

KRISHNAMURTI FOUNDATION TRUST

(LIMITED BY GUARANTEE)

Company Number 1055588

Charity Number 312865

REPORTS AND
FINANCIAL STATEMENTS

For the year ended

31st JULY 2015

KRISHNAMURTI FOUNDATION TRUST

(A company limited by guarantee)

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**Report of the Trustees/Directors
for the year ended 31st July 2015**

The Trustees submit their report and the audited financial statements for the year ended 31st July 2015 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Articles and Memorandum of Association and the Charities SORP 2005. This report incorporates the Strategic Report required by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Reference and Administrative Information

The Charity's governing document is its Memorandum and Articles of Association dated 23rd May 1972 as amended by resolutions since, the most recent being 2nd March 2013.

Charity Name:	Krishnamurti Foundation Trust
Charity registration number	312865
Company registration number	1055588
Registered office and Operational address	Brockwood Park Bramdean Hampshire SO24 OLQ

Directors/Trustees

Ms. G. A. Balleys
Dr. M.R. Cadogan (Died 27th September 2014)
Mr. D. A. Hook
Mr. P. E. Henebry
Mr. G. Primrose
Mrs. W. Smith
Mr. V. R. Reddy (Appointed 26th August 2015)

Senior Management Team

Mr. A. Autor	Main School (Brockwood Park School)
Dr. G. Krishnamurthy	Main School (Brockwood Park School)
Mr. B. Taylor	Development and Co-ordination Foundation (Krishnamurti Foundation Trust)
Mr. J. Blanche	
Ms. M-A. Ridgeway	Inwoods Small School

Solicitors - Paris Smith, 1 London Road, Southampton, SO15 2AE.

Auditor – Stiddard Mathers Ltd., 90-92 King Street Maidstone, Kent ME14 1BH.

Bankers – NatWest Bank Plc, Winchester Old Bank (A), 105 High St, Winchester Hants SO23 9AW

Websites

Global	www.jkrishnamurti.org
Main School	www.brockwood.org.uk
Small School	www.inwoods.org.uk
Foundation	www.kfoundation.org.uk
Centre	www.krishnamurticentre.org.uk
F.O.B	www.friendsofbrockwood.org.uk

Our Aims

Our Charity's purposes, as set out in the objects contained in the company's memorandum of association, are to advance the education of the public in philosophy, sociology, psychology and comparative religion and in particular to promote the study of the teachings in those fields of Jiddu Krishnamurti.

The Charity operates in four areas:-

Brockwood Park School provides a general education for students aged 14 years and over;

Inwoods Small School also provides a general education but for students up to the age of 11 years.

The aim of the schools is to elucidate and provide a broadly based education in an individually supportive pastoral care and curriculum context that addresses the whole person in a manner consistent with the educational philosophy of Jiddu Krishnamurti. The curriculum provides an individualised programme that encourages active learning.

For students wishing to take AS and A-level examinations, the curriculum prepares them for a variety of subjects taught or supported by subject teachers.

New technological developments compel the Krishnamurti Foundation Trust to constantly update the technological equipment needed to preserve and publish Krishnamurti's teachings. It continues to publish and sell books, produce and sell DVDs, MP3 discs, apps, and digital downloads of Jiddu Krishnamurti's talks and discussions, to issue bulletins about the work of the various foundations throughout the world, and it also coordinates local discussion groups around the country.

The aim of the Foundation is to maintain the archives of the works of Jiddu Krishnamurti and to promote and publish these for the public at large.

The Krishnamurti Centre provides opportunities for the study of philosophy, sociology and comparative religion for adult members of the public.

The aim of the Centre is to provide an environment for all adults interested in philosophy, psychology and religion and specifically in the works of Jiddu Krishnamurti.

Our Objectives

Our objectives are set to reflect the educational aims of our Schools, the preservation and dissemination of the works of Jiddu Krishnamurti by the Foundation and to provide a centre of quality for visitors to be able to study the works.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Our key objectives for the year included;

to continue to improve the education of the students in a holistic approach and to provide the financial security so to do;

to continue to protect the archived works and to make publications, recordings and transcriptions generally available. We are producing all the newly digitised material under the form of as yet unpublished DVDs, MP3 CDs and digital downloads available at a small cost (downloads) or free (streaming) on www.jkrishnamurti.org;

to continue to provide a quality place for visitors to be able to study the works of Jiddu Krishnamurti and other like people in quiet and peaceful surroundings.

Our Ethos Strategy and Policies

The Trustees are responsible for setting strategies for achieving the objectives they have set for the particular areas of operation of each section of the Charity.

Schools:

Focus of strategies:

to educate the whole person and to prepare students for life in general and higher examinations, where that is desired by them, by teaching them to be self-reflective and self-directed learners by way of emphasis on inquiry. All students can negotiate and help construct their programme of study and the timetable is then written around these individual requests. Students and their academic advisors can discuss and construct a programme of study and timetable based on this plan.

In order to take forward these strategies we:

review the syllabus, teaching practices, examination results and the development of each child;
strive to improve the environment in which each pupil learns;
communicate and share the unique educational approach of the schools both within and without the community;
communicate and share our unique philosophical resources both within and outside the community;
continue to develop our reasons for, and methods of, providing bursaries to ensure that suitable prospective students are not hindered in attending the schools by lack of finance.

Foundation

Focus of strategies:

to protect the archives of the works in all forms;
to disseminate information to all with whom we have had contact;
to organise meetings in several countries, to show videos of various dialogues and to discuss the works.
To organise the subtitling and translations of our video production in English and more than twenty foreign languages.

In order to take forward these strategies we:

review and improve the method of archiving to ensure that the works are kept for future generations;
ensure that as many people as possible have access to the teachings and the works;
provide bulletins free of charge giving information concerning recent developments and details of meetings;
provide the jkrishnamurti.org website and online shop where videos and audios of many of Krishnamurti's talks are available free or at a small cost in English and many other languages.

Study Centre:

Focus of strategies:

to cater for people from all walks of life to study the Teachings and to assist by organising theme weekends and assisted enquiries;
to attract more interested people to the Study Centre in order to inquire into the Teachings;
to enhance the interactions among the guests at the Centre and the staff body at Brockwood Park.

Our Ethos Strategy and Policies (continued)Study Centre: (continued)

In order to take forward these strategies we:

- review our activities to ensure that we cater for all interested parties and that staff and volunteers are on hand to assist in the understanding of the teachings and works;
- ensure that we continue to create a good environment for visitors;
- endeavour to allow all people to stay at the Centre irrespective of their financial means by reducing and controlling the cost of running the place;
- organising for the school staff to eat at the Centre and interact with the guests.

Our Ethos

Krishnamurti Foundation Trust is a registered charity and a company limited by guarantee. It operates two schools, a junior school for children up to the age of 11 and a senior school for students 14 years and over, a foundation and an adult study centre to benefit the public through its stated aims.

Our school fees are set at the lowest level consistent with ensuring the financial stability of the schools and at a level consistent with providing the students with a high standard of academic and personal achievement (our fees are currently some £4,000 less than the average fees for independent secondary boarding schools in the UK);

Our books, DVDs, MP3s and Text Collection are competitively priced and our bulletins are free to all, as are videos and audio files of hundreds of Krishnamurti's talks available on jkrishnamurti.org and on YouTube;

Our charges for staying at the study centre are kept as low as possible to ensure that all who wish to attend can do so.

Our schools welcome students from all backgrounds both nationally and internationally. In order to be accepted to the senior school a prospective pupil must stay at the school for one week so that the pupil, staff and other students are satisfied that they will be able to achieve the desired whole education and the development of their individual potential whilst living in the community. Prospective students who, by reason of time, finance, visa, or distance, are not able to attend a prospective week at the regular times may be interviewed via Skype, by the Co-Principals and/or students, and a decision is then taken by the Co-Principals. An individual's economic status, gender, sexual orientation, ethnicity, race, religion or disability do not form part of the assessment procedures.

Our schools are committed to safeguarding and promoting the welfare of our students and expect all staff and volunteers to share this commitment.

Early in 2015 Brockwood Park School and Inwoods Small School joined the Independent Boarding Schools Association, whose member schools fall under the Independent Schools Inspectorate instead of Ofsted. The schools are due to be inspected again any time now.

Whilst continuing to preserve the archives in the most modern and efficient manner, the foundation disseminates information about the charity and its three sister international foundations in USA, India and Spain through its free publications, and also sells books and other material to all who express an interest.

Our Ethos (continued)

The study centre welcomes all who wish to study the works and teachings in a quiet and peaceful atmosphere.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination as stated above. Wherever possible we will make the necessary adjustments to meet the needs of staff or students who are or become disabled.

Access Policy

It is important to us that access to the works and teachings of Jiddu Krishnamurti is open to all.

In particular, we wish to encourage all who wish to attend our schools irrespective of their financial means. We believe that our schools and our students benefit from learning within a diverse community. The schools are small enough for students and staff to be able to begin the day together with a quiet period, as well as spending a short period of time ensuring that the premises are clean and tidy. We also have Inquiry Time where the senior school gathers to discuss a serious topical issue together, and all students and staff have a further class in which direct engagement with Jiddu Krishnamurti's teachings occur. Living together in a community offers shared experiences that enrich the education otherwise given.

We, jointly with our three sister foundations, have set up the website www.jkrishnamurti.org which carries video and audio files of several of Krishnamurti's talks which are free to watch online.

Teaching Links and Sharing

Our staff visit schools and attend conferences to exchange information as to teaching methods and the particular philosophy behind the works of Jiddu Krishnamurti. A "wildflower kindergarten" currently uses part of our grounds, free of charge, particularly some of the woodland, where it teaches its children. The Brockwood Observer, the newsletter of the senior school, is sent out to all on our mailing list informing them of items of interest at the school and it contains articles written by staff, students and trustees.

Many teachers unconnected with the Charity visit the small school to view the teaching methods and a group of senior students from a college in Winchester regularly visit for a morning. The Inwoods Small School will also be offering summer workshops again during the long holiday for local children. A weekly newsletter is sent by email to all parents and interested parties.

The Centre is open to any visitor or day guest for most of the year for them to use our facilities, library, video-room, audio and video players, free of charge which encourages people to visit regularly to research Krishnamurti's works. We welcome many guests from the surrounding area at no cost to them. We also have a brochure and various articles available which give information about the intentions of the Centre and which we send to anyone who contacts us and wishes to know more about us. We organise open dialogues for junior school parents using our library as the meeting place and for furthering the intentions of this place. Articles, brochures, Foundation bulletins, the Observer newsletter from the school and other information are available free in reception to anyone who wishes to take them.

We make a charge for guests to stay overnight at the Centre, but the costs are deliberately kept low to encourage people from all walks of life to share our lovely building. However, if a guest cannot afford the full room rate, we may reduce the charge or, in some instances, allow a guest to stay free of charge.

Teaching Links and Sharing (continued)

The Foundation sends out a bulletin giving information about meetings of national and international committees, local events, theme weekends at the Centre and articles based upon the teachings. Copies of our most popular books are sent, free of charge, to individuals who cannot afford to purchase them.

Bursary Policy

As stated previously, the Trustees believe that it is important to make bursaries available to students from families who may not be in a position to pay all of the fees. In assessing their means we take many factors into consideration, including family income, investments, savings etc. However we have no endowments and rely on the generosity of benefactors to be able to offer any kind of bursary. With this in mind we must ensure that a balance is struck between fee-paying parents, many of whom make great personal sacrifices, and those benefiting from the bursaries.

Bursaries range from 7% to 100% remission of fees. Information about fee assistance through bursaries is provided to all who request it. The success of our bursary scheme is explained in our review of activities and achievements section of this report.

In the current year the school has made available 12% of its fee income for bursaries.

Other Policies on Assistance

We understand that some families need to budget carefully and therefore we offer the facility to pay fees on a termly basis.

In order to attract high calibre staff, we offer subsidised places for the children of residential staff if they would otherwise be accepted as a student in the usual way.

The Study Centre offers reduced rates for those wishing to stay overnight, but who struggle financially to meet the full rate.

Review of Activities and Achievements***Krishnamurti Foundation Trust***

The organisation has undergone a comprehensive review of all its operation, which has so far resulted in various changes across the organisation. Although the review is still in progress, the outcome of the review so far has been a leaner, healthier and more focused organisation. The changes have been mostly due to the overall restructuring of the place, better use of human resources, streamlining certain activities and a more balanced organisation. This means that no activities have been negatively impacted by any changes. On the contrary, the agility and leanness of Brockwood Park is intended to be translated to a more excellent and disciplined way of doing things.

One of the outcomes of the review is the setting up of a Development and Co-ordination office. This office has oversight of the overall activities across Brockwood in order to co-ordinate them and it also manages the shared services of accounting, admin, IT and maintenance across the place.

Review of Activities and Achievements continued)***Main School***

As a new initiative in our educational outreach, Brockwood co-hosted an international education conference with the University of Winchester called "Another Learning Is Possible". The conference speakers included the renowned educator, author and emeritus Harvard University Graduate School of Education Professor, Eleanor Duckworth and others from the US and the UK. This first of a kind collaborative conference extended our links and outreach with the University of Winchester and with other educators and organisations. The conference also provided professional development and in-service teacher education for educators from the UK and for the staff of Brockwood and Inwoods and teachers and educators from other schools in Europe. The program was co-organised by a faculty member from the University of Winchester and a Co-Principal of the school.

For the second year running, the school took up residence in tents with an off-grid alternative community, Land Matters, in South Devon. The compost toilets, use of well-drawn water, lack of electricity, and bucket showers gave students and staff a greater awareness and sensitivity for our precious resources and habitual wastage and dependence. Students and staff enjoyed numerous practical workshops, *including cheese-making, shelter-building, and grass-scything*.

During the summer vacation and further afield, one of our Co-Principals attended discussions and gave introductory talks to audiences in Beijing, Hangzhou, and Shanghai, while our other Co-Principal with two of our staff members conducted a weeklong intensive Teacher Education workshop in California-

The school continues to work on raising its profile in India, UAE, Taiwan, China, Spain and Brazil.

We are developing our classrooms into richer learning environments that encourage more immediate engagement with subject matter and support both independent and shared learning in projects, topics and exam courses.

Small School at Inwoods

General improvements to the infrastructure: a new storage space, an isolated care-takers corner for garden and maintenance tools, extra equipment in the disabled WC, a refill of pebbles and bark chip to the access paths and play areas, a revamp of one classroom to allow for more space and shelving, and a revamp of the office space which included major repairs to the exterior walls. With the help of a donation and other fund-raising activities, we have been able to create a small bursary fund for the benefit of our students who may not otherwise be able to attend the school.

The Open Mornings have been well attended by prospective parents and teachers. We have a steady flow of interest in Inwoods, which promises increased attendance for next year, and includes families moving from abroad to enrol their children.

Foundation

The Foundation continued its agreement with Krishnamurti Foundation of America to share royalties and to be jointly represented to all trade partners (publishers, literary agents, committees, online channels, etc.) to avoid duplication of effort and costs. The transcription and verification of all of Krishnamurti's talks is ongoing, and the digitisation of archival audio and video materials is complete. Production of these video recordings for release is also complete, with audio production ongoing.

The charity has set up a YouTube channel and helped to set up the website jkrishnamurti.org where hundreds of video and audio recordings are available for free or to download for a small charge as well as containing much information about Krishnamurti and the four foundations. The content of the Krishnamurti Text Collection is also included, together with hundreds of additional texts, all fully searchable.

Review of Activities and Achievements continued)**Study Centre**

A restructuring of the Centre operations and its kitchen has resulted in cost reductions which will enable the Centre to keep prices low thus making the place affordable to more interested people.

Study groups have been arranged resulting in groups from the UK, France, Germany, Italy and Spain regularly coming to the Centre.

A new leaflet has been produced and the marketing material is being updated.

Pupil Numbers, Visitors and Fees

The main school this year has managed to fill all of the available student places (78) despite the Euro crisis and economic downturn. The Small School is for day students only and had 30 students in all, of whom some were part time. There were never more than 30 students in the small school at any one time. More enquiries are being received at the small school from parents with younger children who hope to secure a place when their children reach five years of age.

Our fees, which are kept to a minimum, were increased to £19,800 pa for the main school and £4,432 pa for the small school if a student attended full time.

The number of nights for which payment was received in the Centre has increased. The normal room rate is reduced when several nights are booked together. In addition, over 1,000 nights were booked but no charge was made, mainly to accommodate visitors from other foundations, international committees and trustees.

Co-curricular Activities

In addition to a full programme of academic courses at AS and A-level (or non-exam if preferred), the senior school continues to offer a wide range of co-curricular activities: these range from pottery and woodwork, through gardening and bush craft, to a range of music-related tuition and a good selection of sports. There is a lot of interest in the performing arts, and two major concerts, or a concert and a play, are prepared each year and performed publicly. The School also organises a selection of trips for students during term-time to museums, galleries and theatres, and sometimes longer educational trips abroad during the winter or Easter breaks.

Details of Bursary Awards – Policy into Practice

Bursaries awarded were approximately 12% of our total expected fee income and amounted to £145,257. This provided assistance to 30 of our students. In addition, two children at Inwoods Small School were awarded bursaries.

REVIEW

The Trustees review the provision of bursaries annually and delegate the responsibility of the offer of bursaries to the Co-Principals of the senior school. The scheme widens access to the school to people from all backgrounds and walks of life and allows suitable students to attend and be part of the school community, who would otherwise be unable to attend.

Teaching Links

Krishnamurti also founded five schools in India and one in the USA, which are the responsibility of sister foundations in those countries. The schools at Brockwood have on-going contact with all of these centres of learning. There is a teacher exchange programme and educational conferences are organised on a regular basis at which Brockwood staff are present. From time to time conferences or workshops are organised at Brockwood for teachers from mainstream schools and teachers often visit as day guests to learn more about the educational approach of the school.

**Report of the Trustees/Directors
for the year ended 31st July 2015****Environmental Incentives – Cutting our “Carbon Footprint”**

Concern for the environment is at the heart of living together at Brockwood. Day to day activities such as re-using and re-cycling items has been carried on for many years. Our buildings are now being upgraded with better insulation and more environmentally friendly heating systems.

As part of our increased use of energy from renewable sources we have invested in a wood chip boiler to heat the Centre building and the Trustees are considering the possibility of installing another biomass boiler to assist in the heating of the main building.

The new student and staff accommodation is heated by a ground source heat pump.

Community Access

The schools regularly hold open days, which members of the local community are welcome to attend. Children and staff of the local Wildflowers Kindergarten, which is not a part of the Krishnamurti Foundation Trust, have been granted access to the grounds at Brockwood on a daily basis. The Centre is open to the day guests free of charge to study the Teachings and spend time in this beautiful space.

Future Plans

The senior school will resume staff induction this year for first and second year staff; Care for the Earth has been rejuvenated by a group of enthusiastic staff and a new Foundations of Education seminar, open to students, mature students and staff, has started with 22 participants. The course will culminate with a joint Brockwood – Winchester University conference.

The Trustees are committed to continuing the high quality of education offered to students using the educational philosophy of Jiddu Krishnamurti.

With the age of digitisation continuing apace, the Trustees are keen to see the impact of the uploading of the text of the CD-ROM and are monitoring its use in order to measure any increased interest in Krishnamurti's works. The charity is also engaging in the creation and maintenance of a global website, the costs of which are to be shared between the charity and the foundations in America, India and Spain. This website, jkrishnamurti.org, and the online shop attached to it are now functioning and have proved very popular.

The centre has continued with the assisted study weekends for those interested in education where a few senior members of staff will lead participants in the exploration of the philosophy of Krishnamurti. The Centre will advertise a free video showing once every month for anybody in the area to view.

As has been stated, the Trustees view the bursary fund as very important in widening the access to our particular type of education, including the concept of educating the whole person, and to encourage students to enquire for themselves. The Trustees will continue to review the impact of the awards scheme to ensure that as many suitable students as possible are able to be part of our community.

As is shown elsewhere in these accounts, the Trustees have embarked upon a long term scheme of maintenance to keep our beautiful buildings in good condition. This will also have the effect of making them more fuel efficient as we strive to reduce our carbon footprint.

Future Plans (continued)

The Friends of Brockwood Park project started in 2012, otherwise referred as FOBP, is getting more traction. FOBP is designed to encourage, recognise and nurture the relationship with the donors who support the different departments at Brockwood.

Donors are required to register to become Friends; this required a minimum donation of £25 annually and in return are sent a small annual gift and invitation to events at Brockwood. The Development Office has also recently launched a social networking site called 'The Friends Portal', which is designed to support inquiry and networking amongst supporters of Brockwood; this will be available to all registered Friends.

The Development Office posts a daily news item about Brockwood online and sends out an electronic newsletter, called the Brockwood Park ePost, four times a year to everyone on the Foundation database for whom we have email addresses. They have once again conducted an "Annual Appeal" in May. Although not as successful as last year's appeal, this year has managed to raise approximately £50,000 which will be used within the different departments, with the largest number of donations still being earmarked for 'where needed most'.

In addition, the outreach and development activities of Brockwood Park is undergoing a review. This may result in new strategy, resources and policies in this area.

Our Finances

One of our risk management policies is to create a budget each year for the ensuing year with planned income and expenditure for the ensuing three years. Monthly reports are created comparing the actual income and expenditure with the budgets and forecasting the result for the year based upon the actual items. The Trustees consider these and take action if and when necessary.

Total income of the charity, excluding legacies, increased slightly from £2,054,698 to £2,060,659. This included £120,122 of donations to restricted funds (2014 - £153,095). Legacies amounted to £212,268 (2014 - £49,203). After deducting expenses, the Net Incoming Resources for the charity amounted to £250,225 (2014 - Net Outgoing £14,453).

The Charity continued to benefit from royalties received from the publications of its books around the world, and from the surplus on the sale of books, video and audio tapes, CD-ROMs and DVDs. The Charity publishes and distributes the bulletins as a free service to all who wish to receive it. The Charity appealed for funds for various purposes, some specific and others general.

The Trustees review the salaries of the staff regularly. As all residential staff receive close to the national minimum wage, this major cost is considerably lower than staff in other schools. Thus we are able to offer lower fees and higher staff to student ratio to parents than would otherwise be the case. The staff and students are all part of a community living together and sharing an interest in the philosophy of Jiddu Krishnamurti. As a charity, therefore, parents and donors have the assurance that all the income is used for the purposes of the charity. As a charity we enjoy tax exemption status which means that we pay no tax on our deposit interest which is applied to the charity's purposes, and we can reclaim tax suffered on gift aid donations made to us. We also benefit from an 80% reduction in the rates on our buildings we occupy for charitable purposes. However, we are unable to reclaim VAT on purchases and expenses used for educational purposes and we pay taxes as an employer through the national insurance contributions we make.

Developments and Maintenance

The Trustees commissioned a report five years ago into the structuring of the necessary maintenance over a period of some twenty years. The Charity is continuing its commitment to this report throughout the estate which is continually updated for ongoing events.

Brockwood Park Estates Ltd is a wholly owned subsidiary whose objects are to design and build new buildings and it was first used for the construction of the Pavilions buildings for student and staff accommodation. This exciting project was completed in September 2013.

The Small School continues to benefit from the buildings constructed over the past few years.

As previously stated, the Trustees have installed a new woodchip boiler at the Centre using locally sourced renewable fuel.

Reserves and Financial Health

As can be seen from the balance sheet, the charity has £627,742 (2014 - £203,517) in net current assets. This will be used as working capital whilst the Charity rebuilds its reserves. With the completion of the Pavilions building project, the Trustees believe that these reserves can be rebuilt over the next four years.

Structure, Governance and Management***Governing Document***

Krishnamurti Foundation Trust Limited is a company limited by guarantee governed by its Memorandum and Articles of Association which were last altered in March 2013.

It is registered as a charity with the Charity Commission.

Each member agrees to contribute £1 in the event of the charity winding up.

Governing Body

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as the Governors. Under the requirements of the Memorandum and Articles of Association one third of them must retire at each Annual General Meeting.

The Governing body consists of the persons mentioned on page 1.

In accordance with the Articles of Association, Gisele Balleys and Gary Primrose retire by rotation and, being eligible, offer themselves for re-election. Also Mr V R Reddy was appointed by the Trustees during the year and so retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

The Governors meet as a body on at least three occasions in each year, the duration of each meeting being about four days. In addition there are various committees and working groups who meet more regularly throughout the year. Each Governor has specific responsibilities for particular areas of operation within the Charity.

All Governors give their time voluntarily as Trustees but are now able to receive payment for special services and goods supplied to the charity by written agreement in accordance with the Memorandum of Association. Any expenses reclaimed from the charity are set out in note 20 to the accounts.

Recruitment and Training

In common with charities of similar size, it is difficult to retain a full complement of governors covering the necessary range of skills and experience and, in particular, with a keen interest in Krishnamurti's teachings. The existing Governors seek new Governors through contacts with international committees and personal contacts. New Governors are mentored by more experienced Governors in the workings of the Charity and its procedures.

Organisational Management

The Governors (Trustees) are legally responsible for the overall management and control of the four areas of the Charity. These are the Main School (referred to as Brockwood Park School), the Small School (referred to as Inwoods Small School), the Foundation (referred to as Krishnamurti Foundation Trust) and the Adult Study Centre (referred to as The Krishnamurti Centre). The Senior Management Team has day to day responsibility for the running of their respective areas and for implementing the policies set by the Governors.

Risk Management

The Governors are responsible for the management of the risks faced by the charity. Risks are identified, assessed and controls established throughout the year. A review of the charity's risks management processes is undertaken frequently, and outside consultants undertake audits of procedures.

The key controls used by the charity include;

- formal agendas for all Committee and Governor Meetings;
- formal minutes taken at all meetings;
- comprehensive strategic planning, budgeting and management accounting;
- formal written policies;
- clear authorisation and approval levels;
- clear job descriptions of all staff;
- vetting procedures as required by law for the protection of the vulnerable.

Included within these controls are considerations of price, credit, liquidity and cash flow risks.

Through the risk management processes established for the charity the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

POLITICAL AND CHARITABLE DONATIONS MORE THAN £200

During the year the company made no charitable or political donations. (2014 - £nil)

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Krishnamurti Foundation Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

TRUSTEES' RESPONSIBILITIES (continued)

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.

The Trustees 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
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Messrs. Stiddard Mathers are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

SIGNED BY ORDER OF THE TRUSTEES

P. Henebry
Trustee

5th November 2015

KRISHNAMURTI FOUNDATION TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
KRISHNAMURTI FOUNDATION TRUST

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We have audited the financial statements of Krishnamurti Foundation Trust for the year ended 31st July 2015 which comprise the Statement of Financial Activities, the Balance Sheet, 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 (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on pages 12 and 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.fcr.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2015 and of the charity's 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 and the Charities Act 2011.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

Alastair Mathers BSc FCA
Senior Statutory Auditor
For and on behalf of
Messrs Stiddard Mathers Ltd
Statutory Auditor & Chartered Accountants

90-92 King Street
Maidstone
Kent ME14 1BH

5th November 2015

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the Income and Expenditure Account)
Year ended 31st July 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	3	372,895	120,122	493,017	438,147
Investment income - Bank Deposit interest		2,415	-	2,415	3,554
Incoming resources from charitable activities	4	1,774,208	3,287	1,777,495	1,662,200
TOTAL INCOMING RESOURCES		2,149,518	123,409	2,272,927	2,103,901
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income (Appeal and Reunion)		13,672	21,388	35,060	1,649
Charitable Activities					
	8				
Conferences		11,816	498	12,314	19,269
Charitable Trading Costs		11,952	29	11,981	12,870
Publicity		44,552	24,364	68,916	101,230
Royalties payable (including KFA)		27,799	-	27,799	23,760
Irrecoverable School Fees and Bad Debts		1,534	-	1,534	2,488
Direct Costs		637,612	29,884	667,496	663,643
Food and Household Costs		208,017	54	208,071	203,281
Archive costs		3,530	12,193	15,723	5,191
Premises costs		336,258	12,944	349,202	438,479
Support costs		326,252	19,331	345,583	369,285
Depreciation		138,221	110,662	248,883	250,094
Total expenditure on charitable activities		1,747,543	209,959	1,957,502	2,089,590
Governance costs	7	28,976	1,164	30,140	27,115
Total resources expended		1,790,191	232,511	2,022,702	2,118,354
Net Incoming/(Outgoing) Resources before Transfers		359,327	(109,102)	250,225	(14,453)
Transfer between funds (Bursaries)	15	149,045	(149,045)	-	-
Transfer between funds (other)	15	(128,895)	128,895	-	-
Net Incoming/ (Outgoing) Resources for the year					
Including Net Income/ (Expenditure) for the year		379,477	(129,252)	250,225	(14,453)
Balances brought forward at 1 st August 2014		3,000,009	2,059,727	5,059,736	5,074,189
Balances carried forward at 31 st July 2015		£3,379,486	£1,930,475	£5,309,961	£5,059,736

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 18 to 25 form part of these financial statements

BALANCE SHEET

31st July 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
FIXED ASSETS					
Tangible Assets	9	1,958,226	3,088,172	5,046,398	5,248,085
Investment in subsidiary	10	-	100	100	100
		<u>1,958,226</u>	<u>3,088,272</u>	<u>5,046,498</u>	<u>5,248,185</u>
CURRENT ASSETS					
Stock	11	25,900	-	25,900	25,421
Debtors	12	77,372	2,588	79,960	153,103
Bank & Cash Balances		2,339,316	(1,157,897)	1,181,419	893,752
		<u>2,442,588</u>	<u>(1,155,309)</u>	<u>1,287,279</u>	<u>1,072,276</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	657,049	2,488	659,537	868,759
NET CURRENT ASSETS		<u>1,785,539</u>	<u>(1,157,797)</u>	<u>627,742</u>	<u>203,517</u>
NET ASSETS LESS CURRENT LIABILITIES		<u>3,743,765</u>	<u>1,930,475</u>	<u>5,674,240</u>	<u>5,451,702</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Secured Loan from AG Educational Trust	23	270,000	-	270,000	300,000
		<u>270,000</u>	<u>-</u>	<u>270,000</u>	<u>300,000</u>
PROVISION FOR LIABILITIES AND CHARGES					
Provision for leaving staff	14	94,279	-	94,279	91,966
		<u>£3,379,486</u>	<u>£1,930,475</u>	<u>£5,309,961</u>	<u>£5,059,736</u>
RESERVES					
Funds		<u>£3,379,486</u>	<u>£1,930,475</u>	<u>£5,309,961</u>	<u>£5,059,736</u>

Approved by the Council of Management on 5th November 2015 and signed on its behalf.

D A Hook

TRUSTEES/DIRECTORS

P Henebry

The notes on pages 18 to 25 form part of these financial statements

Company number 01055588

Year ended 31st July 2015**CASH FLOW STATEMENT**

	2015	2014
	£	£
Cash Generated From Operations		
Net Incoming/(Outgoing) resources for the year	250,225	(14,453)
Movement in provisions	24,237	18,434
Depreciation, less profit on sale of assets	248,883	250,094
(Increase)/Decrease in Stock	(479)	2,437
(Increase)/Decrease in Debtors	72,551	(61,939)
Increase/(Decrease) in Creditors	(237,538)	104,946
	<u>357,879</u>	<u>299,519</u>
Cash from Other Resources		
Proceeds from sale of fixed assets	4,042	-
	<u>361,921</u>	<u>299,519</u>
Application of Cash		
Purchase of Fixed Assets	(51,238)	(269,829)
Payments to Leaving Staff	(21,924)	(13,104)
Loan Repayments	(1,092)	(12,743)
	<u>£287,667</u>	<u>£(3,843)</u>
Net Movement in Cash Resources		
Increase/(Decrease) in Bank and Cash Balances	<u>£287,667</u>	<u>£(3,843)</u>

The notes on pages 18 to 25 form part of these financial statements

KRISHNAMURTI FOUNDATION TRUST
Notes forming part of the Financial Statements
for the year ended 31st July 2015

1. ACCOUNTING POLICIES

a) Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and include the results of the activities described in the Trustees' report, all of which are continuing and follow recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and the Companies Act 2006.

b) Consolidation

The Charity has taken advantage of the exemption provided by Section 405 (2) of the Companies Act 2006 not to prepare group accounts on the basis that the transactions in the subsidiary company are not material compared with those of the Charity.

c) Going Concern.

Despite the current economic conditions the Charity has not experienced any reductions in its activities. As a result of this the Trustees have continued to adopt the going concern basis of accounting.

d) Incoming Resources

Incoming resources comprise the value of goods and services supplied by the company, net of Value Added Tax and trade discounts, plus donations when received and investment income receivable. Legacies are recognised when the amount and date of receipt are certain. Advance royalties are recognised when the agreement is signed and other royalties are recognised when the charity is notified of the amount receivable.

e) Resources Expended

All direct and indirect costs are attributed to the areas to which they belong. All other costs are apportioned on a reasonable apportionment basis. Support costs are shown in note 6, and governance costs (note 7), which are charitable, relate to the stewardship of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost to the charity less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	2% straight line basis
Motor vehicles	25% straight line basis
Fixtures & fittings	15% straight line basis
Equipment	25% straight line basis

No depreciation is provided on the freehold land.

g) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

h) Funds Structure

The Charity has a number of restricted funds to account for situations where the donors require that a donation must be spent for a particular purpose or where funds have been raised for a specific purpose.

Designated funds have been created to receive legacies and other gifts to safeguard the future of the main operating areas within the Charity.

i) Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs but no appropriate proportion of fixed or variable overheads.

j) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate on the day of the transaction. Exchange differences are taken into account in arriving at the operating surplus.

k) Irrecoverable VAT

The charity is partially exempt for VAT on its expenses. All of this VAT is accumulated and charged to Support Costs.

l) Pension Costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from the charity. The annual contributions payable are charged to the Income and Expenditure account.

KRISHNAMURTI FOUNDATION TRUST
Notes forming part of the Financial Statements
for the year ended 31st July 2015

2. **TAXATION**

No taxation liability arises as the Company is a registered charity.

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
3. <u>VOLUNTARY INCOME</u>				
Donations	160,627	120,122	280,749	388,944
Legacies	212,268	-	212,268	49,203
	372,895	120,122	493,017	438,147

As noted in the accounting policies, legacies are only included in these accounts when the amount and date of receipt are certain. One legacy has been communicated to the Charity and is a proportion of a residuary legacy which is subject to two life tenancies. However, the amount of this legacy is not quantifiable. Another residuary legacy amounts to approximately £300,000 but is subject to the sale of some paintings and other objects and to the executors' final approval. These legacies are not included in these accounts.

4. **INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

School fees	1,388,417	-	1,388,417	1,293,884
Board & lodging	184,865	-	184,865	141,822
Royalties	75,418	-	75,418	95,017
Trading activities	21,691	3,287	24,978	24,868
Recoveries from staff and students	83,661	-	83,661	75,201
Other income	20,156	-	20,156	31,408
	1,774,208	3,287	1,777,495	1,662,200

5. **COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

Main School	1,188,796	183,915	1,372,711	1,435,682
Inwoods Small School	124,750	-	124,750	125,187
Foundation	166,478	26,044	192,522	256,054
Adult Study Centre	267,519	-	267,519	272,667
	1,747,543	209,959	1,957,502	2,089,590

6. **SUPPORT COSTS**

Staff	128,042	-	128,042	120,493
Communications	16,488	525	17,013	19,737
Travelling and motor	38,676	5,465	44,141	40,092
Consultancy	-	8,554	8,554	15,771
Insurance	29,512	-	29,512	26,782
Irrecoverable VAT	45,489	-	45,489	59,310
Stationery and office costs	47,641	4,197	51,838	64,231
Other costs	20,404	590	20,994	22,869
	326,252	19,331	345,583	369,285

KRISHNAMURTI FOUNDATION TRUST
Notes forming part of the Financial Statements
for the year ended 31st July 2015

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
7. <u>GOVERNANCE COSTS</u>				
Travel and meetings	1,247	-	1,247	3,695
Auditor's remuneration	5,125	-	5,125	5,125
Legal and professional fees	22,604	1,164	23,768	18,295
	£28,976	£1,164	£30,140	£27,115
8. <u>CHARITABLE EXPENSES</u>				
Charitable expenditure includes:				
Directors' (Trustees') remuneration (For Archivist services – see note 20)	-	3,050	3,050	4,200
Auditor's remuneration for audit services	5,125	-	5,125	5,125
	733,930	29,884	763,814	755,909
Total staff costs:				
Salaries	677,419	28,838	706,257	690,901
Social security costs	33,164	1,021	34,185	31,347
Provision for leaving staff	21,299	-	21,299	16,198
Pension contributions	2,048	25	2,073	172
Payments to former staff	-	-	-	17,291
	733,930	29,884	763,814	755,909
The number of staff of the charity analysed by areas of responsibility, including the trustees, was:				
Teaching and support	71	5	76	71
Promotion and publicity	1	-	1	1
Management and administration	8	-	8	9
Trustees	5	-	5	6
	85	5	90	87

One Trustee received the remuneration as shown above for their work in archiving in accordance with paragraph 4.7 of the Memorandum of Association.

No employee earned £60,000 or more (2014 – Nil).

KRISHNAMURTI FOUNDATION TRUST
Notes forming part of the Financial Statements
for the year ended 31st July 2015

9. **TANGIBLE FIXED ASSETS**

	Freehold Land & buildings £	Plant & machinery £	Total £
Cost			
At 1 st August 2014	7,040,191	523,294	7,563,485
Additions	18,550	32,688	51,238
Disposals	(3,574)	(34,929)	(38,503)
At 31 st July 2015	7,055,167	521,053	7,576,220
Depreciation			
At 1 st August 2014	2,023,675	291,725	2,315,400
Charge for the year	166,175	83,041	249,216
Relating to disposals	(71)	(34,723)	(34,794)
At 31 st July 2015	2,189,779	340,043	2,529,822
Net Book Value			
At 31 st July 2015	£4,865,388	£181,010	£5,046,398
At 31 st July 2014	£5,016,516	£231,569	£5,248,085

The loan from A G Educational Trust is secured on the freehold land and buildings.
The directors are of the opinion that the value of the Freehold Property is in excess of its book value based on the comments in a valuation carried out several years ago. In the opinion of the directors the cost of having a professional revaluation outweighs its benefits.

10. **INVESTMENT IN SUBSIDIARY**

The objects of the charity's subsidiary company, Brockwood Park Estates Ltd, are the development and building of properties. The company has the contract for the building of a new accommodation building for the main school. The charity owns the whole of the 100 shares of £1 each issued by the subsidiary. The turnover of the subsidiary amounted to £18,550 (2014 - £149,100) which was invoiced to the charity where it was capitalised as additions to freehold property. The deficit of the subsidiary amounted to £1 (2014 – £37) and the aggregate capital and reserves were £(96) (2014 - £(95)).

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
11. <u>STOCKS</u>				
Stock of fuel	12,057	-	12,057	10,736
Goods for resale	13,843	-	13,843	14,685
	£25,900	£-	£25,900	£25,421

KRISHNAMURTI FOUNDATION TRUST
Notes forming part of the Financial Statements
for the year ended 31st July 2015

12.	<u>DEBTORS</u>	2015	2014
	Due within one year	£	£
	School fees recoverable	29,450	46,368
	Trade debtors	8,365	6,326
	Owing from KFA	1,446	23,342
	Amount owing from subsidiary	1,158	-
	Other debtors	39,541	77,067
		£79,960	£153,103

13. **CREDITORS: AMOUNTS FALLING**
DUE WITHIN ONE YEAR

Trade creditors	51,335	122,748
Taxes and social security	10,235	27,894
School fees in advance	430,704	550,546
Fee and text book deposits	85,932	107,535
Loan from A G Educational Trust	30,000	-
Loan from The Carbon Trust	-	1,092
Amount owing to subsidiary	-	592
Other creditors and accruals	51,331	58,352
	£659,537	£868,759

The loan from A G Educational Trust is the current portion of the loan as shown below which is secured on the freehold land and buildings.

14. **PROVISION FOR LIABILITIES AND CHARGES**

	2015	2014
Provision for staff leaving	£	£
Balance at 1 st August 2014	91,966	86,275
Used in the year	(21,924)	(12,743)
Charge for the year – Gross amounts	21,299	16,199
Social security costs	2,938	2,235
Balance at 31 st July 2015	£94,279	£91,966

The trustees have decided that when a residential member of staff leaves with more than 3 years' service they will be entitled to receive a lump sum equivalent to 5% of annual salary for each completed year subject to a maximum service of 15 years.

KRISHNAMURTI FOUNDATION TRUST
Notes forming part of the Financial Statements
for the year ended 31st July 2015

15. **RECONCILIATION OF MOVEMENTS IN THE FUNDS**

	Balance 1 st Aug 14	Movement in Resources			Balance 31 st July 15
		Incoming	Outgoing	Transfers	
UNRESTRICTED					
GENERAL					
Foundation	865,475	258,681	176,975	(107,365)	839,816
Main School	1,017,991	1,544,448	1,213,526	(82,619)	1,266,294
Study Centre	789,757	188,461	272,288		705,930
Small School	224,022	139,069	127,402	3,788	239,477
TOTAL GENERAL	2,897,245	2,130,659	1,790,191	(186,196)	3,051,517
DESIGNATED					
Foundation	93,715	16,942	-	85,705	196,362
Brockwood Park Fund	9,049	1,917	-	120,641	131,607
TOTAL DESIGNATED	102,764	18,859	-	206,346	327,969
TOTAL UNRESTRICTED	3,000,009	2,149,518	1,790,191	20,150	3,379,486
RESTRICTED					
MS Bursary Fund	-	38,156	-	(38,156)	-
SS Bursary Fund	4,862	6,908	-	(3,788)	7,982
Music Fund	3,118	720	-	(307)	3,531
Inwoods Nature	4,980	-	-	-	4,980
J K Online	31,427	10,274	10,633	-	31,068
Archive Exchange	2,287	5,000	4,636	-	2,651
Pavilions	1,814,729	-	90,431	-	1,724,298
School Development	10,407	7,715	18,563	441	-
Overall Development	7,194	34,136	47,252	5,922	-
Infrastructure	156,493	-	32,537	-	123,956
Website	11,411	-	7,030	-	4,381
Mobile Apps	12,819	-	9,486	-	3,333
Subtitles	-	20,500	11,943	15,738	24,295
TOTAL RESTRICTED	2,059,727	123,409	232,511	(20,150)	1,930,475
TOTAL FUNDS	£5,059,736	2,272,927	2,022,702	-	5,309,961

As stated in the Accounting Policies on page 18, the Designated Funds hold amounts received from legacies and are used as part of the reserves to safeguard the future of the main operating areas within the Charity.

The transfer of £206,346 was the amount of such legacies (£212,268) less a transfer of £5,922 to cover the deficit on the Overall Development Fund. The transfer of £38,156 was the amount of the school bursaries awarded of £144,950 less a transfer back of £106,794 as there were insufficient funds to pay for these bursaries plus Music bursaries awarded of £307. There were also bursaries awarded of £3,788 in the Small School. Other transfers were made to cover the deficit on the Main School Development fund and a transfer to the Subtitles Fund.

KRISHNAMURTI FOUNDATION TRUST
Notes forming part of the Financial Statements
for the year ended 31st July 2015

16. **CONTINGENT LIABILITIES**

The Trustees do not consider there to be any significant contingent liabilities not disclosed in these accounts.

17. **CAPITAL COMMITMENTS**

At the year end the charity had no capital commitments (2014 – £Nil).

In accordance with one of the charity's policies as noted in the Trustees' report, the charity commissioned a report from a firm of surveyors five years ago about the condition of the premises and the best method of structuring repairs and maintenance over the ensuing 20 years. Whilst this has been costed on an annual basis, the Trustees have not committed funds for this particular item.

18. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible Fixed Assets £	Net Current Assets £	Long Term Liabilities & Provisions £	Total £
RESTRICTED FUNDS				
MS Bursary Fund	-	-	-	-
SS Bursary Fund	-	7,982	-	7,982
Music Fund	-	3,531	-	3,531
SS Nature	-	4,980	-	4,980
J K Online	-	31,068	-	31,068
Archives/Exchange	396	2,255	-	2,651
Pavilions	3,050,051	(1,325,753)	-	1,724,298
School Development	-	-	-	-
Overall Development	641	(641)	-	-
Infrastructure	37,184	86,772	-	123,956
Website	-	4,381	-	4,381
Mobile Apps	-	3,333	-	3,333
Subtitles	-	24,295	-	24,295
TOTAL RESTRICTED FUNDS	3,088,272	(1,157,797)	-	1,930,475
UNRESTRICTED FUNDS				
DESIGNATED FUNDS				
Foundation	-	196,362	-	196,362
Brockwood Park Fund	-	131,607	-	131,607
TOTAL DESIGNATED FUNDS	-	327,969	-	327,969
GENERAL FUNDS				
Foundation	2,787	862,328	(25,299)	839,816
Main School	894,224	687,574	(315,504)	1,266,294
Study Centre	995,047	(277,845)	(11,272)	705,930
Small School	66,168	185,513	(12,204)	239,477
TOTAL GENERAL FUNDS	1,958,226	1,457,570	(364,279)	3,051,517
TOTAL UNRESTRICTED FUNDS	1,958,226	1,785,539	(364,279)	3,379,486
TOTAL FUNDS	£5,046,498	£627,742	£(364,279)	£5,309,961

19. **RELATED PARTIES**

The charity has a 100% subsidiary company, Brockwood Park Estates Ltd, whose objects are the design and construction of buildings. Its entire turnover has been capitalised in the charity's fixed assets. The company has a related company under common control named Brockwood Park Krishnamurti Educational Centre Limited. Krishnamurti Foundation Trust Ltd took over the undertaking of the related company on 1st August 2001. The company was a registered Charity until it became dormant. Similar foundations exist in other countries throughout the world including Spain, India and USA. These foundations have joined together to create a global website the costs of which are to be shared between them. The charity and the American foundation (KFA) have made a Joint Representation Agreement whereby all royalties receivable on books by the two organisations are shared equally between them and they will be jointly represented to all trade partners (publishers, literary agents, committees, online channels etc.) to avoid duplication of representation. The amount of royalties to be paid to KFA amounts to £26,459 (2014 – £23,446) and the amount calculated as due from KFA amounts to £25,694 (2014 - £46,513), both of which sums are included in these accounts. Several Trustees have donated money to the charity for various purposes throughout the year.

20. **TRUSTEES' PAYMENTS**

Trustees' expenses amounted to £Nil (2014 - £1,708) which were travelling expenses paid to or on behalf of one of the Trustees. In addition a Trustee was paid the sum of £3,050 for archival work during the year.

21. **TRUSTEES' LIABILITY INSURANCE**

An insurance policy exists, as part of the Charity's normal insurance policy, indemnifying any insured individual for any wrongful act (as defined in the policy) in their capacity as a governor, principal, officer or employee.

22. **ULTIMATE CONTROLLING ENTITY**

In the opinion of the Trustees (Directors) the Charity is controlled by the Trustees (Directors).

23. **LONG TERM LOAN**

In 2014 the Trustees negotiated a long term loan of £300,000 from a charitable trust. The loan is secured on the freehold land and buildings and is due for repayment on 31st January 2016 and is interest free.

However this loan has been renegotiated and the new terms commence on 1st February 2016. From that date the loan will be repayable by quarterly instalments of £15,000 and will carry interest of 2% above LIBOR six month rate.

Therefore this loan is not fully repayable by the instalments of £15,000 per quarter within 5 years.