	<b>1,250</b>	<b>17,921</b>	<b>65,039</b>
<b>Expenditure</b>					
Expenditure on charitable activities	8	19,049	0	19,049	63,208
Other expenditure	10	0	0	0	-5,200
<b>Total expenditure</b>		<b>19,049</b>	<b>0</b>	<b>19,049</b>	<b>58,008</b>
Transfers between funds		-4,162	4,162	0	0
<b>Net income and net movement in funds</b>		<b>-6,540</b>	<b>5,412</b>	<b>-1,128</b>	<b>7,031</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		239,442	16,000	255,442	248,411
<b>Total funds carried forward</b>		<b>232,902</b>	<b>21,412</b>	<b>254,314</b>	<b>255,442</b>

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 3 to 12 form part of these financial statements.

WESTERN CHAN FELLOWSHIP CIO

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	15	7,809	8,956
<b>Current assets</b>			
Debtors	16	6,940	6,849
Cash at bank and in hand		240,795	242,335
		247,735	249,184
<b>Creditors: amounts falling due within one year</b>	17	1,230	2,698
<b>Net Current Assets</b>		246,505	246,486
<b>Total assets less current liabilities</b>		254,314	255,442
<b>Funds of the Charity</b>	18		
Restricted Funds		21,412	16,000
Unrestricted Funds		232,902	239,442
<b>Total funds carried forward</b>		254,314	255,442

These financial statements were approved by the board of trustees and authorised for issue on 25th June 2022, and are signed on behalf of the board by:

*Clare Doherty*

Trustee

25/6/2022

The notes on pages 3 to 12 form part of these financial statements.

## WESTERN CHAN FELLOWSHIP CIO

### Notes to the Financial Statements

Year ended 31 December 2021

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#### 1. General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 2 Richmond Terrace, Brunswood Road Matlock Bath, Matlock, Derbyshire DE4 3PA.

#### 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. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### 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 measured at fair value through income or expenditure.

##### Going Concern

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

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, such as their product life cycles and maintenance programmes. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.



## WESTERN CHAN FELLOWSHIP CIO

### Notes to the Financial Statements (*continued*)

Year ended 31 December 2021

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#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of

#### **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.
- Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.
- 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**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

## WESTERN CHAN FELLOWSHIP CIO

### Notes to the Financial Statements (*continued*)

Year ended 31 December 2021

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#### 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.

#### 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:

Fixtures and fittings	Books	- 10% straight line
Books		- 10% straight line

#### 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.

# WESTERN CHAN FELLOWSHIP CIO

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 4. Donations and legacies

<b>Donations</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2021</b>
	£	£	£
Donations - Fellowship	1,070	0	1,070
Donations – Support Fund	975	0	975
Donations – Property Fund	0	1,000	1,000
Donations - POTGW	650	0	650
	<b>2,695</b>	<b>1,000</b>	<b>3,695</b>
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds 2020</i>
	£	£	£
<i>Donations - Fellowship</i>	<i>459</i>	<i>0</i>	<i>459</i>
<i>Donations – Support Fund</i>	<i>1,882</i>	<i>0</i>	<i>1,882</i>
<i>Donations – Property Fund</i>	<i>0</i>	<i>5,000</i>	<i>5,000</i>
<i>Donations - POTGW</i>	<i>2,105</i>	<i>0</i>	<i>2,105</i>
	<b>4,446</b>	<b>5,000</b>	<b>9,446</b>

### 5. Charitable Activities

	<b>Unrestricted Funds</b>	<b>Total Funds 2021</b>	<i>Unrestricted Funds</i>	<i>Total Funds 2020</i>
	£	£	£	£
Sale of Books & CDs	0	0	41	41
Income from Retreat Fees	7,920	7,920	43,737	43,737
Supported Places given	655	655	900	900
Fellowship Subscriptions	3,353	3,353	3,243	3,243
Branch Income	959	959	4,829	4,829
	<b>12,887</b>	<b>12,887</b>	<b>52,750</b>	<b>52,750</b>

### 6. Investment income

	<b>Unrestricted Funds</b>	<b>Total Funds 2021</b>	<i>Unrestricted Funds</i>	<i>Total Funds 2020</i>
	£	£	£	£
Bank Interest Received	234	234	545	545

### 7. Other income

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2021</b>	<i>Total Funds 2020</i>
	£	£	£	£
Gift Aid	749	250	999	2,168
Other Misc Income	106	0	106	130
	<b>855</b>	<b>250</b>	<b>1,105</b>	<b>2,298</b>

# WESTERN CHAN FELLOWSHIP CIO

## Notes to the Financial Statements (*continued*)

Year ended 31 December 2021

### 8. Expenditure on Charitable activities by fund type

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Retreat costs	7,704	7,704	45,063	45,063
Branch expenses	1,758	1,758	6,104	6,104
Support costs	9,587	9,587	12,041	12,041
	19,049	19,049	63,208	63,208

### 9. Analysis of Support Costs

	Analysis of support costs	Total 2021	Total 2020
	£	£	£
Communications and IT	173	173	195
Finance Costs	340	340	627
Insurance	3,884	3,884	3,521
Depreciation	1,147	1,147	1,147
Accountancy & Independent Examiners Fee	0	0	2,340
Advertising, postage and stationery	3,487	3,487	3,338
Legal and professional fees	0	0	60
Subscriptions	403	403	416
Travel	0	0	305
Meetings	153	153	92
	9,587	9,587	12,041

### 10. Other expenditure

	Unrestricted Funds	Restricted Funds	Total Funds 2021
Gain (-)/loss on disposal of tangible fixed assets held for charity's own use	0	0	0

  

	Unrestricted Funds	Restricted Funds	Total Funds 2020
Gain (-)/loss on disposal of tangible fixed assets held for charity's own use	-£200	-£5,000	-£5,200

### 11. Net Income

Net Income is stated after charging/ (-) crediting	2021	2020
	£	£
Depreciation of tangible fixed assets	1,147	1,147
(-)Gain/loss on disposal of tangible fixed assets	0	-5,200

# WESTERN CHAN FELLOWSHIP CIO

## Notes to the Financial Statements (*continued*)

Year ended 31 December 2021

### 12. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	0	990
Other financial services	0	990
	<u>0</u>	<u>1,980</u>

The charity's income in 2021 was below the threshold requiring independent examination.

### 13. Staff costs

The charity does not employ any members of staff.

### 14. Trustee remuneration and expenses

Trustees can be remunerated for services provided and retreat expenses incurred, as permitted under the Constitution of the Western Chan Fellowship CIO (see Clauses K1, K2, K3).

Out-of-pocket expenses incurred by other trustees during the year 2021 with reference to postage, equipment; stationery, and miscellaneous expenses were £36.50 (2020 Nil). 1 trustee (2020:0) claimed expenses in the year

### 15. Tangible fixed assets

	Fixtures and fittings	Books	Total
	£	£	£
Cost			
At 1 January 2021 and 31 December 2021	<u>6,803</u>	<u>11,470</u>	<u>18,273</u>
Depreciation			
At 1 January 2021	6,803	2,514	9,317
Charge for the year	0	1,147	1,147
At 31 December 2021	<u>6,803</u>	<u>3,661</u>	<u>10,464</u>
Carrying amount			
At 31 December 2021	<u>0</u>	<u>7,809</u>	<u>7,809</u>
At 31 December 2020	<u>0</u>	<u>8,956</u>	<u>8,956</u>

Assets are measured at cost less accumulated depreciation. Items over £1,000 are capitalised.

### 16. Debtors

	2021	2020
	£	£
Prepayments and accrued income	4,287	2,559
Other debtors	2,653	4,290
	<u>6,940</u>	<u>6,849</u>



WESTERN CHAN FELLOWSHIP CIO

Notes to the Financial Statements (*continued*)

Year ended 31 December 2021

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

	2021	2020
	£	£
Accruals and deferred income	1,230	2,698
Other creditors	0	0
	<b>1,230</b>	<b>2,698</b>

**18. Analysis of charitable funds**

**Unrestricted Funds**

	2020	Income	Expenditure	Transfers	2021
	£	£	£	£	£
Support Fund	8,982	975	-655	0	9,302
Training Fund	2,504	650	-1,709	0	1,445
Publications Fund	11,019	0	0	0	11,019
Equipment and Property Assets	131,937	0	0	-5,801	126,136
General Funds	85,000	15,046	-16,685	1,639	85,000
	<b>239,442</b>	<b>16,671</b>	<b>-19,049</b>	<b>-4,162</b>	<b>232,902</b>

	2019	Income	Expenditure	Transfers	2020
	£	£	£	£	£
Support Fund	8,000	1,882	-900	0	8,982
Training Fund	3,479	0	-975	0	2,504
Publications Fund	11,019	0	0	0	11,019
Equipment and Property Assets	6,234	0	0	125,703	131,937
General Funds	160,008	58,157	-61,133	-72,032	85,000
	<b>188,740</b>	<b>60,039</b>	<b>-63,208</b>	<b>53,671</b>	<b>239,442</b>

**Restricted Funds**

	2020	Income	Expenditure	Transfers	2021
	£	£	£	£	£
Equipment & Property Fund	16,000	1,250	0	4,162	21,412

	2019	Income	Expenditure	Transfers	2020
	£	£	£	£	£
Equipment & Property Fund	59,671	10,000	-	-53,671	16,000

Funds have been transferred from the Designated Equipment, Property and Assets Fund to the Restricted in the year. On review of the funds, the trustees recognised that Gift aid and donations previously accounted for in the Designated fund should have been restricted.

# WESTERN CHAN FELLOWSHIP CIO

## Notes to the Financial Statements (*continued*)

Year ended 31 December 2021

### 19. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Tangible fixed assets	7,809	0	7,809
Current Assets	226,323	21,412	247,735
Creditors less than 1 year	-1,230	0	-1,230
Net assets	232,902	21,412	254,314

  

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Tangible fixed assets	8,956	-	8,956
Current Assets	233,184	16,000	249,184
Creditors less than 1 year	-2,698	-	-2,698
Net assets	239,442	16,000	255,442

### 20. Post balance sheet events

At the end of the financial year, the country was possibly the final stages of the response to the COVID-19 global pandemic. There still remains uncertainty around the impact of this, and further restrictions on activity may still be required.

Whilst previous events and the lockdowns which have not subsequently triggered any adjustments to the financial statements either based upon the position at the year-end or due to events that have transpired since, it is not possible to exclude significant impacts on the international and UK economy, which could impact the future performance of the charity.

Western Chan Fellowship CIO have and will continue to evaluate the management actions to mitigate the impact on the charity. The charity has adopted initiatives to safeguard the health of its people and actions aimed at maintaining the charity's activities.

### 21. Related parties

There were no related party transactions made to trustees in the year nor in the previous year.

# WESTERN CHAN FELLOWSHIP CIO

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 22. Retreat income and expenses

	2021	2020
Number of retreats run during the year	5	4
Number of days retreat provided	33	26
Number of people paying to attend the retreats	58	50
	£	£
Income from Retreat Fees paid	7,920	43,737
Support Places given	655	900
	<u>8,575</u>	<u>44,637</u>
Rent paid for use of Maenllwyd	1,540	4,187
Hire fees paid to centres in England	200	3,080
Fees paid to cooks	1,386	1,622
Retreat expenses: food and supplies	2,103	1,972
Booking refunds	1,820	33,302
Support to retreatants	655	900
	<u>7,704</u>	<u>45,063</u>
Total surplus/(-) deficit on retreat programme	<u>871</u>	<u>-426</u>
Allocated to:		
Funds transferred to the General Reserves	871	0
Funds transferred to the Support Fund	0	-426
	<u>871</u>	<u>-426</u>

### 23. Use of Donations

Support Fund —This is a designated fund. The donations are given to help unemployed or low waged people attend retreats. Donations have been used as follows;

	2021	2020
	£	£
Balance brought forward	8,982	8,000
Donations to the Support Fund	975	1,882
Supported place given	-655	-900
Transfers to/from General Reserves	0	0
	<u>9,302</u>	<u>8,982</u>

Publication Fund —This is a designated fund. Donations have been used as follows;

	2021	2020
	£	£
Balance brought forward	11,019	11,019
Donations to the Support Fund	0	0
Supported place given	0	0
Transfers to/from General Reserves	0	0
	<u>11,019</u>	<u>11,019</u>



# WESTERN CHAN FELLOWSHIP CIO

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

Training Fund — This is a designated fund. Donations have been used as follows;

	2021	2020
	£	£
Balance brought forward	2,504	3,479
Donations to the Training Fund	650	2,105
Expenditure from the Training Fund	-1,709	-3,080
Transfers to/from General Reserves	0	0
	<b>1,445</b>	<b>2,504</b>

Equipment, Property and Asset (EPA) Fund — This is a designated fund. Donations have been used as follows;

	2021	2020
	£	£
Balance brought forward	131,937	6,234
Donations to the EPA Fund	0	0
Expenditure from the EPA Fund	0	0
Transfer to/from Restricted Funds	-4,162	53,671
Transfers to/from General Reserves	-1,639	72,032
	<b>126,136</b>	<b>131,937</b>

General reserves — This is an unrestricted fund. Donations have been used as follows;

	2021	2020
	£	£
Balance brought forward	85,000	160,008
Surplus/-loss for the year	-2,378	-2,969
Movement in the Support Fund	-320	-982
Movement in the Training Fund	1,059	975
Transfer to/from the EPA Fund	1,639	-72,032
Transfers to/from the Property Fund	0	0
	<b>85,000</b>	<b>85,000</b>

Property Fund — This fund is restricted. Donations have been used as follows;

	2021	2020
	£	£
Balance brought forward	16,000	59,671
Donations to the Property Fund	1,250	5,000
Gain on disposal of the hut	0	5,000
Expenditure from the Property Fund	0	0
Transfer to/from the EPA Fund	4,162	-53,671
Transfers to/from the General Reserves	0	0
	<b>21,412</b>	<b>16,000</b>