

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 2022

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 2022

The trustees present their annual report and financial statements for the year ended 29 May 2022.

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 £92,743 (2021: £51,599). This together with total expenditure incurred in the year of £42,948 (2021: £46,986) and donations made of £1,000 (2021: £6,992) resulted in a net surplus of £48,795 (2021: net deficit £2,379).

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 increased from £646,268 to £695,063 as at 29 May 2022.

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

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.

CHAN KHONG MONASTERY UK

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 29 MAY 2022

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



L Huynh
Trustee

24 February 2023

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 2022.

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.

RACHEL CHIM FUNG
UHY Hacker Young

Quadrant House
4 Thomas More Square
London
E1W 1YW

Dated: 24 February 2023

CHAN KHONG MONASTERY UK

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 29 MAY 2022**

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<u>Income from:</u>			
Donations and legacies	2	92,743	51,599
<u>Expenditure on:</u>			
Raising funds	3	42,948	46,986
Charitable activities	4	1,000	6,992
Total resources expended		43,948	53,978
Net income/(expenditure) for the year/ Net movement in funds		48,795	(2,379)
Fund balances at 30 May 2021		646,268	648,647
Fund balances at 29 May 2022		695,063	646,268

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	7	1,185,300		1,211,086	
Current assets					
Debtors	8	2,532		1,428	
Cash at bank and in hand		4,551		23,800	
		<u>7,083</u>		<u>25,228</u>	
Creditors: amounts falling due within one year	10	<u>(138,029)</u>		<u>(141,829)</u>	
Net current liabilities			(130,946)		(116,601)
Total assets less current liabilities			1,054,354		1,094,485
Creditors: amounts falling due after more than one year	11		(359,291)		(448,217)
Net assets			<u>695,063</u>		<u>646,268</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		202,198		153,403	
Revaluation reserve		<u>492,865</u>		<u>492,865</u>	
			695,063		646,268
			<u>695,063</u>		<u>646,268</u>

CHAN KHONG MONASTERY UK

BALANCE SHEET (CONTINUED)

AS AT 29 MAY 2022

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 2022.

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 24 February 2023



L Huynh
Trustee

Company Registration No. 10205207

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MAY 2022

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 2022

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
Fixtures and fittings	Enter depreciation rate via StatDB - cd77

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 2022

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
	2022	2021
	£	£
Donations and gifts	92,743	51,599
	<u> </u>	<u> </u>

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MAY 2022

3 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<i>Support costs</i>		
Interest paid	586	-
Depreciation	26,136	26,066
Light and heat	403	261
Independent examination fees	2,355	2,600
Legal and professional fees	4,050	8,740
Insurance	3,904	3,683
Telephone	264	449
General expenses	5,250	5,187
	<u>42,948</u>	<u>46,986</u>

4 Charitable activities

	Unrestricted Fund	Unrestricted Fund
	2022	2021
	£	£
Grant funding activities	<u>1,000</u>	<u>6,992</u>

During the year, the charity made donations of £1,000 (2021: £6,992) to a number of religious institutions in furtherance of its charitable activities.

5 Trustees

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

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 MAY 2022

6 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

7 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 30 May 2021	1,244,048	5,926	-	1,249,974
Additions	-	-	350	350
At 29 May 2022	1,244,048	5,926	350	1,250,324
Depreciation and impairment				
At 30 May 2021	36,881	2,007	-	38,888
Depreciation charged in the year	24,881	1,185	70	26,136
At 29 May 2022	61,762	3,192	70	65,024
Carrying amount				
At 29 May 2022	1,182,286	2,734	280	1,185,300
At 29 May 2021	1,207,167	3,919	-	1,211,086

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 (2021: £751k).

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 MAY 2022

8 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	2,532	1,428
	<u> </u>	<u> </u>

9 Loans and overdrafts

	2022	2021
	£	£
Bank loans	26,792	32,000
	<u> </u>	<u> </u>
Payable within one year	6,815	-
Payable after one year	19,977	32,000
	<u> </u>	<u> </u>

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

10 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	9	6,815	-
Trade creditors		6,149	2,729
Other creditors		121,900	134,900
Accruals and deferred income		3,165	4,200
		<u> </u>	<u> </u>
		138,029	141,829
		<u> </u>	<u> </u>

11 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	9	19,977	32,000
Other creditors		339,314	416,217
		<u> </u>	<u> </u>
		359,291	448,217
		<u> </u>	<u> </u>

CHAN KHONG MONASTERY UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MAY 2022

12 Analysis of net assets between funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fund balances at 29 May 2022 are represented by:		
Tangible assets	1,185,300	1,211,086
Current liabilities	(130,946)	(116,601)
Long term liabilities	(359,291)	(448,217)
	<u>695,063</u>	<u>646,268</u>

13 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. £122k (2021: £135k) was outstanding at the year end.

The charity also received loans from its trustees out of which £56k (2021: £56k) was outstanding at the year end.

Both loans are unsecured and interest-free.

14 Analysis of charitable funds

All funds held by the charity are unrestricted funds.