

SHINNYO-EN, U.K.  
(A COMPANY LIMITED BY GUARANTEE)  
ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2020  
COMPANY NO. 2282524  
REGISTERED CHARITY NO: 299965

**SHINNYO-EN, U.K.**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020**

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31<sup>st</sup> December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

The charity is a charitable company limited by guarantee. It is governed by a memorandum and articles of association.

### **Shinnyo-en**

Shinnyo-en was founded in Japan in 1936 by Reverend Shinjo Ito and is a Buddhist Order devoted to the practice of the teachings of the Buddha as handed down in the Great Nirvana Sutra, which is regarded as the ultimate distillation of the thinking of the Buddha. Through its founder, the Order can trace its spiritual lineage to the beginnings of the Buddhist teaching.

With the exception of a small number of Bishops and Ministers who provide leadership and spiritual guidance, the membership of Shinnyo-en consists of lay men and women leading normal workday lives who endeavour to follow and apply the teachings of the Buddha in the context of the present day living environment. With its emphasis on personal discipline and spiritual development, and on service to the community at large, the Shinnyo teaching strikes a responsive chord among those seeking fulfilment in mind and spirit.

As part of their training and spiritual development, Shinnyo practitioners undertake the three practices of Gohoshi, or voluntary service; Otasuke, or missionary endeavour; and Kangi, or the making of offerings.

### **Objects and Activities**

Shinnyo-en, U.K. was established in 1988 to further the propagation of the Shinnyo-en doctrine in the United Kingdom. To help accomplish its mission, the Company works closely with the founding Shinnyo-en organisation in Japan and with other overseas Shinnyo-en entities. For the purposes of the Charities Act 2011, the Directors of the Company are regarded as trustees.

The principal object of the Company is the advancement and promotion of religion by the extension of the spirit and the knowledge of the teachings of the Buddha through the precepts and teachings of the Shinnyo-en doctrine. Each year our trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

Shinnyo-en activities within the United Kingdom are supervised by the Branch Manager, with guidance from the founding Shinnyo-en organisation in Japan. These activities comprise a full liturgy of services, meetings, programmes of training and instruction, as well as spiritual guidance for the practitioners and the propagation of the Shinnyo teaching within the United Kingdom. There is also basic meditation training at the temple for the general public as well as monthly Evening services at the Royal College of Physicians in London.

Shinnyo-en does not have formal policies designed to promote the Shinnyo teaching. Given that, normally, new entrants join by way of introduction, it is considered that the impression created by the individual Shinnyo practitioner through example and personal behaviour is the most potent influence on those in search of spiritual development.

In furtherance of their commitment to Gohoshi, or voluntary service, practitioners assist with the day-to-day activities of Shinnyo-en, U.K. and with the upkeep of The Manor House, which is the centre for Shinnyo-en activities in the United Kingdom.



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**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020**  
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### **Fundraising Activities**

The Foundation does not carry out any fundraising activities. The company does not solicit funds other than on a voluntary basis or assistance from the general public, either directly or indirectly, nor does it engage in any form of commercial activity.

### **Achievements and Performance**

The ultimate objective of all Shinnyo-en activities is the spiritual development of the individual practitioners, to help in his or her quest for enlightenment, and all activities in the United Kingdom during the year under review have been directed towards this end. These activities were supervised by the Branch Manager and co-ordinated by a Council drawn from among the more experienced followers and together with representations of the Youth Association (age range 16 to 36 years).

Due to the outbreak of the Covid-19 coronavirus, it was decided that all activities at Shinnyo-en, UK were cancelled from 4<sup>th</sup> March 2020 and the temple remained closed until 1<sup>st</sup> July 2020 after the lockdown measures was announced by the UK government on 23<sup>rd</sup> March 2020. During this first lockdown, all temple office staff were on duty, however, only a minimum number of office staff worked at the temple to conduct services and to carry out daily administrations, otherwise they were working at home remotely. On 1<sup>st</sup> July 2020 the temple gradually resumed activities such as sesshin meditation training, services with followers' participation at the temple for private prayer in line with government guidelines.

Due to the situation with the Coronavirus, Shinnyo-en, UK was unfortunately unable to hold the meditation and lecture programme for locals in 2020. However, despite the pandemic Shinnyo-en UK decided to hold the annual Shinnyo Lantern Floating by opening only the garden at the temple that aimed to create feelings of connectedness with loved ones who are physically far from us and aiming to kindle an optimistic light of hope in ourselves and others. The Shinnyo Lantern Floating 2020 was held from September 19<sup>th</sup> to the 26<sup>th</sup> to spread participants number over 8 days. Due to the length of the event and hiring "online streaming" facility, the Lantern Floating budget received by Shinnyo-en Japan was not sufficient. Shinnyo-en Japan agreed to redirect unused funds from the interfaith activity to the Shinnyo Lantern Floating 2020. The event was highly successful and attracted 1,100 attendees at the temple and also over 3,000 online viewers, including access to the recorded events.

Because of the closure and activities with restrictions at the temple, it was expected that the donations from followers in 2020 would be significantly lower than the donations in 2019. However, the income of 2020 from followers was very stable and also the expenses stayed low.

There have been various Coronavirus (Covid-19) support schemes for businesses available by the government. However, Shinnyo-en UK had adequate support from Shinnyo-en Japan to continue activities in 2020 and decided to not take up any of the schemes available.

The Trustees wish to place on record their most sincere appreciation for the guidance and support received throughout the period under review from the Head of the Order, Shinnyo Keishu, and for her never failing interest in the work of Shinnyo-en, U.K.

### **Financial Review**

Shinnyo-en, U.K. depends on donations and gifts from Shinnyo followers in the United Kingdom to cover its day-to-day outgoings. The founding Shinnyo-en organisation in Japan meets the operational costs of the temple and if or when heavy expenditure is anticipated, on the repair and maintenance of the company property. The Company benefits considerably from voluntary service provided by followers, in particular with respect to the upkeep of the Manor House buildings and grounds.

Shinnyo-en UK has achieved a surplus of Income over Expenditure for the year of £64,319 compared with £218,326 for the previous year, but the charity received a 11.5% decrease in its Subvention income from Shinnyo-en Japan. Donations for the year ended 31<sup>st</sup> December 2020 saw a 41% decrease of £111,028 compared to previous year which included a generous donation of £100,000 from one family. Rental income from the short-

**SHINNYO-EN, U.K.**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020**  
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-term letting of the Lodge House were for a full year with a secured new tenancy agreement in place towards the year end. Rental income is disclosed net of expenditure in the year.

Total Expenditure in the year decreased slightly by £7,162 to £454,397. This is highlighted in Note 3, where there was an increase in restricted expenditure of £22,672 but a reduction in unrestricted expenditure of £29,834.

As at the balance sheet date, the net current assets of £614,041 are considered sufficient to enable the charity to continue prior to receiving further subvention income.

### **Reserves Policy**

Shinnyo-en UK Reserves Policy is to maintain sufficient level of reserves to enable normal day to day outgoings during the financial year. The trustees consider that the ideal level of reserves as at 31st December 2020 would be £394,309 which is the expected annual Operations of Temple costs as stated in Note 3 to the accounts.

Shinnyo-en UK reported a General Reserve funds of £766,261 as stated in Note 10 to the accounts. The charity has reserves of £743,056 after deducting tangible fixed assets held for charity use. Hence, with total unrestricted expenditure expected to be maintained at a similar level, this is considered sufficient to meet budgeted costs and the normal day to day outgoings during the current financial year commencing 1st January 2021.

### **Plans for Future Periods**

Trustees have been in discussion on a regular basis with the temple staff to monitor and ensure we remain in compliance with ongoing government guidance and are discussing monthly to update potential plans to reopen and resume temple activities in accordance with the developments in the government guidelines and restrictions relating to the Covid-19 Coronavirus.

In respond to the government announcement on 12<sup>th</sup> July 2021, Shinnyo-en UK made a decision to reopen and resume selected activities from 1<sup>st</sup> August 2021 onwards.

Shinnyo-en, UK is delighted to be planning for the 8th year running of the Lantern Floating in September 2021, and it is anticipated that over 1,000 people will be at the temple during 4-days period. This is dependent on any further or additional government safeguarding restrictions being imposed as a result of the present coronavirus situation. The founding organisation, Shinnyo-en Japan, will be funding this event by way of subvention income totalling £40,000 which is similar to the income received in April 2020.

In order to make the Shinnyo En Japanese publications more widely available to the public, the International Department of Shinnyo En Japan proposed that Shinnyo En UK enlist the translation services of Mr Y. Shinokubo to undertake the task of translating 4 volumes of the Shinnyo-en Japanese books to English. During 2020, Mr Shinokubo has already undertaken several translation jobs on an ad-hoc basis to good effect.

### **Going Concern**

The Trustees believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the founding organisation, Shinnyo-en Japan. The Trustees understand that Shinnyo-en Japan will continue to support the charitable company by providing Subvention income to enable Shinnyo-en, UK to continue its charitable operations as a going concern for the foreseeable future.

### **Structure, Governance and Management**

Shinnyo-en, UK is governed by a memorandum and articles of association.

Directors are appointed by the Board, in consultation with the founding Shinnyo-en organisation in Japan. A majority of the members of the Board must at all times be resident in the United Kingdom. Resident Ministers were previously appointed as directors, and although changed on a regular basis, they were familiar with the work of the organisation, and encouraged to be aware of their responsibilities of governance.



**SHINNYO-EN, U.K.**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**Continued**

Other directors are normally selected from the more experienced followers, who again have a working knowledge of the organisation, but who may require more induction with the role they are undertaking from a regulatory and legal viewpoint.

The organisation was managed on a day to day basis throughout the year by the Branch Manager, Mr Shohei Nishino who is also the Company Secretary. The staff consists of four full-time employees and one part-time staff, who reported to the Board of Directors and the founding Shinnyo-en organisation in Japan.

The Board of Directors have assessed the major risks to which the organisation is exposed, in particular those related to the operations and finances of the organisation and are satisfied that systems are in place to mitigate their exposure to risk. Procedures are in place to ensure compliance with health and safety of staff and followers and disabled access to the Manor House.

### **Public Benefit Trust**

Shinnyo-en, UK meets the definition of a public benefit entity under FRS 102. The Trustees consider that the aims and objectives of the charity are able to deliver a public benefit and have given due regard to Public Benefit Guidance published by the Charity Commission.

### **Shinnyo-en Youth Association for U.K.**

The purpose of the Youth Association is to:-

- 1) Nurture the faith of the Younger generation who are already practicing the teaching.
- 2) Create a platform to find answers to their challenges.
- 3) Create an Environment to be more welcoming for newcomers/beginners.
- 4) Strengthening relationships with youth from other faiths.

The activities organised by the Shinnyo-en, U.K. youth will be connected to the above main objectives.

### **Legal and Administrative Information**

FULL NAME:	SHINNYO-EN, U.K.
GOVERNING DOCUMENT:	Memorandum and Articles of Association (as amended to 24th September 1994)
MODE OF INCORPORATION:	Private Limited Company (Limited by Guarantee) Incorporated 1st August 1988 Registered Number: 2282524  Entered on the Central Register of Charities maintained by the Charity Commissioners 31st August 1988 Registered Number: 299965
DIRECTORS/TRUSTEES:	Rev. Koji Sugiyama (Chairman) Mr. Tsuyoshi Shinokubo – Resigned 18 <sup>th</sup> August 2020 Mr. Kenneth White Mr. Rodney D. Ballard Mr. Vatroslav P. Popovic Mr. Charles Ross Day – Appointed 18 <sup>th</sup> August 2020

**SHINNYO-EN, U.K.**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**Continued**

Legal and Administrative Information (continued)

SECRETARY: Mr Shohei Nishino

BRANCH MANAGER: Mr Shohei Nishino

REGISTERED OFFICE: The Manor House  
Woodstock Lane North  
Long Ditton  
Surrey KT6 5HL

AUDITORS: Couch Bright King & Co  
Chartered Accountants  
First Floor, Shropshire House  
179 Tottenham Court Road  
London W1T 7NZ

SOLICITORS: Clifford Chance LLP  
10 Upper Bank Street  
London E14 5JJ

Stone King LLP  
28 Ely Place  
London EC1N 6TD

BANKERS: Barclays Bank plc  
Kingston Business Centre  
Surbiton Branch  
81-83 Victoria Road  
Surbiton  
Surrey KT6 4PD



SHINNYO-EN, U.K.  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020**  
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**Fixed Assets**

The movements in tangible fixed assets for the year are shown in Note 6 of these Financial Statements.

**Directors' Responsibilities for Preparing the Financial Statements**

The trustees (who are also directors of Shinnyo-en, U.K. for the purposes 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP 2019 (FRS102)
- 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- as directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Couch Bright King & Co were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 23<sup>rd</sup> September 2021.

Mr Shohei Nishino  
Secretary

**SHINNYO-EN, U.K.**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

		2020 £	2019 £
<b>Income</b>			
<i>Donations</i>		157,918	268,946
<i>Charitable activities:</i>			
Operation of Temple	300,000		335,000
Annual Events and Activities			
- Special Ceremony	-		-
- Interfaith Friends for Change	10,000		10,000
- Funds for Education	6,000		6,000
- Funds for Youth Association Activities	-		14,833
- Funds for Lantern Floating Ceremony	30,000		25,000
	-----	346,000	-----
			390,833
<i>Other trading activities</i>			
Chiryu Gakuin Dharma Programme	476		1,307
Publications and Devotional Material	1,601		4,818
Lodge House - Short Term Net Rental Income	12,721		13,981
<i>Other Income</i>			
	-----	14,798	-----
			20,106
<b>Total Income</b>		----- 518,716 =====	----- 679,885 =====
<b>Expenditure</b>			
Annual events and activities	2,3	60,088	37,416
Operation of Temple	2,4	394,309	424,143
		-----	-----
<b>Total Expenditure</b>		454,397 =====	461,559 =====
<b>Net Income for the Year</b>		64,319	218,326
<b>Surplus Brought Forward</b>		737,827	519,501
<b>Surplus Carried Forward</b>		----- £802,146 =====	----- £737,827 =====

**Discontinued Operations**

For both financial periods there were no discontinued operations.

**Recognised Gains**

For both financial periods, there were no recognised gains or losses other than those shown above in the Income and Expenditure Account.



SHINNYO-EN, U.K.  
COMPANY NO. 2282524  
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2020

	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible Assets	6	3,388,105	3,395,551
<b>Current Assets</b>			
Debtors	7	10,117	22,483
Cash at Bank and in hand		631,462	547,666
		-----	-----
		641,579	570,149
<b>Creditors</b> (Amounts falling due within one year)	8	27,538	27,873
		-----	-----
<b>Net Current Assets</b>		614,041	542,276
<b>Total Assets Less Current Liabilities</b>		----- £4,002,146 =====	----- £3,937,827 =====
<b>Funds</b>			
<b>Permanent Endowment from Parent Organisation</b>	10	3,200,000	3,200,000
<b>Unrestricted Funds</b>	10	766,261	687,854
<b>Restricted Funds</b>	10	35,885	49,973
		----- £4,002,146 =====	----- £3,937,827 =====

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Directors on 24th September 2021

.....	Mr. Kenneth White	}	
		}	<b>Directors</b>
.....	Mr. Vatroslav Popovic	}	
		}	
.....	Mr. Charles Day	}	

SHINNYO-EN, U.K.  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2020 £	Total Funds 2019 £
<b>Income</b>						
<i>Donations</i>		157,918			157,918	268,946
<i>Income from Charitable Activities:</i>						
Subvention Income from Japan						
- Special Ceremony			-		-	-
- Interfaith Friends for Change		-	10,000	-	10,000	10,000
- Funds for Education			6,000		6,000	6,000
- Funds for Youth Association Activities		-	-	-	-	14,833
- Funds for Lantern Floating Ceremony			30,000		30,000	25,000
- Operation of Temple		300,000	-	-	300,000	335,000
<i>Income from other trading Activities:</i>						
Publications and Devotional Material		1,601	-	-	1,601	4,818
Chiryu Gakuin Dharma Programme		476	-	-	476	1,307
Lodge House - Short Term Net Rental Income		12,721	-	-	12,721	13,981
Other Income		-	-	-	-	-
<b>Total income</b>		472,716	46,000	-	518,716	679,885
<b>Expenditure on:</b>						
Charitable Activities	3,4	394,309	60,088	-	454,397	461,559
<b>Total expenditure</b>		394,309	60,088	-	454,397	461,559
<b>Net income and net movements in funds for the year</b>		78,407	(14,088)	-	64,319	218,326
<b>Transfers between Funds</b>		-	-	-	-	-
<b>Reconciliation of funds</b>						
Total Funds brought forward		687,854	49,973	3,200,000	3,937,827	3,719,501
<b>Total Funds carried forward</b>		766,261	35,885	3,200,000	4,002,146	3,937,827

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.



**SHINNYO-EN, U.K.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	£	£
<b>Cash flows from operating activities</b>		
Net movements in funds for the year	64,319	218,326
<i>Adjustments for:</i>		
Depreciation	11,821	11,195
	<hr/> 76,140	<hr/> 229,521
<i>Movements in working capital</i>		
Decrease/(Increase) in Debtors	12,366	(9,152)
(Decrease)/Increase in Creditors	(335)	3,366
	<hr/> 88,171	<hr/> 223,735
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(4,375)	(3,766)
	<hr/> (4,375)	<hr/> (3,766)
Cash used in investing activities	<hr/> (4,375)	<hr/> (3,766)
Increase in cash and cash equivalents	83,796	219,969
Cash and cash equivalents at beginning of the year	547,666	327,697
Cash and cash equivalents at the end of the year	<hr/> <hr/> 631,462	<hr/> <hr/> 547,666

**SHINNYO-EN, U.K.**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**1 Company status**

The charity is a company limited by guarantee. In the event of the charity being wound up, members who constitute the charitable company are required to contribute an amount not exceeding £10. During the year the affairs of the charitable company were managed by the Directors named on page 4.

**2 Accounting Policies**

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below:

**Basis of preparation**

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Shinnyo-en, UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**Functional and Presentational Currency**

The company's functional and presentation currency is GBP.

**Going Concern**

The charity reported a cash inflow of £83,796 for the year. The Trustees have received confirmation that Shinnyo-en Japan will continue to support the charitable company by providing Subvention income to enable Shinnyo-en UK to continue its charitable operations for the foreseeable future. The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern and therefore continue to adopt the going concern basis in preparing the financial statements.

**Incoming Resources and Resources Expended**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

The Charity, in common with many others of a similar size and organisation, derives a substantial proportion of its income from voluntary donations. Such donations are recognised and entered into the accounting records when they are received. Other income, such as bank interest, is accounted for on an accruals basis.

All expenditure is accounted for on accruals basis.

**Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period of the lease.

**Depreciation**

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on the following basis: -

Fixtures and Equipment	- 2 to 10 years straight line
Motor Vehicle	- 4 years straight line

No depreciation has been provided in respect of the Company's interest in freehold buildings.



**SHINNYO-EN, U.K.**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020**  
**(continued)**

**2 Accounting Policies (continued)**

**Key Judgements and Estimations**

The freehold continues to be maintained to a high standard, and it is in the opinion of the directors, that the property would be worth more if it was at the end of its useful life that it originally cost, and therefore they consider no depreciation is necessary.

**Pension Costs**

The company operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off against profits in the year they are payable.

**Debtors and Creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Foreign Currency Transactions**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**Restricted Funds**

The restricted are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each fund is set out in the notes to the financial statements.

**Unrestricted Funds**

The accumulated funds are unrestricted funds available for use at the discretion of the trustees.

**Permanent Endowment Fund**

The donation from the Founding Organisation in Japan, Shinnyo-en, was for the purpose of acquiring the Manor House, for its subsequent conversion into the U.K. Centre and for continued capital projects. The monies were advanced subject to the conditions set out in note 10 to the accounts.

**SHINNYO-EN, U.K.**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**(Continued)**

	2020 £	2019 £
<b>3 Charitable Activities</b>		
<b>Restricted Expenditure - Annual events and activities</b>		
Education Fund	5,362	4,583
Youth Association Activities	837	10,012
Lantern Floating Ceremony	53,889	22,821
	<u>60,088</u>	<u>37,416</u>
<b>Unrestricted Expenditure - Operations of Temple</b>		
Property Maintenance and Running Costs	93,862	90,601
Meeting, Premises Rentals and Propagation	9,378	60,920
Ceremonies, Functions and Media Costs	18,134	3,247
Motor Expenses	1,950	2,179
Ministers' Costs and Welfare	705	720
Depreciation and Loss on Fixed Asset Disposals	11,821	11,195
Support Costs - See Note 4	240,980	237,651
Governance Costs - See Note 4	17,479	17,630
	<u>394,309</u>	<u>424,143</u>

**4 Analysis of Governance and Support Costs**

	General Support £	Governance Function £	2020 Total £	
Salaries and related costs	228,417	-	228,417	Allocated on time
General Office	12,563	-	12,563	Invoiced events
Audit Fees	-	6,975	6,975	Governance
Accountancy Services	-	6,480	6,480	Governance
Legal and Other Professional Costs	-	4,024	4,024	Governance
	<u>240,980</u>	<u>17,479</u>	<u>258,459</u>	

**Analysis of Governance and Support Costs**

	General Support £	Governance Function £	2019 Total £	
Salaries and related costs	226,322	-	226,322	Allocated on time
General Office	11,329	-	11,329	Invoiced events
Audit Fees	-	6,750	6,750	Governance
Accountancy Services	-	6,480	6,480	Governance
Legal and Other Professional Costs	-	4,400	4,400	Governance
	<u>237,651</u>	<u>17,630</u>	<u>255,281</u>	

**SHINNYO-EN, U.K.**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**(Continued)**

<b>5 Staff Costs</b>	<b>2020</b>	<b>2019</b>
	£	£
Salary	198,660	195,996
Employers National Insurance	18,056	18,521
Pension Costs	11,701	11,805
	-----	-----
	£228,417	£226,322
	=====	=====
The average number employed during the period.	6	6
	==	==

There are no employees with employee benefits in excess of £60,000. The charity operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £11,807 (2019 - £11,805).

The Key Management Personnel of the charity comprise the Company Secretary, the Branch Manager and the Trustees. The total employee benefits of the key management personnel were £56,053 (2019: £55,875). The Trustees neither received nor waived any remuneration during the year (2019: £Nil). Trustees expenses paid during the year are disclosed in Note 17.

**6 Tangible Fixed Assets**

	<b>Freehold</b>	<b>Fixtures</b>	<b>Motor</b>	<b>Total</b>
<b>Cost</b>	<b>Property</b>	<b>Fittings &amp;</b>	<b>Vehicle</b>	<b>£</b>
	£	£	£	£
As at 1st January 2020	3,364,900	753,526	21,000	4,139,426
Additions	-	4,375	-	4,375
Disposals	-	-	-	-
	-----	-----	-----	-----
As at 31st December 2020	3,364,900	757,901	21,000	4,143,801
	=====	=====	=====	=====
<b>Depreciation</b>				
As at 1st January 2020	-	722,876	20,999	743,875
On Disposals	-	-	-	-
Charge for the Year	-	11,821	-	11,821
	-----	-----	-----	-----
As at 31st December 2020	-	734,697	20,999	755,696
	=====	=====	=====	=====
<b>Net Book Value at</b>				
31st December 2020	3,364,900	23,204	1	3,388,105
	=====	=====	=====	=====
<b>Net Book Value at</b>				
31st December 2019	3,364,900	30,650	1	3,395,551
	=====	=====	=====	=====



**SHINNYO-EN, U.K.**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**(Continued)**

	<u>2020</u>	<u>2019</u>
	£	£
<b>7 Debtors</b>		
Prepayments	7,794	13,712
Other Debtors	2,323	8,771
	-----	-----
	£10,117	£22,483
	=====	=====
<b>8 Creditors (Amounts falling due within one year)</b>		
Sundry Creditors & Accruals	22,810	22,170
Taxation and Social Security	4,728	5,703
	-----	-----
	£27,538	£27,873
	=====	=====

**9 Analysis of Net Assets between Funds**

	<b>General</b>	<b>Restricted</b>	<b>Permanent</b>	<b>Total</b>
	<b>Fund</b>	<b>Fund</b>	<b>Endowment</b>	
	£	£	£	£
Tangible Fixed Assets	188,105	-	3,200,000	3,388,105
Cash at Bank and in Hand	595,577	35,885	-	631,462
Other Net Current Assets	(17,421)	-	-	(17,421)
	-----	-----	-----	-----
	766,261	35,885	3,200,000	4,002,146
	=====	=====	=====	=====

**SHINNYO-EN, U.K.**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**(Continued)**

**10 Statement of Funds**

**Permanent Endowment**

This relates to monies received from the Parent Organisation in Japan, Shinnyo-en, for the purposes of acquiring the Manor House (Freehold Property from Note 5), for its subsequent conversion into the U.K. Centre and for continued capital projects.

The monies were advanced subject to the following conditions:

- i) That the said sum be applied only in payment of the purchase price of the property and other costs reasonably incurred by the Company in the connection with the purchase and refurbishment of the property.
- ii) Following the purchase of the property it will not be sold, leased, mortgaged, charged or otherwise disposed of, dealt with or in anyway encumber the whole or any part of the property or interest in it without prior written consent of Shinnyo-En.
- iii) That at the time of applying for registration of title to the property upon completion of the purchase application was made to the Registrar of H M Land Registry for the following restriction to be entered on the register against the title.

Except under an order of the Registrar, no disposition or dealing by the proprietor of the land is to be registered without the consent of the Executive Director of Shinnyo-En, Japan.

The Funds donated have been transferred to the Permanent Endowment from Parent Organisation reserve.

	At 1 January 2020 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 December 2020 £
<b>General Reserve</b>	687,854	472,716	394,309	-	766,261
<b>Total unrestricted funds</b>	<u>687,854</u>	<u>472,716</u>	<u>394,309</u>	<u>-</u>	<u>766,261</u>
<b>Restricted funds:</b>					
Interfaith Friends for Change	21,898	10,000	-	(5,427)	26,471
Funds for Education	1,417	6,000	5,362	-	2,055
Funds for Youth Association Activities	8,196	-	837	-	7,359
Funds for Lantern Floating	18,462	30,000	53,889	5,427	-
<b>Total restricted funds</b>	<u>49,973</u>	<u>46,000</u>	<u>60,088</u>	<u>-</u>	<u>35,885</u>
<b>Permanent Endowment</b>	3,200,000	-	-	-	3,200,000
<b>Total Funds</b>	<u>3,937,827</u>	<u>518,716</u>	<u>454,397</u>	<u>-</u>	<u>4,002,146</u>

Restricted income was received in the year for Interfaith Friends for Change, Education and the Lantern Floating Ceremony.

The Transfer between the restricted funds represents the redirection of unused funds from the interfaith activity to the Shinnyo Lantern Floating 2020 as agreed with Shinnyo En Japan. The carried forward funds for each are available for future expenditure.

The unrestricted fund represents the free funds of the charity which are not designated for particular purposes, and are expendable at the discretion of the Trustees in the furtherance of the objects of the Order.

Hence, such funds may be held to finance both working capital and capital investment.

**SHINNYO-EN, U.K.**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**(continued)**

**11 Capital Commitments**

There are no outstanding commitments as at 31<sup>st</sup> December 2020 (2019: £Nil).

**12 Leasing Commitments**

At 31<sup>st</sup> December 2020, the company had annual commitments under non-cancellable operating lease payments recognised as an expense as detailed below:

	2020	2019
	£	£
Operating Leases which expire:		
Within one year	2,791	2,791
Within two to five years	4,653	7,444
	<u>      </u>	<u>      </u>

**13 Corporation 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.

**14 Contingent Liabilities**

There are no contingent liabilities to report.

**15 Post Balance Sheet Events**

There are no post balance sheet events to report.

**16 Related Party Transactions**

This year there were no directors provided with rent-free accommodation on The Manor House property in connection with their duties, as provided for under Clause 4 of the Memorandum of Association. The Coach House has not been occupied during the year by the junior ministers on their term of secondment in the United Kingdom.

Shinnyo-en Japan, the Founding organisation provides Shinnyo-en, UK with funding by way of subvention income. For the year ended 31<sup>st</sup> December 2020, Shinnyo-en, UK received subvention income of £346,000 (2019: £390,833), which included £6,000 (2019: £6,000) for Education and £Nil (2019: £14,833) for Youth Association activities.

During the year, training travel expenses totalling £931 (2019: £1,767) were paid on behalf of trustees' wives.

**17 Trustee Expenses**

During the year, the travel expenses of four trustees totalling £Nil (2019: £3,063) were paid for by Shinnyo-en, UK.

**18 Control**

The Executive Director of Shinnyo-en Japan, oversees the overall management of Shinnyo-en, UK and is the ultimate controlling party.

**19 General Information**

The charity is a company limited by guarantee, registered in England and Wales. The address of the registered office is The Manor House, Woodstock Lane North, Long Ditton, Surrey, KT6 5HL.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHINNYO-EN, U.K.

### Opinion

We have audited the financial statements of Shinnyo-en, UK for the year ended 31st December 2020 which comprise the primary statements such as the Income and Expenditure Account, the Statement of Financial Position, the Statement of Financial Activities, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 31st December 2020 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 applicable to smaller entities;
- 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 charitable company 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SHINNYO-EN, U.K.  
(Continued)**

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company 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 and proper 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 Trustees' Responsibilities Statement set out on page 6 the Trustees (who are also the directors of the charitable company for the purposes of the 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 charitable company'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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SHINNYO-EN, U.K.  
(Continued)**

We have;

- Obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- Obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- Identified the laws and regulations that have significance in the context of the entity;
- Obtained an understanding of the entity's risk assessment process, including the risk of fraud;
- Assessed and evaluated the susceptibility of the entity's financial statements to material misstatement, through error and fraud;
- Implemented procedures to enable the identification and testing of unusual or unexpected journal entries;
- Evaluated the assumptions and judgements used by management within significant accounting estimates and assessed if these indicate evidence of management bias;
- Tested significant transactions, in particular the evaluation of the business rationale for any which appear unusual or outside the company's normal course of business;
- Reviewed the financial statements and tested the disclosures against supporting documentation;
- Communicated relevant matters (including those above) to all members of the audit team to ensure they understood the risks specific to the entity and the audit procedures planned to mitigate these.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Shepherd (Senior Statutory Auditor)  
for and on behalf of  
Couch Bright King & Co  
Chartered Accountants &  
Statutory Auditors

First Floor, Shropshire House  
179 Tottenham Court Road  
London, W1T 7NZ

25<sup>th</sup> September 2021