

Charity Registration No. 1177511

Company Registration No. 10205207 (England and Wales)

CHAN KHONG MONASTERY UK

**ANNUAL REPORT AND UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 29 MAY 2021

CHAN KHONG MONASTERY UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K Do L Huynh
Charity number	1177511
Company number	10205207
Registered office	4 Estate Way Leyton London E10 7JN
Independent examiner	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

CHAN KHONG MONASTERY UK

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CHAN KHONG MONASTERY UK

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 29 MAY 2021

The trustees present their annual report and financial statements for the year ended 29 May 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles incorporated on 28 May 2016 as amended by special resolution, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

The charity's objects are for the public benefit.

- 1) To advance the Buddhist faith and religion for the public benefit, in particular but not exclusively by:
 - Establishing a place of worship for the benefit of the public and as a place for practising, promoting, teaching and studying the doctrine principles and teachings of Zen Buddhism, including meditation practices and religious education
 - Promoting mental and spiritual well-being in the life of individuals of all ages by providing assistance and guidance to those who need help.
- 2) To provide the relief of financial needs and suffering among victims of natural or other kinds of disaster in the form of money or other means deemed suitable for persons or organisations including the provision of medical aid.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Financial review

The results for the year are as set out on page 4. Total income from donations and other income was £51,599 (2020: £135,945). This together with total expenditure incurred in the year of £46,986 (2020: £20,586) and donations made of £6,992 (2020: £NIL) resulted in a net deficit of £2,379 (2020: net surplus of £115,359). In the previous year, the charity had revalued its property which resulted in a revaluation gain of £492,865.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The level of reserves have reduced from £648,647 to £646,268 as at 29 May 2021.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

K Do

L Huynh

CHAN KHONG MONASTERY UK

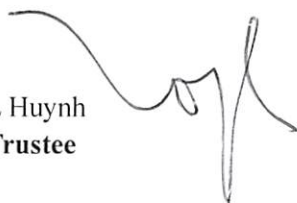
TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 29 MAY 2021

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustee's report was approved by the Board of Trustees.

L Huynh
Trustee



10 January 2022

CHAN KHONG MONASTERY UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CHAN KHONG MONASTERY UK

I report to the trustees on my examination of the financial statements of Chan Khong Monastery UK (the charity) for the year ended 29 May 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no 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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

UHY Hacker Young

Quadrant House
4 Thomas More Square
London
E1W 1YW

Dated:

CHAN KHONG MONASTERY UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 29 MAY 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	2	51,599	44,480
Other income	3	-	91,465
Total income		51,599	135,945
<u>Expenditure on:</u>			
Raising funds	4	46,986	20,586
Charitable activities	5	6,992	-
Total resources expended		53,978	20,586
Net (outgoing)/incoming resources		(2,379)	115,359
Other recognised gains and losses			
Revaluation of tangible fixed assets		492,865	492,865
Net movement in funds		490,486	608,224
Fund balances at 30 May 2020		155,782	40,423
Fund balances at 29 May 2021		646,268	648,647

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHAN KHONG MONASTERY UK

BALANCE SHEET

AS AT 29 MAY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8	1,211,086		1,189,644	
Current assets					
Debtors	9	1,428		927	
Cash at bank and in hand		23,800		10,041	
		<u>25,228</u>		<u>10,968</u>	
Creditors: amounts falling due within one year	11	(141,829)		(142,448)	
		<u>(141,829)</u>		<u>(142,448)</u>	
Net current liabilities			(116,601)		(131,480)
Total assets less current liabilities			<u>1,094,485</u>		<u>1,058,164</u>
Creditors: amounts falling due after more than one year	12		(448,217)		(409,517)
			<u>(448,217)</u>		<u>(409,517)</u>
Net assets			<u><u>646,268</u></u>		<u><u>648,647</u></u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		153,403		155,782	
Revaluation reserve		492,865		492,865	
		<u>646,268</u>		<u>648,647</u>	
		<u><u>646,268</u></u>		<u><u>648,647</u></u>	

CHAN KHONG MONASTERY UK

BALANCE SHEET (CONTINUED)

AS AT 29 MAY 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 29 May 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 10 January 2022

L Huynh
Trustee



Company Registration No. 10205207

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 MAY 2021

1 Accounting policies

Charity information

Chan Khong Monastery UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Estate Way, Leyton, London, E10 7JN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles dated 28 May 2016, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity, with the support of its creditors, has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

1.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MAY 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% straight line
Plant and equipment	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MAY 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity is exempt from UK corporation tax to the extent that its income is applied to its charitable objects. No liability arose in the year.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts	51,599	44,480
	=====	=====

3 Other income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Compensation received from flood damage claim	-	91,465
	=====	=====

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MAY 2021

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Depreciation	26,066	12,493
Light and heat	261	287
Independent examination fees	2,600	2,060
Legal and professional fees	8,740	1,156
Insurance	3,683	3,515
Telephone	449	
Bank charges	-	13
General expenses	5,187	1,062
	<u>46,986</u>	<u>20,586</u>

5 Charitable activities

	Charitable Expenditure 2021	2020
	£	£
Grant funding activities	<u>6,992</u>	<u>-</u>

During the year, the charity made donations of £6,992 (2020: £NIL) to a number of religious institutions in furtherance of its charitable activities.

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

There were no employees during the year (2020 - none).

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MAY 2021

8 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Total £
Cost or valuation			
At 30 May 2020	1,200,000	2,466	1,202,466
Additions	44,048	3,460	47,508
At 29 May 2021	1,244,048	5,926	1,249,974
Depreciation and impairment			
At 30 May 2020	12,000	822	12,822
Depreciation charged in the year	24,881	1,185	26,066
At 29 May 2021	36,881	2,007	38,888
Carrying amount			
At 29 May 2021	1,207,167	3,919	1,211,086
At 29 May 2020	1,188,000	1,644	1,189,644

Land and buildings with a carrying amount of £1.2m were revalued by an independent firm of valuers not connected with the charity on the basis of market value.

The historical cost of the land and building was £751k (2020: £707k).

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	1,428	927

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MAY 2021

10 Loans and overdrafts

	2021	2020
	£	£
Bank loans	32,000	-
	<u>32,000</u>	<u>-</u>
Payable after one year	32,000	-
	<u>32,000</u>	<u>-</u>

The Bounce Back loan is unsecured with an interest rate of 2.5%, repayable in 2026.

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,729	8,048
Other creditors	134,900	131,200
Accruals and deferred income	4,200	3,200
	<u>141,829</u>	<u>142,448</u>

12 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
	Notes	
Bank loans	10	32,000
Other creditors		416,217
		<u>448,217</u>
		<u>409,517</u>

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MAY 2021

13 Analysis of net assets between funds

	Unrestricted funds	
	2021	2020
	£	£
Fund balances at 29 May 2021 are represented by:		
Tangible assets	1,211,086	1,189,644
Current assets/(liabilities)	(116,601)	(131,480)
Long term liabilities	(448,217)	(409,517)
	<u>646,268</u>	<u>648,647</u>

14 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year, the charity repaid and received further loans from Kim Son Limited, a company in which the trustees have an interest. £135k (2020: £131k) was outstanding at the year end.

During the year, the charity also received further loans of £NIL (2020: £43k) from its trustees. £56k (2020: £56k) was outstanding at the year end.

Both loans are unsecured and interest-free.

15 Analysis of charitable funds

All funds held by the charity are unrestricted funds.