

Western Chan Fellowship CIO
Unaudited Financial Statements
31 December 2022

Western Chan Fellowship CIO

Financial Statements

Year ended 31 December 2022

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Western Chan Fellowship CIO

Trustees' Annual Report

Year ended 31 December 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name Western Chan Fellowship CIO

Charity registration number 1166162

Principal office 2 Richmond Terrace
Brunswood Road
Matlock Bath
MATLOCK
Derbyshire
DE4 3PA

The trustees

Simon Child
Alysun Jones
Jeremy Woodward Chair
Juliet Hackney
Sara Elloway
Guy Roberts
Till Kroeber
Catherine Burns

Company secretary Juliet Hackney

Independent examiner Matt Keane ACCA
Westcotts
Plym House
3 Longbridge Road
Marsh Mills
Plymouth
PL6 8LT

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2022. 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 (WCF) is the successor charity to Western Chan Fellowship (Charity Commission no. 1068637) which was dissolved in March 2018 following the transfer of its assets on 30th 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 were offered a free transfer of membership. 2022 was the fifth full year of trading for WCF.

Historically, 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.

Simon Child was appointed as the Guiding Teacher of WCF in 2011 after the sudden death of John Crook. John Crook and Simon Child were both Dharma Heirs of Chan Master Sheng Yen. Simon trained for over 30 years with both John Crook and Master Sheng Yen, and was the Secretary of the WCF from its founding until 2011.

Governing document

Western Chan Fellowship CIO is a Charitable Incorporated Organisation and was registered as such with the Charity Commission on 22nd 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 WCF to have an understanding of and sympathy with the work of the charity, all trustees are required, by its constitution, to be members of WCF. This requires them to have attended at least three WCF retreats and, once a member, continue attending such retreats and practising Buddhism. Attendance on retreats over a number of years is an effective introduction to the work of the charity.

All new trustees are given access to previous Trustee Meeting minutes and encouraged to seek early clarification from existing trustees of any issues they are not sure about.

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

Organisational structure and decision making

Under its constitution the CIO can have up to 10 trustees. There have been 8 trustees during 2022. This number remained stable with the retirement of Clare Dobie and the election of Till Kroeber at the AGM in June. Also at the AGM Catherine Burns (Treasurer) was elected, having been coopted during 2021, Jeremy Woodward stood down and was re-elected, Sara Elloway retired but was coopted for a further year to allow transition of the Treasurer role to Catherine Burns. The other trustees in post during 2022 were Juliet Hackney (Secretary), Alysun Jones (Safeguarding), Simon Child (Guiding Teacher), and Guy Roberts. The trustees met five times in 2022 to manage the charity. Two meetings occurred in-person, others occurred online via Zoom. Microsoft Teams is 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 (EBU). 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 2022 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 was obtained and a 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 WCF, has been agreed in principle.

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

A form of draft agreement has also been agreed. Following Covid-related and other delays the building works are now 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 2022 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, made the decision not to renew the hire agreement for Maenllwyd which expired on 30th 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 30th September 2020.

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.

Work was completed at SBF in Summer 2022 and it opened for retreats on 16th July 2022. Seven in-person retreats (six meditation retreats and one work retreat) were held during the second half of 2022.

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. 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.

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

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 the second half of 2022, as soon as work at SBF was completed and it became available for use, WCF offered 7 in-person retreats. WCF drew up Covid risk management guidelines for the retreats which complied with government guidelines at the time. In addition, an online retreat was offered. Uptake of places has been lower than expected on some retreats. Only one retreat was cancelled due to low uptake, which was the online retreat. It is not certain why interest in retreats has reduced, proposed explanations could include: ongoing concern relating to Covid and other infectious illnesses, transport disruption due to strikes, the cost of living crisis and lower awareness of WCF-CIO retreats due to the inability to offer retreats in-person between March 2020 and August 2022 (except for one in-person retreat in 2021).

WCF also continued to make activities available to the public 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 retreats run in 2022 were attended by two new retreat leaders under the guidance of two of our established retreat leaders. The new leaders also offered an online retreat, which unfortunately did not go ahead due to lack of bookings.
- We support 14 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 which went online during the pandemic have now resumed in-person meetings. Online meetings continue to be held on Monday to Thursday evenings, allowing those unable to join in-person meetings to continue to meet.
- 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 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 2022. 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. In 2022 newsletters went out in July, October and December.
- 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.

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

Objectives and Activities

During 2022 the Charity's activities focused on several main areas:

The opening of SBF for in-person retreats in 2022 has allowed these to resume and they are currently the main focus of activity.

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 and 2022 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. This has continued with WCF contributing to an Ecodharma action group in EBU and NBO.

WCF Groups

The charity supports 14 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. 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 May 2021. A Leaders' Retreat was not held in 2022. It will resume in 2023.

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 2022, some were held online, with opportunities to meet in person being taken when possible.

The Pointing Out the Great Way residential training programme continued in 2022 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.

Publications

The Charity publishes a regular journal, New Chan Forum, twice a year and has continued to do this in 2022. 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.

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

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.

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 2022.

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.

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. The policies are currently under review and will soon be updated.

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. DBS checks are updated annually.

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

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. Some 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.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE Charitable activities

Key facts:

The charity held seven residential group retreats of a length varying from 4 to 7 nights which were attended by 58 individuals (65 bookings) for a total of 44 nights.

The charity's Support Fund has given help towards the cost of retreats of £2,535 to 11 retreatants.

The charity had 79 full members and 21 associate members at 31/12/22 (77 full members and 23 associate members at 31/12/21).

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.

Western Chan Fellowship CIO

Report of the Trustees

Year ended 31 December 2022

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 2022 as the first half of the year was still feeling the effect of the Covid-19 pandemic on the retreat programme, as well as increased insurance and accountancy 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 £7,652 in 2022 compared with a deficit in 2021 of £1,128.

The overall deficit results from the following reasons:

The higher costs incurred by running in-person retreats compared to online retreats: In 2021 all but one of the retreats were held online. In July 2022 the charity restarted in-person retreats, with numbers limited for social distancing.

Accountancy costs: because of the higher turnover of 2022, the charity is above the threshold for an independent examiner's report. In 2021 a low turnover figure meant we saved on this cost and made further savings by producing and filing our own accounts. This has not been possible in 2022.

Other factors were an increase in insurance costs; an increase in travel costs; and a decrease in donations.

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 31st December 2022 the charity had £238,573 (£231,190 at 31/12/21) distributed between these independent banks.

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

Jeremy Woodward
Chair

Western Chan Fellowship CIO

Independent Examiner's Report to the Trustees of Western Chan Fellowship CIO

Year ended 31 December 2022

I report to the trustees on my examination of the financial statements of Western Chan Fellowship CIO ('the charity') for the year ended 31 December 2022.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

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

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

Matt Keane ACCA
Westcotts
Independent Examiner

Plym House
3 Longbridge Road
Marsh Mills
Plymouth
PL6 8LT

Western Chan Fellowship CIO

Statement of Financial Activities

Year ended 31 December 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	3,853	—	3,853	3,695
Charitable activities	5	37,351	—	37,351	8,575
Other trading activities	6	7,477	—	7,477	4,312
Investment income	7	995	—	995	234
Other income	8	1,153	—	1,153	1,105
Total income		<u>50,829</u>	<u>—</u>	<u>50,829</u>	<u>17,921</u>
Expenditure					
Expenditure on charitable activities	9	58,483	—	58,483	19,049
Total expenditure		<u>58,483</u>	<u>—</u>	<u>58,483</u>	<u>19,049</u>
Net expenditure and net movement in funds		<u>(7,654)</u>	<u>—</u>	<u>(7,654)</u>	<u>(1,128)</u>
Reconciliation of funds					
Total funds brought forward		232,902	21,412	254,314	255,442
Total funds carried forward		<u>225,248</u>	<u>21,412</u>	<u>246,660</u>	<u>254,314</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 12 to 20 form part of these financial statements.

Western Chan Fellowship CIO

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	15	6,662	7,809
Current assets			
Debtors	16	8,016	6,940
Cash at bank and in hand		247,080	240,795
		<u>255,096</u>	<u>247,735</u>
Creditors: amounts falling due within one year	17	<u>15,098</u>	<u>1,230</u>
Net current assets		<u>239,998</u>	<u>246,505</u>
Total assets less current liabilities		<u>246,660</u>	<u>254,314</u>
Net assets		<u>246,660</u>	<u>254,314</u>
Funds of the charity			
Restricted funds		21,412	21,412
Unrestricted funds		<u>225,248</u>	<u>232,902</u>
Total charity funds	18	<u>246,660</u>	<u>254,314</u>

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

Jeremy Woodward
Chair

The notes on pages 12 to 20 form part of these financial statements.

Western Chan Fellowship CIO

Notes to the Financial Statements

Year ended 31 December 2022

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.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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.

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.

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 an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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

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 2022

3. Accounting policies *(continued)*

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	-	10% straight line
Books	-	10% straight line

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 2022

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations - Fellowship	636	—	636
Donations - Support Fund	1,717	—	1,717
Donations - Property Fund	—	—	—
Donations - POTGW	1,500	—	1,500
	<u>3,853</u>	<u>—</u>	<u>3,853</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations - Fellowship	1,070	—	1,070
Donations - Support Fund	975	—	975
Donations - Property Fund	—	1,000	1,000
Donations - POTGW	650	—	650
	<u>2,695</u>	<u>1,000</u>	<u>3,695</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Sales of Books and CDs	2	2	—	—
Income from Retreat Fees	34,814	34,814	7,920	7,920
Support Places Given	2,535	2,535	655	655
	<u>37,351</u>	<u>37,351</u>	<u>8,575</u>	<u>8,575</u>

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

6. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fellowship Subscriptions	3,435	3,435	3,353	3,353
Branch Income	4,042	4,042	959	959
	<u>7,477</u>	<u>7,477</u>	<u>4,312</u>	<u>4,312</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank Interest Received	995	995	234	234

8. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Gift Aid	1,061	—	1,061
Other Miscellaneous Income	92	—	92
	<u>1,153</u>	<u>—</u>	<u>1,153</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Gift Aid	749	250	999
Other Miscellaneous Income	106	—	106
	<u>855</u>	<u>250</u>	<u>1,105</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Retreat costs	36,663	36,663	7,704	7,704
Branch expenses	5,139	5,139	1,758	1,758
Support costs	16,681	16,681	9,587	9,587
	<u>58,483</u>	<u>58,483</u>	<u>19,049</u>	<u>19,049</u>

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

10. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Communications and IT	173	173	173
Finance costs	1,739	1,739	340
Insurance	5,728	5,728	3,884
Depreciation	1,147	1,147	1,147
Accountancy and Independent Examiners Fee	1,980	1,980	–
Advertising, postage and stationery	4,617	4,617	3,487
Legal and professional fees	115	115	–
Subscriptions	401	401	403
Charitable donations	119	119	–
Travel	662	662	–
Meetings	–	–	153
	<u>16,681</u>	<u>16,681</u>	<u>9,587</u>

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>1,147</u>	<u>1,147</u>

12. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	990	–
Other financial services	990	–
	<u>1,980</u>	<u>–</u>

13. Staff costs

The charity does not employ any members of staff.

The average head count of employees during the year was Nil (2021: Nil).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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 2022 with reference to postage, equipment, stationery, and miscellaneous expenses were £352.80 (2021: £36.50). 3 trustees (2021: 1) claimed expenses in the year.

15. Tangible fixed assets

	Fixtures and fittings £	Books £	Total £
Cost			
At 1 January 2022 and 31 December 2022	<u>6,803</u>	<u>11,470</u>	<u>18,273</u>
Depreciation			
At 1 January 2022	6,803	3,661	10,464
Charge for the year	–	1,147	1,147
At 31 December 2022	<u>6,803</u>	<u>4,808</u>	<u>11,611</u>
Carrying amount			
At 31 December 2022	<u>–</u>	<u>6,662</u>	<u>6,662</u>
At 31 December 2021	<u>–</u>	<u>7,809</u>	<u>7,809</u>

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

16. Debtors

	2022 £	2021 £
Prepayments and accrued income	4,737	4,287
Other debtors	<u>3,279</u>	<u>2,653</u>
	<u>8,016</u>	<u>6,940</u>

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	<u>15,098</u>	<u>1,230</u>

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

18. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Support fund	9,302	1,717	(2,535)	2,072	10,556
Training fund	1,445	–	–	428	1,873
Publications fund	11,019	–	–	–	11,019
Equipment and property assets	126,136	–	–	(9,336)	116,800
General funds	85,000	49,112	(55,948)	6,836	85,000
	<u>232,902</u>	<u>50,829</u>	<u>(58,483)</u>	<u>–</u>	<u>225,248</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Support fund	8,982	975	(655)	–	9,302
Training fund	2,504	650	(1,709)	–	1,445
Publications fund	11,019	–	–	–	11,019
Equipment and property assets	131,937	–	–	(5,801)	126,136
General funds	85,000	15,046	(16,685)	1,639	85,000
General funds	<u>239,442</u>	<u>16,671</u>	<u>(19,049)</u>	<u>(4,162)</u>	<u>232,902</u>

Restricted funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Equipment and property fund	<u>21,412</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>21,412</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Equipment and property fund	<u>16,000</u>	<u>1,250</u>	<u>–</u>	<u>4,162</u>	<u>21,412</u>

Support fund is a designated fund. The donations are given to help unemployed or low waged people attend retreats.

Training fund is a designated fund which is used to support the costs of training incurred by the charity.

Publications fund is a designated fund which is used for the costs of publications of the charity.

Equipment and property assets (EPA) fund is a designated fund, used for the funding of new assets purchased by the charity.

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	6,662	–	6,662
Current assets	233,684	21,412	255,096
Creditors less than 1 year	(15,098)	–	(15,098)
Net assets	<u>225,248</u>	<u>21,412</u>	<u>246,660</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	7,809	–	7,809
Current assets	226,323	21,412	247,735
Creditors less than 1 year	(1,230)	–	(1,230)
Net assets	<u>232,902</u>	<u>21,412</u>	<u>254,314</u>

20. Related parties

In the year related party transactions were made to trustees relating to fees paid for hire of Shawbottom Farm. The total paid to trustees was £15,040 (2021: Nil), one trustee was a recipient of the fees (2021: Nil).

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

21. Retreat Income and Expenses

	2022	2021
Number of retreats run during the year	7	5
Number of days of retreat provided	44	33
Number of people paying to attend the retreats	65	58
	£	£
Income from Retreat Fees paid	34,814	7,920
Support Places given	2,535	655
	<u>37,349</u>	<u>8,575</u>
Rent paid for use of Main Retreat Venue	15,040	1,540
Hire fees paid to centres in England	–	200
Fees paid to cooks	5,897	1,386
Retreat expenses: food and supplies	5,100	2,103
Booking refunds	8,091	1,820
Support to retreatants	2,535	655
	<u>36,663</u>	<u>7,704</u>
Total surplus/(deficit) on Retreat Programme	<u>686</u>	<u>871</u>
Allocated to:		
Funds transferred to the general reserves of the charity	686	871
Funds transferred to the Support Fund	–	–
	<u>686</u>	<u>871</u>

22. 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;

	2022	2021
Balance brought forward	9,302	8,982
Donations to the Support Fund	1,717	975
Support places given	(2,535)	(655)
Transfer from General Reserves	2,072	–
	<u>10,556</u>	<u>9,302</u>

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

	2022	2021
Balance brought forward	11,019	11,019
Donations to the Publication Fund	–	–
Expenditure from the Publication Fund	–	–
Transfer from General Reserves	–	–
	<u>11,019</u>	<u>11,019</u>

Western Chan Fellowship CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

23. Use of Donations *(continued)*

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

	2022	2021
Balance brought forward	1,445	2,504
Donations to the Training Fund	–	650
Expenditure from the Training Fund for rent	–	(1,709)
Transfer from General Reserves	428	–
	<u>1,873</u>	<u>1,445</u>

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

	2022	2021
Balance brought forward	126,136	131,937
Donations to the EPA Fund	–	–
Expenditure from the EPA Fund	–	–
Transfer from Restricted Funds	–	(4,162)
Transfer from General Reserves	(9,336)	(1,639)
	<u>116,800</u>	<u>126,136</u>

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

	2022	2021
Balance brought forward	85,000	85,000
Surplus for the year	(7,654)	(2,378)
Movement in the Support Fund	(1,254)	(320)
Movement in the Training Fund	(428)	1,059
Transfer to the EPA Fund	9,336	1,639
Transfer to the Property Fund	–	–
	<u>85,000</u>	<u>85,000</u>

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

	2022	2021
Balance brought forward	21,412	16,000
Donations to the Property Fund	–	1,250
Gain on disposal of the hut	–	–
Expenditure from the Property Fund	–	–
Transfer to the EPA Fund	–	4,162
Transfer from General Reserves	–	–
	<u>21,412</u>	<u>21,412</u>