

Charity registration number 262216

Company registration number 770074 (England and Wales)

THE PALI TEXT SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE PALI TEXT SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr E G Kahrs Dr R M L Gethin
Charity number	262216
Company number	770074
Registered office	Old Market Studios 68 Old Market Street Bristol Avon BS2 0EJ
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	Barclays Bank plc 54 Cornmarket Street Oxford OX1 3HS
Investment advisors	Quilter Cheviot Limited 85 Victoria Street London EC4V 4AB

THE PALI TEXT SOCIETY

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THE PALI TEXT SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2022*

The Trustees present their annual report and financial statements for the year ended 31 December 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 of Association, 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).

Objectives and activities

The objects of the Society are to foster and promote the study of Pali texts by editing and publishing the same and for the purpose aforesaid

- to edit or translate and publish ancillary works for the study of Pali;
- to translate Pali works into any language;
- to reprint or re-edit and republish from time to time such previous publications of the Society as are out of print;
- generally to edit or translate and publish such other works as may be necessary for or conducive to the study of Pali.

This is achieved by ensuring scarce publications are available to the general public. The Society also makes grants to individuals engaged in studying and promoting the Pali texts.

One of the policies to further the Society's objects is to maintain a publishing office which carries out its objects directly. All four objects are pursued every year. Profits made by publishing and income from investments are ploughed back into producing more publications.

There is a small amount of expenditure on such ancillary items as publicity, maintaining a small library of Pali books for the use of researchers, and providing information through our List of Issues and our Web site.

None of these policies has changed in recent years and we foresee no change.

All investments held by the Society have been acquired in accordance with the powers vested in the Trustees.

Grant making policy

The Society invites applications for research grants from suitably qualified persons working in the field of Pali studies. Applicants research will normally be expected to lead towards material suitable for publication by the Society and a condition of any grant is that the Society has first options on publication rights and holds the copyright of any material it publishes. Grants may be awarded to cover a period of research up to a maximum of one year, but with a possibility of renewal.

Public Benefit

The Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance issued by the Charity Commission.

THE PALI TEXT SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

Publication of Pali Texts

Because of movement of our stock to a new warehouse it has not been possible to calculate the number of publications sold in 2022. The Trustees note, however, that income from sales of books dropped dramatically in 2022 (only £63,030 as against £97,195 in 2021). The reasons for this are for the time being unclear.

The following new works appeared during 2022:

- Shaw, *The Book of Pairs*, Vol. 3

The following books were reprinted in 2022:

- Horner, *The Book of the Discipline*, Vol. 2
- Law, *Designation of Human Types*
- Norman, *Poems of Early Buddhist Monks*
- Norman, *Word of the Doctrine*
- *Saddhammapajotikā*, Vol. 3
- *Saṃyutta-nikāya*, Vol. 5

Pali Research Grants

In keeping with the aims of the Society, income from investments continues to be used to help finance scholars working on various projects which will feed into future publications.

The single major long-term commitment continues to be funding work on *A Dictionary of Pali* (vol. 1 of which was published by the Society in 2001, vol. 2 in 2010, and vol. 3 in 2020). From 1984 until 2013 the Society funded Dr Margaret Cone's position at the University of Cambridge; following her retirement, in 2013 the Society awarded her an annual grant to allow her to complete volume 3; this grant came to an end in 2018. Since January 2018 the Society has awarded Dr Straube an annual grant to continue Dr Cone's work on the *Dictionary* by working on volume 4, the final volume. In September 2022 the Society agreed to renew Dr Straube's grant for twelve months (from January 2023), with an increase of 3%, making the value of the grant £64,927.

In March 2022 the Society awarded Dr Javier Schnake a grant of £24,000 for twelve months from 1 April 2022 to support his preparation of an edition and translation of the *Vidaddhamukhamāṇaṇa*.

Financial review

The unrestricted deficit for the year before investment gains and losses amounted to £246,869 (2021: deficit of £58,812) as detailed on page 10.

The Trustees consider the result for the year and the position at the year end to be satisfactory and that the Charity has sufficient assets to fulfil its obligations.

The level of our reserves is consistent with the level of income-providing assets sufficient to maintain the Society at its present level of activities.

Our investment policy is consistent with our needs to acquire income in order for the Society to meet its objects.

Investment performance

The investment held by the charity had a closing value of £3,493,550 on 31 December 2022. This was a decrease of £554,404 on the 31 December 2021 value of £4,047,954. In total return terms there was a decrease of 8.7%. The portfolio paid income of £96,368 to the charity's bank in calendar year 2022. Quilter Cheviot management fees and VAT came to £11,198 in the period.

THE PALI TEXT SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Risks

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.

Plans for future periods

Funding work on the new *Dictionary of Pali* is likely to continue to be a priority for a further ten years. The Society is also making steps to make the published parts of the new *Dictionary* freely available online; it is hoped that this might be achieved in 2024.

Other new grants will be made as funds allow when qualified scholars apply for them.

When editions of Pali texts come up for reprinting, whenever possible, the text will be newly typeset and corrections made.

Apart from those projects already mentioned, a number of other books are in preparation: the Society expects to publish Peter Masefield's translation of the *Cariyāpiṭaka* commentary in 2023, an updated edition of Denis's edition of the *Lokapaññatti* in 2023, the second volume of *Overcoming Doubts* in 2024, and an edition and new English translation of the *Nikāyasaṅgraha* in 2024.

Structure, governance and management

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

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:

Dr E G Kahrs

Dr R M L Gethin

Directors are appointed by the Council of The Pali Text Society Limited and must agree to any such appointment in writing.

There is no special induction and training of Trustees. New Trustees are accomplished scholars who are familiar with the aims of the Society and are already qualified to assess the worth of the Society's publications and determine the degree of academic ability required to complete successfully the research projects for which grants are sought from the Society.

There are two levels of direction: (1) The Pali Text Society Limited which includes as Members (Trustees) all the Directors of the Pali Text Society Limited who agree in writing to become Members, and (2) Members of Council. The Council and Directors meet twice a year in March and September in concurrent meetings. Important decisions concerning grants to scholars preparing texts for the Society and publications are taken at these meetings. Election of the officers is made by the general membership at the annual AGM held in September.

Day-to-day running of the office includes filling orders for books, collecting dues of members, giving general information concerning Pali and Buddhism, preparing the List of Issues, and preparing books for publication. The office administrator, publications administrator, and accountant work in collaboration with the officers of the Society, asking for guidance and approval for all major decisions. Approval is requested for any expenditure greater than fifty pounds.

THE PALI TEXT SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

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



Dr R M L Gethin

Director

Date: 10 August 2023

THE PALI TEXT SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also the directors of The Pali Text Society for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PALI TEXT SOCIETY

Opinion

We have audited the financial statements of The Pali Text Society (the 'Charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1.1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE PALI TEXT SOCIETY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE PALI TEXT SOCIETY

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

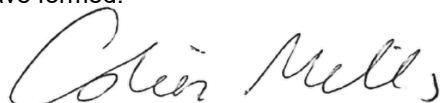
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE PALI TEXT SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE PALI TEXT SOCIETY

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Mills

(Senior Statutory Auditor)

for and on behalf of Critchleys Audit LLP

15 August 2023
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Chartered Accountants

Statutory Auditor

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

THE PALI TEXT SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income from:							
Donations and legacies	3	9,653	-	9,653	7,304	-	7,304
Charitable activities	4	63,030	-	63,030	97,195	-	97,195
Investments	5	96,368	-	96,368	96,242	-	96,242
Total income		169,051	-	169,051	200,741	-	200,741
Expenditure on:							
Raising funds	6	11,198	-	11,198	11,010	-	11,010
Charitable activities	7	404,722	-	404,722	248,543	-	248,543
Total expenditure		415,920	-	415,920	259,553	-	259,553
Net gains/(losses) on investments	12	(436,279)	-	(436,279)	343,850	-	343,850
Net movement in funds		(683,148)	-	(683,148)	285,038	-	285,038
Fund balances at 1 January 2022		4,295,641	5,500	4,301,141	4,010,603	5,500	4,016,103
Fund balances at 31 December 2022		3,612,493	5,500	3,617,993	4,295,641	5,500	4,301,141

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.

THE PALI TEXT SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		350		770
Investments	15		3,493,550		4,047,954
			<u>3,493,900</u>		<u>4,048,724</u>
Current assets					
Stocks	16	200,293		305,097	
Debtors	17	13,161		16,219	
Cash at bank and in hand		24,030		27,842	
		<u>237,484</u>		<u>349,158</u>	
Creditors: amounts falling due within one year	18	(113,391)		(96,741)	
Net current assets			<u>124,093</u>		<u>252,417</u>
Total assets less current liabilities			<u><u>3,617,993</u></u>		<u><u>4,301,141</u></u>
Income funds					
Restricted funds	20		5,500		5,500
Unrestricted funds			3,612,493		4,295,641
			<u>3,617,993</u>		<u>4,301,141</u>

10 August 2023

The financial statements were approved and authorised for issue by the Trustees on



Dr R M L Gethin
Trustee

Company Registration No. 770074

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Pali Text Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Old Market Studios, 68 Old Market Street, Bristol, Avon, BS2 0EJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 not to prepare a Statement of Cash Flows.

In common with many other charities of our size and nature we use auditors to assist with the preparation of the accounts.

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 certain financial instruments at fair value. 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 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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. Membership subscriptions relating to future years are included in deferred income.

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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grants are recognised in expenditure when a commitment has been made and this has been communicated and agreed with the beneficiary

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:

Office equipment	25% straight line
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1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials. An provision is made for obsolete and slow moving stock. Provisions are estimated based on stocks held and current level of sales.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks

1.10 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.

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price.

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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The level of stock provision is the main judgement made in the preparation of the financial statements.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Subscriptions and Donations	9,653	7,304

4 Charitable activities

	Pali Texts 2022	Pali Texts 2021
	£	£
Sale of Pali texts	63,030	97,195

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	96,368	96,242

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Investment management fees	11,198	11,010
	11,198	11,010

7 Charitable activities

	Pali Texts	Pali Research Grants	Total 2022	Pali Texts	Pali Research Grants	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Staff costs	64,747	-	64,747	58,598	-	58,598
Cost of sales, publishing and distribution costs	89,256	-	89,256	75,867	-	75,867
Stock impairment provision	107,626	-	107,626	7,029	-	7,029
	261,629	-	261,629	141,494	-	141,494
Grant funding of activities (see note 8)	-	88,927	88,927	-	63,036	63,036
Share of support costs (see note 9)	30,280	15,140	45,420	26,052	13,026	39,078
Share of governance costs (see note 9)	5,831	2,915	8,746	3,290	1,645	4,935
	297,740	106,982	404,722	170,836	77,707	248,543

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Grants payable

	Pali Research Grants 2022 £	Pali Research Grants 2021 £
Grants to individuals (2 (2021: 1) grants)	88,927	63,036

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9 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	32,373	-	32,373	29,298	29,298
Office expenses	13,047	-	13,047	9,780	9,780
Trustee expenses	-	2,491	2,491	-	-
Audit fees	-	6,255	6,255	-	4,935
	45,420	8,746	54,166	39,078	44,013
Analysed between Charitable activities	45,420	8,746	54,166	39,078	44,013

10 Trustees

Two Trustees received remuneration in the form of expenses during the year (2021: None). The amount of expenses totalled £87 (2021: Nil).

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Publication of Pali Texts	2	2
Administration	1	1
Total	3	3

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees	(Continued)	
Employment costs	2022	2021
	£	£
Wages and salaries	92,885	82,344
Social security costs	3,517	4,747
Other pension costs	718	805
	<u>97,120</u>	<u>87,896</u>

There is no key management personnel remuneration.

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

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(351,748)	329,756
Gain/(loss) on sale of investments	(84,531)	14,094
	<u>(436,279)</u>	<u>343,850</u>

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2022	39,982
Additions	80
	<hr/>
At 31 December 2022	40,062
	<hr/>
Depreciation and impairment	
At 1 January 2022	39,212
Depreciation charged in the year	500
	<hr/>
At 31 December 2022	39,712
	<hr/>
Carrying amount	
At 31 December 2022	350
	<hr/> <hr/>
At 31 December 2021	770
	<hr/> <hr/>

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2022	3,933,909	114,045	4,047,954
Additions	824,322	-	824,322
Valuation changes	(436,279)	-	(436,279)
Change in cash held	-	129,703	129,703
Disposals	(1,072,150)	-	(1,072,150)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	3,249,802	243,748	3,493,550
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2022	3,249,802	243,748	3,493,550
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	3,933,909	114,045	4,047,954
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 Stocks

	2022 £	2021 £
Finished goods and goods for resale	200,293	305,097
	<hr/> <hr/>	<hr/> <hr/>

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2,727	8,376
Other debtors	3,123	7,283
Prepayments and accrued dividend income	7,311	560
	<u>13,161</u>	<u>16,219</u>

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		1,978	1,931
Deferred income	19	10,855	10,716
Trade creditors		14,807	8,558
Grants payable		76,784	63,036
Accruals and deferred income		8,967	12,500
		<u>113,391</u>	<u>96,741</u>

19 Deferred income

	2022 £	2021 £
Arising from Deferred income - membership subscriptions	<u>10,855</u>	<u>10,716</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>10,855</u>	<u>10,716</u>
Movements in the year:		
Deferred income at 1 January 2022	10,716	11,549
Released from previous periods	(2,679)	(12,068)
Resources deferred in the year	<u>2,818</u>	<u>11,235</u>
Deferred income at 31 December 2022	<u>10,855</u>	<u>10,716</u>

THE PALI TEXT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021	Movement in funds Income	Balance at 1 January 2022	Movement in funds Income	Balance at 31 December 2022
	£	£	£	£	£
Other restricted funds	5,500	-	5,500	-	5,500

21 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:					
Tangible assets	350	-	350	770	770
Investments	3,493,550	-	3,493,550	4,047,954	4,047,954
Current assets/(liabilities)	118,593	5,500	124,093	246,917	252,417
	3,612,493	5,500	3,617,993	4,295,641	4,301,141

22 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).