

**KRISHNAMURTI FOUNDATION TRUST**

(LIMITED BY GUARANTEE)

Company Number 1055588

Charity Number 312865

REPORTS AND  
FINANCIAL STATEMENTS

For the year ended  
31<sup>st</sup> JULY 2016

# KRISHNAMURTI FOUNDATION TRUST

(A company limited by guarantee)

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# KRISHNAMURTI FOUNDATION TRUST

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## Reference and Administrative Information for the year ended 31<sup>st</sup> July 2016

The Charity's governing document is its Memorandum and Articles of Association dated 23<sup>rd</sup> May 1972 as amended by resolutions since, the most recent being 2<sup>nd</sup> 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  
Mr. D. A. Hook  
Mr. P. E. Henebry  
Mr. G. Primrose  
Mrs. W. Smith  
Mr V R Reddy

### 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  
Mr. J. Blanche Foundation (Krishnamurti Foundation Trust)  
Ms. M-A. Ridgeway Inwoods Small School

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

**Auditor** – Wilkins Kennedy LLP, Athenia House, 10-14 Andover Road, Winchester, SO23 7BS

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

### Websites

Global [www.jkrishnamurti.org](http://www.jkrishnamurti.org)  
Main School [www.brockwood.org.uk](http://www.brockwood.org.uk)  
Small School [www.inwoods.org.uk](http://www.inwoods.org.uk)  
Foundation [www.kfoundation.org.uk](http://www.kfoundation.org.uk)  
Centre [www.krishnamurticentre.org.uk](http://www.krishnamurticentre.org.uk)  
F.O.B [www.friendsofbrockwood.org.uk](http://www.friendsofbrockwood.org.uk)

The Trustees have pleasure in presenting their annual report and the audited financial statements of the charity for the year ended 31 July 2016. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) 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 UK published on 16 July 2014 and update bulletin 1.

### **Objectives and activities**

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:-

1. Brockwood Park School provides a general education for students aged 14 years and over;
2. 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.

3. The Foundation maintains the archives of the works of Jiddu Krishnamurti and promotes and publishes these for the public at large.

The Foundation needs 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 and international committees and discussion groups.

4. 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 excellent residential 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 strengthen the overall operation of the charity by continuing with the comprehensive review of all the aspects of the charity;
- to continue to strengthen the charity financially by restructuring the organisation, streamlining certain tasks, improving processes and realising savings as a result ;
- to continue to strengthen the place operationally by bringing about more transparency and accountability to the various roles within the charity and putting into place appropriate processes and procedures;
- to continue to strengthen the charity in respect of compliance and health and safety by detailed review of these aspects of the charity;
- to continue to improve the education of the students with a holistic approach and to provide the financial security to do so;
- 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](http://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-minded people, in quiet and peaceful surroundings.

***Our Ethos and Public Benefit***

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](http://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. 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.

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 Schools Association, whose member schools fall under the Independent Schools Inspectorate instead of Ofsted. The schools were inspected by ISI in March 2016 and their report is available on our website.

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.

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 – see our Bursary Policy below. 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](http://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 free of charge, 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 university 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, 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.

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 15% 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.

***Our 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:**

The focus of our strategies are 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. As a truly international residential school we are also ideally placed in providing and developing a global outlook including an understanding of human and environmental issues. All students work closely with their teachers and academic advisors to construct their programme of study and the timetable is then written around these individual needs, the resources and needs of the school as a whole. 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**

The focus of our strategies are:

- to protect the archives of the works in all forms;
- to disseminate information to all with whom we have had contact;
- to disseminate Krishnamurti's teachings to all through printed and online publications and social media;
- to organise meetings in several countries where audio and/or video recordings of J. Krishnamurti's talks and dialogues are played 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;



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- 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:**

The focus of our strategies are:

- 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.

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.

**Achievement and performance**

The organisation has undergone a comprehensive review of all its operation, which has so far resulted in various changes across the organisation. This review has resulted in 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, setting up new processes and procedures, bringing more transparency and accountability to various roles, ensuring that decisions are being made in an integrated way taking into account all aspects of a given decision and a more balanced organisation. The changes are intended to be translated to a more excellent and disciplined way of doing things which would result in an organisation which is operationally and financially stronger.

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.

**Operational Restructuring**

The Co-ordination and Development Office has been set up to manage the shared services of Administration, Recruitment, Accounting, Estate and Facilities, IT, Development and outside advisors across Brockwood. This office also co-ordinates all the decisions and activities of the various parts of Brockwood including the main School, Inwoods, Foundation and the Centre, in order for the decisions to be more holistic and less fragmented. The new structure will bring about more accountability, transparency and agility with an integrated outlook towards all the activities of Brockwood.

**Administration and Accounts**

Changes in this area include the creation of a new role of Recruitment Officer and Business and Finance Manager. We have also changed the non-residential roles of Bursar, Bookkeeper and Administrative Officer to residential roles. The appointment of a top-tier law firm and an accounting

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firm as our external advisors has improved our position with respect to compliance and changes in this area have also resulted in considerable year-on-year savings, along with more financial transparency and control.

**Estate and Facilities Management**

Restructuring in this area included a new role of Estate and Facilities Manager and changes in all our external contractors. There is also a new process in place, which has brought about more transparency, accountability and efficiency in the work. This has resulted in far better return on our investment in this area. This new Estate and Facilities Manager will also oversee Health and Safety which has already resulted in full compliance with all the regulations.

**Main School*****Inspection by the Independent School Inspectorate***

Last year Brockwood Park School joined the Independent School Association and has recently been inspected by the Independent School Inspectorate. The inspection which happened in March was an integrated inspection encompassing all areas of the main school and Inwoods including compliance, administration, governance, management, academic and pastoral. The timing of review and its resulting changes and the inspection by ISI coincided well as Brockwood received good and excellent results from the inspectors across all its activities. The School was fully compliant on its first inspection which was a surprise to the inspectors themselves. The individualized curriculum at Brockwood was also unique in the eyes of inspectors and came in for special praise. Furthermore the quality of boarding and pastoral care was considered excellent.

The school curriculum has been completely revamped after an in-depth review by both staff and students. The new curriculum has an emphasis on active and independent learning, peer-supported learning, extended immersion in the activities of learning, and the development of interdisciplinary projects and portfolios. The curriculum is firmly underpinned by the intentions for education as Krishnamurti described them. In addition Antonio Autor was appointed as the new Co-Principal of the School, replacing Adrian Sydenham, who has taken up a role working for Brockwood in outreach and editing.

During the summer vacation and further afield, one of our Co-Principals with two of our staff members conducted a weeklong intensive Teacher Education workshop in California-

A radio channel that reaches all Latin America every Tuesday for 20 minutes has dedicated the month of May to Brockwood Park School. The programme included an interview of a Co-Principal, mature students and students. Around 100,000 people listen to this programme. The school continues to work on raising its profile in India, Italy, France, Taiwan, China, and Spain.

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, topic, foundation and exam courses. We intend to continue hosting visiting interns/teachers and developing the teacher apprentice programme.

***Small School at Inwoods***

The fees have recently been reviewed and raised, and are scheduled to continue to increase over a period of three years until they are more in line with other comparable alternative small schools.

The ISI thoroughly looked at compliance, procedures, curriculum, and management, and reported favourably in all areas.

***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](http://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.

The Foundation is due to undergo a review in 2016-17 financial year in line with the review carried out in other areas of Brockwood.

***Study Centre***

The better use of human resources at The Centre and improved collaboration between the kitchens at the School and at The Centre is assisting the Centre to get closer to break-even point. We are also looking into installing up-to-date software that will provide a new booking system for guests and bring more operational efficiency in this area.

A new leaflet has been produced and the marketing material is being updated and social media channels are being now used to communicate the activities of the Centre better to the public.

***Staff Pension Fund***

In common with many UK companies of a similar size, the charity set up a workplace pension scheme for staff through NEST at the beginning of the year and 21 staff were enrolled as members at the year end.

***Pupil Numbers, Visitors and Fees***

The main school this year has only managed to fill 59 of the 78 available student places mainly due to the Euro crisis and economic downturn. We initially had 64 students enrolled and finished the academic year with 59 as 5 students left on mutual agreement during the course of the year. 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 5% to £20,790 pa for the main school and £4,654 pa for the small school if a student attended full time.

The number of nights for which payment was received in the Centre was lower than last year. The normal room rate is reduced when several nights are booked together. In addition, over 730 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 (including topics, foundation and AS and A-level exam courses), 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.

The all school camp took place in the Lake District and the students and staff volunteered a day of conservation work as a whole school in the area we are staying.

***Details of Bursary Awards – Policy into Practice***

Bursaries awarded were approximately 15% of our total expected fee income and amounted to £161,953. This provided assistance to 24 of our students. In addition, 3 children at Inwoods Small School were awarded bursaries.

The Trustees review the provision of bursaries annually and delegate the responsibility of the offer of bursaries to the Co-Principals and Head of Inwoods Small School. The scheme widens access to the schools 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.

***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.

On 3<sup>rd</sup> of September 2016, the whole school went to see the concert 'Krishnamurti, Silence and the Arts' in London. The fund-raising concert, held in Cadogan Hall, was a huge success with over 800 people attending what was a truly remarkable event. Ian Skelly presented the evening with great skill and charm. Aditi Mangaldas, a leader in Indian classical dance left the audience in awe with her wonderfully expressive excursion into the heart of rhythm and the ambience of space. Nigel North, one of the world's foremost lutenists enchanted us with a delicacy rarely seen, and Maria João Pires almost brought the house down with her rendition of Beethoven's profound and last Piano Sonata, Op. 111.

Our development department has co-curated a number of events with SOAS (School of African and Oriental Studies) in London where Krishnamurti videos have been presented to the public for free.

**Financial review**

Due to the comprehensive review, the charity is now running much leaner achieving the same objective. Even though our revenue dropped considerably due to the drop in the number of students, the charity has been able to weather this difficult situation. Even though we have received a healthy number of student applications for our main school, which contribute (comprises) most of our revenue, the (our) number of returning students is (will be) projected to be low for the financial year 2016-17 and therefore, school has made the necessary plans to manage this situation. We feel that for the financial year 2017-18 we will be able to attract the desired number of students. We anticipate that with the savings made as a result of the new organisational structure, and the number of students getting back to the desired level in two years, the charity will be in an operationally and financially strong position for the long term.

***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. Quarterly 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, reduce significantly from £2,060,659 to £1,781,185 due mainly to the drop in student numbers. This included £298,034 of donations (2015 - £280,749). Legacies amounted to £300,875 (2015 – £212,268). After deducting expenses, the Net Incoming Resources for the charity amounted to £112,113 (2015 – £250,225).

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.

Employer staff pension fund contributions for the year amounted to £2,072.

***Facilities - 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.

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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 £806,839 (2015 - £627,742) 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 three years.

**Future plans**

The charity will continue with its review and will focus more on the work of the Foundation and also development, student recruitment, fundraising and outreach. There will be also a focus on the small school and its financial and operational health.

The senior school will continue with implementing its new curriculum and will look at ways to strengthen it further.

The Trustees are committed to continuing the high quality of education offered to students using the educational philosophy of Jiddu Krishnamurti. The senior school is also exploring new avenues of outreach and marketing in order to attract high number of applicants to be able to choose the best among them.

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](http://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.

**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, Mr D Hook and Mrs W Smith retire by rotation and, being eligible, offer themselves 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 of Governors/Trustees***

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;

**Report of the Trustees/Directors  
for the year ended 31<sup>st</sup> July 2016**

- 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.

***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 (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 proper 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.

***Disclosure of information to the auditors***

In so far as the Trustees are aware at the time of agreeing our Trustees' Annual Report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees having made enquiries of fellow trustees and the auditor that they have each taken all steps that they ought to have individually taken, to make themselves aware of any relevant audit information are obliged to take as a Trustee in order to establish that the auditor is aware of that information.



***AUDITOR***

Wilkins Kennedy LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

SIGNED BY ORDER OF THE TRUSTEES

P. Henebry  
Trustee

### **Independent Auditor's Report to the members of Krishnamurti Foundation Trust**

We have audited the financial statements of Krishnamurti Foundation Trust for the year ended 31 July 2016 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, 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.

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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 31 July 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**John Natt**

Senior Statutory Auditor

For and on behalf of Wilkins Kennedy LLP, statutory Auditor  
Winchester, United Kingdom

**KRISHNAMURTI FOUNDATION TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating the Income and Expenditure Account)**  
**Year ended 31<sup>st</sup> July 2016**

Page 18

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
INCOME	£	£	£	£	
<b>Incoming resources from generating funds</b>					
Donations and legacies	3	356,061	242,848	598,909	493,017
Investment income - Bank Deposit interest		3,609	-	3,609	2,415
<b>Income from charitable activities</b>	4	<u>1,477,319</u>	<u>2,223</u>	<u>1,479,542</u>	<u>1,777,495</u>
<b>TOTAL INCOME</b>		<u>1,836,989</u>	<u>245,071</u>	<u>2,082,060</u>	<u>2,272,927</u>
<b>EXPENDITURE</b>					
Costs of raising funds		-	-	-	35,060
<b>Charitable Activities</b>	8				
Conferences		16,251	-	16,251	12,314
Charitable Trading Costs		7,897	-	7,897	11,981
Publicity		33,183	8,256	41,439	68,916
Royalties payable (including KFA)		16,809	-	16,809	27,799
Irrecoverable School Fees and Bad Debts		8,542	-	8,542	1,534
Direct Costs		684,861	3,323	688,184	667,496
Food and Household Costs		164,256	-	164,256	208,071
Archive costs		5,695	14,674	20,369	15,723
Premises costs		377,345	17,340	394,685	349,202
Support costs		346,946	5,550	352,496	345,583
Depreciation		109,261	112,907	222,168	248,883
Governance costs	7.	29,762	7,089	36,851	30,140
<b>Total expenditure on charitable activities</b>		<u>1,800,808</u>	<u>169,139</u>	<u>1,969,947</u>	<u>1,987,642</u>
<b>Total expenditure</b>		<u>1,800,808</u>	<u>169,139</u>	<u>1,969,947</u>	<u>2,022,702</u>
<b>Net Income/(Expenditure) before transfers</b>		36,181	75,932	112,113	250,225
Transfer between funds (Bursaries)	15	161,953	(161,953)	-	-
Transfer between funds (other)	15	3,423	(3,423)	-	-
<b>Net movement in funds</b>		201,557	(89,444)	112,113	250,225
Total funds brought forward		<u>3,379,486</u>	<u>1,930,475</u>	<u>5,309,961</u>	<u>5,059,736</u>
Total funds carried forward		<u>£3,581,043</u>	<u>£1,841,031</u>	<u>£5,422,074</u>	<u>£5,309,961</u>

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 21 to 29 form part of these financial statements

## BALANCE SHEET

31<sup>st</sup> July 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>FIXED ASSETS</b>					
Tangible Assets	9	1,910,619	2,996,905	4,907,524	5,046,398
Investment in subsidiary	10	-	100	100	100
		<u>1,910,619</u>	<u>2,997,005</u>	<u>4,907,624</u>	<u>5,046,498</u>
<b>CURRENT ASSETS</b>					
Stock	11	23,469	-	23,469	25,900
Debtors	12	104,290	142	104,432	79,960
Bank & Cash Balances		2,565,551	(1,125,588)	1,439,963	1,181,419
		<u>2,693,310</u>	<u>(1,125,446)</u>	<u>1,567,864</u>	<u>1,287,279</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
	13	730,497	30,528	761,025	659,537
		<u>730,497</u>	<u>30,528</u>	<u>761,025</u>	<u>659,537</u>
<b>NET CURRENT ASSETS</b>					
		<u>1,962,813</u>	<u>(1,155,974)</u>	<u>806,839</u>	<u>627,742</u>
<b>NET ASSETS LESS CURRENT LIABILITIES</b>					
		<u>3,873,432</u>	<u>1,841,031</u>	<u>5,714,463</u>	<u>5,674,240</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
Loan from AG Educational Trust	23	210,000	-	210,000	270,000
		<u>210,000</u>	<u>-</u>	<u>210,000</u>	<u>270,000</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Provision for leaving staff	14	82,389	-	82,389	94,279
		<u>82,389</u>	<u>-</u>	<u>82,389</u>	<u>94,279</u>
		<u>£3,581,043</u>	<u>£1,841,031</u>	<u>£5,422,074</u>	<u>£5,309,961</u>
<b>RESERVES</b>					
Total funds		<u>£3,581,043</u>	<u>£1,841,031</u>	<u>£5,422,074</u>	<u>£5,309,961</u>

Approved by the Council of Management on 04 November 2016 and signed on its behalf.

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D A Hook

TRUSTEES/DIRECTORS

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P Henebry

The notes on pages 21 to 29 form part of these financial statements

Company number 01055588

Year ended 31<sup>st</sup> July 2016**CASH FLOW STATEMENT**

	2016	2015
	£	£
<b>Cash Generated From Operations</b>		
Net Incoming/(Outgoing) resources for the year	112,113	250,225
Movement in provisions	11,325	24,237
Depreciation, less profit on sale of assets	222,167	248,883
Decrease/(Increase) in Stock	2,431	(479)
(Increase)/Decrease in Debtors	(24,472)	72,551
Increase/(Decrease) in Creditors	41,488	(237,538)
	<u>365,052</u>	<u>357,879</u>
<b>Cash from Other Resources</b>		
Proceeds from sale of fixed assets	-	4,042
	<u>365,052</u>	<u>361,921</u>
<b>Application of Cash</b>		
Purchase of Fixed Assets	(83,293)	(51,238)
Payments to Leaving Staff	(23,215)	(21,924)
Loan Repayments	-	(1,092)
	<u>£258,544</u>	<u>£287,667</u>
<b>Net Movement in Cash Resources</b>		
Increase in Bank and Cash Balances	<u>£258,544</u>	<u>£287,667</u>

The notes on pages 21 to 29 form part of these financial statements

**1. ACCOUNTING POLICIES**

a) Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS102. 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 (FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Transition to FRS102.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required, and have concluded that no such restatement was necessary.

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.

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

d) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy 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

Expenditure is accounted for on an accruals basis. Any irrecoverable element of VAT is included with the item of expense to which it relates. 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.

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

g) Cash at bank and in hand

Cash at bank and in hand includes cash and short term liquidity investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar amount.

h) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**KRISHNAMURTI FOUNDATION TRUST**  
**Notes forming part of the Financial Statements**  
**for the year ended 31<sup>st</sup> July 2016**

- i) 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.
- j) 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.  
Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees
- k) 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. Cost is computed on a first in first out basis
- l) 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.
- m) Irrecoverable VAT  
The charity is partially exempt for VAT on its expenses. All of this VAT is accumulated and charged to Support Costs.
- n) Tax  
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.
- o) Employee Benefits  
The costs of short-term employee benefits are recognised as a liability and an expense, unless the costs are required to be part of the cost of stock or fixed assets.  
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.  
Termination payments are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.
- p) 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.
- q) Judgements and key sources of estimation uncertainty  
In application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.  
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.  
The main accounting estimates for the charity are depreciation, and debt recoverability



**KRISHNAMURTI FOUNDATION TRUST**  
**Notes forming part of the Financial Statements**  
**for the year ended 31<sup>st</sup> July 2016**

2. **TAXATION**

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
3. <b><u>DONATIONS AND LEGACIES</u></b>				
Donations	203,375	94,659	298,034	280,749
Legacies	152,686	148,189	300,875	212,268
	356,061	242,848	598,909	493,017

As noted in the accounting policies, legacies are only included in these accounts when the amount and date of receipt are probable.

4. **INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

School fees	1,141,546	-	1,141,546	1,388,417
Board & lodging	148,197	-	148,197	184,865
Royalties	84,545	-	84,545	75,418
Trading activities	14,939	2,206	17,145	24,978
Recoveries from staff and students	67,969	-	67,969	83,661
Other income	20,123	17	20,140	20,156
	1,477,319	2,223	1,479,542	1,777,495

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

Main School	1,278,350	139,938	1,418,288	1,372,711
Inwoods Small School	145,115	900	146,015	124,750
Foundation	131,357	28,301	159,658	192,522
Adult Study Centre	245,986	-	245,986	267,519
	1,800,808	169,139	1,969,947	1,957,502

6. **SUPPORT COSTS**

Staff	99,252	-	99,252	128,042
Communications	22,100	-	22,100	17,013
Travelling and motor	45,330	-	45,330	44,141
Consultancy	-	-	-	8,554
Insurance	30,798	-	30,798	29,512
Irrecoverable VAT	70,516	-	70,516	45,489
Stationery and office costs	59,336	-	59,336	51,838
Other costs	19,614	5,550	25,164	20,994
	346,946	5,550	352,496	345,583

**KRISHNAMURTI FOUNDATION TRUST**  
**Notes forming part of the Financial Statements**  
**for the year ended 31<sup>st</sup> July 2016**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>7. <u>GOVERNANCE COSTS</u></b>				
Travel and meetings	175	-	175	1,247
Audit and accountancy	9,984	-	9,984	5,125
Legal and professional fees	19,603	7,089	26,692	23,768
	£29,762	£7,089	£36,851	£30,140
<b>8. <u>CHARITABLE EXPENSES</u></b>				
Charitable expenditure includes:				
Directors' (Trustees') remuneration (For Archivist services – see note 20)			1,980	3,050
Auditor's remuneration for audit services			5,250	5,125
Total staff costs:			678,380	706,257
Salaries			31,239	34,185
Social security costs			9,784	21,299
Provision for leaving staff			2,072	2,073
Pension contributions			-	-
Payments to former staff			721,475	763,814
The number of staff of the charity analysed by areas of responsibility, including the trustees, was:				
Teaching and support			63	76
Promotion and publicity			1	1
Management and administration			12	8
Trustees			6	5
			82	90

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 (2015 – £Nil).

The key management of the charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel were £61,820 (2015 £59,592).

**KRISHNAMURTI FOUNDATION TRUST**  
**Notes forming part of the Financial Statements**  
**for the year ended 31<sup>st</sup> July 2016**

9. **TANGIBLE FIXED ASSETS**

	Land & buildings £	Plant & machinery £	Total £
<b>Cost</b>			
At 1 <sup>st</sup> August 2015	7,055,167	521,053	7,576,220
Additions	-	83,293	83,293
Disposals	-	-	-
At 31 <sup>st</sup> July 2016	7,055,167	604,346	7,659,513
<b>Depreciation</b>			
At 1 <sup>st</sup> August 2015	2,189,779	340,043	2,529,822
Charge for the year	140,293	81,874	222,167
Relating to disposals	-	-	-
At 31 <sup>st</sup> July 2016	2,330,072	421,917	2,751,989
<b>Net Book Value</b>			
At 31 <sup>st</sup> July 2016	£4,725,095	£182,429	£4,907,524
At 31 <sup>st</sup> July 2015	£4,865,388	£181,010	£5,046,398

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 Reg Number (06703625), 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 £- (2015 - £18,550). The deficit of the subsidiary amounted to £499 (2015 - £1) and the aggregate capital and reserves were £(595) (2015 - £(96)).

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
11. <b><u>STOCKS</u></b>				
Stock of fuel	8,569	-	8,569	12,057
Goods for resale	14,900	-	14,900	13,843
	£23,469	£-	£23,469	£25,900

**KRISHNAMURTI FOUNDATION TRUST**  
**Notes forming part of the Financial Statements**  
**for the year ended 31<sup>st</sup> July 2016**

12.	<b><u>DEBTORS</u></b>	2016	2015
	<b>Due within one year</b>	£	£
	School fees recoverable	21,458	29,450
	Trade debtors	6,843	8,365
	Owing from KFA	34,803	1,446
	Amount owing from subsidiary	1,158	1,158
	Other debtors	40,170	39,541
		£104,432	£79,960
13.	<b><u>CREDITORS: AMOUNTS FALLING</u></b> <b><u>DUE WITHIN ONE YEAR</u></b>		
	Trade creditors	81,278	51,335
	Taxes and social security	16,568	10,235
	School fees in advance	464,862	430,704
	Fee and text book deposits	94,305	85,932
	Loan from A G Educational Trust	60,000	30,000
	Other creditors and accruals	44,012	51,331
		£761,025	£659,537
	The loan from A G Educational Trust is the current portion of the loan as shown below.		
14.	<b><u>PROVISION FOR LIABILITIES AND CHARGES</u></b>	2016	2015
	Provision for staff leaving	£	£
	Balance at 1 <sup>st</sup> August 2015	94,279	91,966
	Used in the year	(23,215)	(21,924)
	Charge for the year – Gross amounts	11,325	24,237
	Balance at 31 <sup>st</sup> July 2016	£82,389	£94,279

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 31<sup>st</sup> July 2016**

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

	Balance 1 <sup>st</sup> Aug 15	Movement in Resources			Balance 31 <sup>st</sup> July 16
		Incoming	Outgoing	Transfers	
<b>UNRESTRICTED</b>					
<b>GENERAL</b>					
Foundation	839,816	122,642	131,177	(4,282)	826,999
Main School	1,266,294	1,133,673	1,163,460	146,272	1,382,779
Study Centre	705,930	179,686	245,986	(4,086)	635,544
Small School	239,477	160,385	145,115	229	254,976
<b>TOTAL GENERAL</b>	<b>3,051,517</b>	<b>1,596,386</b>	<b>1,685,738</b>	<b>138,133</b>	<b>3,100,298</b>
<b>DESIGNATED</b>					
Foundation	196,362	236,250	115,070	27,243	344,785
Brockwood Park Fund	131,607	4,353	-	-	135,960
<b>TOTAL DESIGNATED</b>	<b>327,969</b>	<b>240,603</b>	<b>115,070</b>	<b>27,243</b>	<b>480,745</b>
<b>TOTAL UNRESTRICTED</b>	<b>3,379,486</b>	<b>1,836,989</b>	<b>1,800,808</b>	<b>165,376</b>	<b>3,581,043</b>
<b>RESTRICTED</b>					
MS Bursary Fund	-	211,563	-	(159,000)	52,563
SS Bursary Fund	7,982	-	-	(2,953)	5,029
Alumni Bursary Fund	-	3,444	-	-	3,444
Music Fund	3,531	1,219	214	-	4,536
Inwoods Nature	4,980	-	900	-	4,080
J K Online	31,068	12,530	5,429	-	38,169
Archive Exchange	2,651	-	4,209	1,558	-
Pavilions	1,724,298	-	78,409	-	1,645,889
School Development	-	7,129	7,502	373	-
Overall Development	-	-	-	-	-
Infrastructure	123,956	-	51,350	-	72,606
Website	4,381	-	4,325	-	56
Mobile Apps	3,333	-	-	-	3,333
Subtitles	24,295	-	14,338	-	9,957
Sundry main school	-	9,186	2,463	(5,354)	1,369
<b>TOTAL RESTRICTED</b>	<b>1,930,475</b>	<b>245,071</b>	<b>169,139</b>	<b>(165,376)</b>	<b>1,841,031</b>
<b>TOTAL FUNDS</b>	<b>£5,309,961</b>	<b>2,082,060</b>	<b>1,969,947</b>	<b>-</b>	<b>5,422,074</b>

As stated in the Accounting Policies on page 22, the Designated Funds hold amounts received from legacies and other gifts and are used as part of the reserves to safeguard the future of the main operating areas within the Charity.

A description of the nature and purpose of the restricted funds are shown below:

MS Bursary Fund – Donations to be used for Bursaries in the main school.

SS Bursary Fund – Donations to be used for Bursaries in the Inwoods Small School.

Alumni Bursary Fund – Donations to be used for Bursaries including for Alumni children.

Music Fund – Donations to be used for Music in the main school.

Inwoods Nature – Donations to be used for nature and education in nature in Inwoods Small School.

J K Online – Donations to be used towards the development of the JKO website.

Archive exchange – Donations to be used for archive exchange between the three foundations.

Pavilions – Donations to be used for pavilions in the main school

**KRISHNAMURTI FOUNDATION TRUST**  
**Notes forming part of the Financial Statements**  
**for the year ended 31<sup>st</sup> July 2016**

15. **RECONCILIATION OF MOVEMENTS IN THE FUNDS (continued)**

School development – Donations to be used for development and advertising of the main school.  
Infrastructure – Donations to be used for upgrading the infrastructure of the main school.  
Website – Donations to be used for the development of the website.  
Mobile Apps – Donations to be used for building a mobile app in the Foundation.  
Subtitles – Donations to be used for subtitling the videos of Krishnamurti.  
Sundry main school – Other sundry donations received for specific purposes.

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

	Tangible Fixed Assets £	Net Current Assets £	Long Term Liabilities & Provisions £	Total £
<b>RESTRICTED FUNDS</b>				
MS Bursary Fund	-	52,563	-	52,563
SS Bursary Fund	-	5,029	-	5,029
Alumni Bursary Fund	-	3,444	-	3,444
Music Fund	-	4,536	-	4,536
Inwoods Nature	-	4,080	-	4,080
J K Online	-	38,169	-	38,169
Archives/Exchange Pavilions	103	(103)	-	-
School Development	-	-	-	-
Overall Development	203	(203)	-	-
Infrastructure	24,452	48,154	-	72,606
Website	-	56	-	56
Mobile Apps	-	3,333	-	3,333
Subtitles	-	9,957	-	9,957
Sundry main school	-	1,369	-	1,369
<b>TOTAL RESTRICTED FUNDS</b>	<b>2,997,005</b>	<b>(1,155,974)</b>	<b>-</b>	<b>1,841,031</b>
<b>UNRESTRICTED FUNDS</b>				
<b>DESIGNATED FUNDS</b>				
Foundation	-	344,785	-	344,785
Brockwood Park Fund	-	135,960	-	135,960
<b>TOTAL DESIGNATED FUNDS</b>	<b>-</b>	<b>480,745</b>	<b>-</b>	<b>480,745</b>
<b>GENERAL FUNDS</b>				
Foundation	1,112	848,276	(22,389)	826,999
Main School	892,366	737,667	(247,254)	1,382,779
Study Centre	949,701	(304,923)	(9,234)	635,544
Small School	67,440	201,048	(13,512)	254,976
<b>TOTAL GENERAL FUNDS</b>	<b>1,910,619</b>	<b>1,482,068</b>	<b>(292,389)</b>	<b>3,100,298</b>
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>1,910,619</b>	<b>1,962,813</b>	<b>(292,389)</b>	<b>3,581,043</b>
<b>TOTAL FUNDS</b>	<b>£4,907,624</b>	<b>£806,839</b>	<b>£(292,389)</b>	<b>£5,422,074</b>

**17. CONTINGENT LIABILITIES**

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

**18. CAPITAL COMMITMENTS**

At the year end the charity had no capital commitments (2015 – 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.

**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 1<sup>st</sup> 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 £18,354 (2015 – £26,459) and the amount calculated as due from KFA amounts to £34,803 (2015 - £25,694), 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 £175 (2015 - £Nil) which were travelling expenses paid to or on behalf of one of the Trustees. In addition a Trustee was paid the sum of £1,980 (2015 – 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 31<sup>st</sup> January 2016 and is interest free.

However this loan has been renegotiated and the new terms commence on 1<sup>st</sup> 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.