

KRISHNAMURTI FOUNDATION TRUST LIMITED

(LIMITED BY GUARANTEE)

Company Number 1055588

Charity Number 312865

**REPORTS AND
FINANCIAL STATEMENTS**

For the year ended
31st JULY 2019

KRISHNAMURTI FOUNDATION TRUST LIMITED

(A company limited by guarantee)

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KRISHNAMURTI FOUNDATION TRUST LIMITED

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Report of the Trustees/Directors

For the year ended 31st July 2019

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 0LQ

Directors/Trustees

Ms. G. A. Balleys
Mr. D. A. Hook
Mr. G. Primrose
Mrs. W. Smith
Mr V R Reddy
Mr A C Herron

Professional advisors and key personnel

Mr. A. Autor	Main School (Brockwood Park School)
Ms M. Masoumian	Bursar
Mr. B. Taylor	Development
Mr. N. Shamim	Foundation (Krishnamurti Foundation Trust)
Ms. M-A. Ridgeway	Inwoods Small School

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

Auditor – Wilkins Kennedy Audit Services, 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

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
Global	www.jkrishnamurti.org

The Trustees have satisfaction in presenting their Annual Report and the audited financial statements of the charity for the year ended 31 July 2019. 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.

Our Purposes, Activities, Aims and Objectives

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 in those fields the study of the teachings 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;
3. The Foundation maintains the archives of the works of Jiddu Krishnamurti and disseminates Krishnamurti's work via print and digital mediums;
4. The Krishnamurti Centre provides opportunities for the study of philosophy, sociology and comparative religion for adult members of the public.

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 to enable visitors to study these 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;

- In line with last year: integrated outreach strategy adopted by the trust; to enhance the outreach activities and capabilities of the charity across all its departments; in particular, to equip the charity with modern marketing and digital tools, processes and practices;
- To create and launch a new website for the Foundation to assist with dissemination of the Teachings of Krishnamurti;
- To create a new Teachings section in order to equip the Foundation with a digital space to be utilised in future social media campaigns and activities;
- To create marketing videos for the Foundation, Centre and Main School to assist with outreach and social media campaigns and activities;

- To equip the charity with a modern database to assist with a communication and fundraising strategy and activities;
- To equip the school and administration of the charity with a school management system to streamline administrative and recruitment processes;
- To initiate social media campaigns to assist with dissemination of the Teachings of Krishnamurti and promotion of Brockwood Park and all its departments;
- To celebrate the 50th anniversary of the Foundation by creating a special edition of Bulletin and organising a special event for the friends and donors;
- To celebrate the 50th anniversary of the school by organising a special reunion for the alumni of Brockwood Park;
- To enhance and strengthen the school's relationship with alumni via varieties of social media, online and print communications;
- To continue to strengthen the charity financially by adopting a disciplined approach to our financial management taking into account provision of a financial reserve;
- to continue to strengthen the charity with respect to compliance and health and safety by implementing and strengthening relevant procedures and processes;
- to continue to improve the education of the students with an holistic approach and to provide the financial security to do so;
- to continue to protect the archived works and accelerate the transcription of various Krishnamurti talks and discussions, with the aim of making them available free;
- to continue to make available for free all the videos of Krishnamurti with their various subtitles on our official YouTube Channel;
- to produce audios of Krishnamurti's talks and discussions and make them available for free on our official YouTube channel;
- to continue to provide a quality centre for visitors to be able to study the works of Krishnamurti and other like-minded people, in quiet and peaceful surroundings;
- to improve the quality and number of the events organised at our Centre and provide free introduction days for the wider public;
- to continue to enable day visitors to our Centre to spend time there free of charge whilst accessing its various facilities.

Our Ethos and Public Benefit

The 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 £10,000 less than the average fees for independent secondary boarding schools in the UK);

In excess of 2,000 videos of Krishnamurti, meticulously subtitled in various languages, are available free of charge on our YouTube Channel; we are progressively releasing short video extracts and audios of Krishnamurti for free on our official Youtube channel and intend to continue to produce and make the remaining audios of Krishnamurti also available for free. We are making the transcripts of various talks of Krishnamurti available for free on our international website (jkrishnamurti.org). We have upgraded the design and content of our bulletin and continue to make it available for free to all.

Our charges for staying at the Centre are kept as low as possible to ensure that all who wish to attend can do so. For most of the year, the Centre is open to any visitor or day guest free of charge, wishing to make use of our facilities (library, video-room, audio and video players) thereby encouraging people to visit regularly to research Krishnamurti's works. We welcome many guests from the surrounding area for day visits also at no cost to them.

Our schools welcome students from all backgrounds both nationally and internationally. 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, may be interviewed via Skype by the Principal, plus other staff and current students. A decision on acceptance is then taken by the Principal. 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 March 2019 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 international sister-foundations in USA, India and Spain, through its free publications, and also sells books and other material to all who express an interest.

We are an equal opportunity organisation and are committed to maintaining a working environment free from any form of discrimination. 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 teachings of Jiddu Krishnamurti is open to all.

In particular, we wish to encourage all who wish to attend our schools to do so, 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 begin the day with staff and students together sharing a period of quiet, as well as spending 30 minutes 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 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.

Jointly with our three sister-foundations, we have set up the website www.jkrishnamurti.org which carries video and audio files of many 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 approaches and the philosophy behind the works of Jiddu Krishnamurti. A local kindergarten ('Wildflowers') currently uses part of our grounds, particularly some of the woodland, free of charge for activities with its children.

The Brockwood Observer, the newsletter of the senior school, is sent out to all on our mailing list free of charge, with information about items of interest at the School and articles written by staff, students and trustees. The main school offers classical concerts organised and performed by award winning musicians free to the public.

Many teachers, unconnected with the charity, visit the small school to view the educational approach and a group of education students from Winchester University visit annually for a tour and activities. Inwoods Small School also offers summer workshops during the holiday for local children. A weekly newsletter is created at Inwoods and sent by email to all parents and interested parties.

At the Krishnamurti Centre we have brochures, bulletins and articles available for free which give information about Krishnamurti's teachings and the intentions of the Centre and which we send to anyone who contacts us and wishes to know more. We organise open dialogues for junior school parents, using our library as the meeting place and for furthering the intentions.

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 facilities. If a guest cannot afford the full room rate, we may make a discretionary reduction in the cost, or allow a guest to stay for free.

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. In addition the videos and audios of Krishnamurti are made available free of charge on our official YouTube channel.

Bursary Policy

As stated above, 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 school 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 in order 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 to meet the costs – 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 13% 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 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 determined for the particular areas of operation of each section of the Charity.

Our key objectives of the charity are listed below with strategies adopted to achieve those also displayed;

- In line with last year: integrated outreach strategy adopted by the trust; to enhance the outreach activities and capabilities of the charity across all its departments; in particular, to equip the charity with modern marketing and digital tools, processes and practices:
 - Thorough research and study of the tools available to adopt the most appropriate ones;
 - Thorough research and study of the existing outreach processes and practices in order to find areas of improvement;
 - Recruitment of skilled staff and volunteers to carry out the necessary work.
- To create and launch a new website for the Foundation to assist with dissemination of the Teachings of Krishnamurti:
 - Initiating a process to investigate and explore the best possible presence online to enhance the outreach and dissemination activities of the Foundation by way of the structure, design and content of the website;
 - Appointment of a suitable team to design and create the website while also creating the content of the website.
- To create a new Teachings section for the Foundation in order to equip the Foundation with a digital space to be utilised in future social media campaigns and activities;
 - Research and study of the existing online material related to the Teachings of Krishnamurti in order to come up with the best way to disseminate them digitally on our website and on social media, especially for a new and young generation;

- Creating compelling content and design to invite and introduce the Teachings of Krishnamurti;
 - Plan of action for this section to be linked to our future social media campaigns.
-
- To create marketing videos for the Foundation, Centre and Main School to assist with outreach and social media campaigns and activities:
 - Finding suitable volunteers or staff to assist with this project;
 - Assembling a team to create compelling content and suitable scripts for these videos with the objective of using this media to promote the activities of the charity on social media.
-
- To equip the charity with a modern database to assist with a communication and fundraising strategy and activities:
 - Review of the internal processes and needs for this tool;
 - Review of existing available tools in the market;
 - Engaging with all internal stakeholders to get 'buy-in';
 - Appointment of suitable staff and volunteers to carry out this project.
-
- To equip the school and administration of the charity with a school management system to streamline administrative and recruitment processes:
 - Review of existing processes and procedures around administration, recruitment and pastoral activities of the school;
 - Review of the existing tools available in the market;
 - Mapping out the new processes to be adopted for streamlining administrative activities;
 - Appointing suitable and skilled staff and volunteers to create a school management system based on the best chosen platform.
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- To initiate social media campaigns to assist with dissemination of the Teachings of Krishnamurti and the promotion of Brockwood Park and all its departments:
 - Research and review of the current trends and tools related to social media activities;
 - Creating a pipeline of campaigns and activities to be adopted on social media;
 - Dedicating resources and staff to attend to this space in a creative and agile way.
-
- To celebrate the 50th anniversary of the Foundation by creating a special edition of the Bulletin and organising a special event for friends and donors:
 - Using this occasion to raise awareness about the Foundation and its mandate;
 - Organising a special event to invite donors and well-wishers to present the work of the Foundation;

- Enhancing the design and content of the Bulletin to mark this occasion.
- To celebrate the 50th anniversary of the school by organising a special reunion for the alumni of Brockwood Park School:
 - Organising a five day event which more than 500 alumni attended;
 - Appointing suitable staff and volunteers to plan and organise this big event;
 - Preparing a free 50 page booklet to mark the event.
- To enhance and strengthen the school's relationship with alumni via various social media, online and print communications:
 - Appoint skilled staff and volunteers to design and plan appropriate online activities;
 - Initiating the school archive project to scan and share thousands of school photos with our alumni to improve engagement with Brockwood;
 - To have periodic communications with alumni while creating properly researched and designed print materials to enhance the engagement with alumni.
- To continue to strengthen the charity financially by adopting a disciplined approach to our financial management taking into account provisions for a financial reserve:
 - Considering the reserve as part of our financial strategy and long term financial planning;
 - Focusing on running a lean organisation by creating a budget, which includes just necessary costs or investments in areas with meaningful returns on investments.
- To continue to strengthen the charity with respect to compliance and health and safety by implementing and strengthening relevant procedures and processes:
 - Responsible staff attending relevant training and conferences;
 - Ongoing review of the existing policies and updating them according to the latest regulations and legislations;
 - Strengthening in-house training of staff in relevant areas;
 - Use of external consultants and experts if and when necessary.
- To continue to improve the education of the students with an holistic approach and to provide the financial security to do so:
 - To recruit suitable and skilled staff for various areas;
 - Strengthening the provision of various classes by incorporating the feedback received in the last academic year;
 - Meetings among various teachers to plan and design creative courses with innovative content and delivery.

- To continue to protect the archived works and accelerate the transcription of various Krishnamurti talks and discussions with the aim of making them available for free:
 - Raising donations to allocate to verification of transcripts;
 - Assigning dedicated volunteers and staff to the verification of transcripts;
 - Working closely with the Krishnamurti Foundation America and adopting new technologies in the field of archiving;
 - Continuing with the on-going work of archiving.
- To continue to make available all the videos of Krishnamurti with their various subtitles on our official YouTube Channel for free:
 - Recruitment of new volunteers to assist with subtitling of various videos;
 - Continuing to produce new subtitles and make them available online;
 - Refining and ordering various playlists on our official Youtube Channel.
- To produce audios of Krishnamurti and make them available on our official Youtube channel for free:
 - Continue to produce a further 1,800 audios to prepare them for release on our Youtube Channel.
- To continue to provide the Centre as a venue of quality for visitors to be able to study the works of Krishnamurti and other like-minded people, in quiet and peaceful surroundings:
 - Providing more staffing for the Centre to improve the quality of service;
 - Having in-house training to improve the provision of our service;
 - Reviewing and updating the existing policies at the Centre to improve the quality of service.

Achievement and Performance

Both small school and main school were inspected by the ISI and both schools met all the inspection requirements and were considered fully compliant. Both schools saw an increase in the number of applications and students. In the schools there was an increased emphasis on the quality of pastoral care and there were many meetings and events organised to attend to this important aspect of school life.

The main school conducted a feedback exercise regarding its curriculum and involving all students and staff and the outcome was very positive. This means that we are confident that the school is offering an alternative education in a sustainable way which would bring certainty for parents and pupils and meet its educational objectives. Both the main school and small school managed to recruit experienced and qualified staff with interest in the ethos of the charity and the teachings of Krishnamurti.

The main school received high quality applications for its Teacher Apprentice Programme which in turn provides the school with the opportunity to later recruit staff from this programme. By the time participants have completed the programme, they are well acquainted with the ethos of Brockwood and the kind of education that is being offered in the schools.

The charity continued strengthening the policies and practices across all aspects of Health and Safety and Compliance with various regulations. The recent inspection by ISI, resulting in the school being considered fully compliant with all the policies and regulations, was a testament to this.

The grounds and gardens received additional human resources, enabling the charity to manage them better and adding to the beauty of the estate – an integral part of the education offered in the school and providing a more attractive setting for guests at the Krishnamurti Centre.

The Foundation launched its newly revamped and designed website with new content to help raise awareness of the Teachings of Krishnamurti and the existence of Brockwood Park and its various offerings. With the help of various social media campaigns and revamping and reorganising the charity's Google Ad account, it resulted in an increase in the number of visitors to the Foundation's website from hundreds per month, to now more than 20,000 visitors per month.

With the creation of high quality promotional and educational videos for the Centre, Foundation and the School, the charity managed to promote its activities and offerings better to the wider audience and its own stakeholders.

Our official YouTube Channel last year received about 7 million views and it is now considered the most visited channel containing Krishnamurti materials and is the most important dissemination tool for the Foundation: the number of subscribers of this channel also continues to increase.

In the area of print publication, the Foundation had great success with the publication of the book "What Are You Doing With Your Life?" and the book has now sold 27,000 copies. We have also licensed a new book to Watkins Publications entitled "Can the Mind be Quiet?" and we expect good results from this project too. Across the world the books continue to be licensed, translated and published in a variety of languages and territories.

At the Krishnamurti Centre, more human resources were allocated resulting in a better quality of service. There was an emphasis on the quality of the events that has so far resulted in an increase in occupancy. Over the past two years the Centre has seen an increase of 21% in paying guests and more than 30% in overall visitors. On-going maintenance and upkeep of the Centre continued to help create a beautiful retreat place for those interested.

Pupil Numbers, Visitors and Fees

The main School for the academic year 2018-19 was able to fill 66 of the 75 available student places. The Small School for day students only, finished the year with 42 students, of whom some were part-time. There were never more than 45 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.

We are maintaining the fee structure that was put in place for the small school giving the parents a choice of full-time or only Friday attendance. The fees for full-time attendance were increased to £6,200 and for one day attendance to £1,515. The main school fees were increased to £21,900. The main school introduced a two tier fee system encouraging the parents who can afford to pay the higher tier of £29,900.

The number of nights for which payment was received in the Centre were higher than last year. The normal room rate is reduced when several nights are booked together.

Co-curricular Activities

In addition to a full programme of academic courses, AS/A-level and non-exam, the main 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, theatres and nature reserves; longer educational trips abroad occur during the winter or spring breaks. Over the years students have spent time at our sister schools in India to enhance their educational programmes.

Details of Bursary Awards – Policy into Practice

Bursaries and sponsorships awarded were approximately 13% of our total expected fee income and amounted to £248,353. This provided assistance to 29 of our students at the main school. In addition, 10 children at the small school were awarded bursaries.

The Trustees review the provision of bursaries annually and delegate the responsibility of the offer of bursaries to the Principal, Head of Inwoods Small School and Bursar. The scheme widens access to the schools to people from all backgrounds and walks of life and allows suitable students, who would otherwise be unable to attend, to be part of the school community.

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.

Environmental Incentives – Cutting our “Carbon Footprint”

Concern for the environment is at the heart of living together at Brockwood. Both schools are vegetarian and grow a proportion of their own food organically in their kitchen gardens. A central part of the high school curriculum is Human Ecology, addressing environmental issues both practically and academically and Nature Study is a central part of the Inwood's curriculum.

Day-to-day activities such as re-using and re-cycling items have been standard practice 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. The recently constructed student and staff accommodation, the Pavilions, 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 day-guests free of charge to study the teachings and spend time in this beautiful space. The main school organises classical music concerts, free of charge and open to the public. Performers are professional, often award-winning, musicians.

Fundraising

The charity does not use professional fundraisers. Our approach to fundraising is light-touch and relies a lot on communicating clearly and directly with our donors about activities in the charity and areas of needs within the charity. We have a close relationship with our donors and organise events, activities and communication strategies to keep them very well informed of what goes on here at Brockwood. In our donor cultivation cycle we place little emphasis on requesting and a lot of emphasis on building relationships.

Financial review

In the year to 31 July 2019 the charity received fewer donations and legacies compared to the year before. However, school fee income increased as a result of having more students both in main and small school.

Our Finances

One of our risk management policies is to create a budget each year for the coming 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, decreased from £2,380,838 to £2,308,924, due to a decrease in donations offset by an increase in legacies. The amount of donations being received in the year was £244,358 (2018 - £483,376). Legacies amounted to £185,355 (2018 – £118,357). After deducting expenses, the Net Incoming Resources for the charity amounted to £116,304 (2018 – £350,751).

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. Because of the way the school operates and its ethos, this major cost is considerably lower than staff in other schools. Thus we are able to keep our fees lower and while offering a higher staff to student ratio than would otherwise be the case. The staff and students are all part of a community living, working and sharing together.

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 the 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 £7,108.

Reserves and Financial Health

As can be seen from the balance sheet, the charity has £1,407,277 (2018 - £1,256,040) in net current assets. This will be used as working capital whilst the Charity rebuilds its reserves.

Future plans

The charity plans to continue to clarify and review its long term objectives and vision and align the internal operations with these objectives and devise strategies to achieve these objectives and vision.

In light of the above, the charity intends to initiate the following:

- Continue with the next phases of the modern data-base project for collection of data and clear communication with various stakeholders;
- Review the fundraising process within the charity and enhance and improve the donor cultivation cycle and communication with prospective and existing donors;
- Review the legacy programme in the charity and find out ways to improve this aspect of fundraising;
- Complete the revamping and design of a new website for the school and the centre and incorporate social media campaigns for promotion of various activities of the charity;
- Embark on new digital and social media initiatives related to the dissemination of the Teachings of Krishnamurti;
- Create podcasts for dissemination of Krishnamurti's Teachings;
- Finalise and implement a long-term operational and financial strategy strengthening the long term outlook of the charity in light of its intentions and objectives, taking into account the uncertainty and risks posed by Brexit;
- Implement and introduce clear objectives for setting up financial reserves for the long-term financial health of the charity;
- Emphasise outreach at the main school and bring more awareness about the type of education offered at school;
- Continue to place the audios of Krishnamurti online to enable free access to the public to his talks in audio format as was done with videos;
- Initiate various new projects in the area of print publication;
- Monitor development with respect to Brexit as it is considered a major risk given the international nature of our main school and our charity.

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 Derek Hook and Mrs Wendy 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 which 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.

Recruitment and Training of Governors/Trustees

In common with charities of a 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 and 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 when necessary. There are also policies and procedures in place ensuring the charity complies with its responsibilities. Training of staff happens throughout the year so everyone is familiar with all the relevant policies and procedures and related tasks and responsibilities.

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.

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, confirm 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 Audit Services 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.

KRISHNAMURTI FOUNDATION TRUST LIMITED

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Report of the Trustees/Directors
For the year ended 31st July 2019



SIGNED BY ORDER OF THE TRUSTEES

D. Hook

Trustee

6 November 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
KRISHNAMURTI FOUNDATION TRUST LTD****Independent Auditor's Report to the members of Krishnamurti Foundation Trust Ltd**

We have audited the financial statements of Krishnamurti Foundation Trust Ltd for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

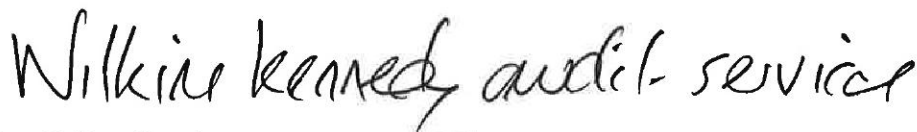
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

A handwritten signature in black ink that reads "Wilkins Kennedy audit services".

Ian Talbot (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy Audit Services

Statutory Auditor

Winchester, United Kingdom

6 November 2019

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the Income and Expenditure Account)
Year ended 31st July 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
INCOME					
Incoming resources from generating funds					
Donations and legacies	3	379,934	49,779	429,713	601,733
Investment income - Bank Deposit interest		6,220	-	6,220	1,749
Income from charitable activities	4	1,872,991	-	1,872,991	1,777,356
TOTAL INCOME		<u>2,259,145</u>	<u>49,779</u>	<u>2,308,924</u>	<u>2,380,838</u>
EXPENDITURE					
Costs of raising funds		-	-	-	-
Charitable Activities	5				
Conferences		2,547	-	2,547	9,521
Charitable Trading Costs		13,209	-	13,209	9,396
Publicity		47,172	-	47,172	37,267
Royalties payable (including KFA)		25,532	-	25,532	27,615
Irrecoverable School Fees and Bad Debts		1,181	-	1,181	21,974
Direct Costs		865,527	3,812	869,339	802,724
Food and Household Costs		194,881	1,375	196,256	184,732
Archive costs		1,772	5,003	6,775	6,514
Premises costs		413,073	3,935	417,008	363,621
Support costs	6	372,802	4,175	376,977	323,434
Depreciation		137,364	75,954	213,318	210,707
Governance costs	7	18,446	4,860	23,306	32,582
Total expenditure on charitable activities		<u>2,093,506</u>	<u>99,114</u>	<u>2,192,620</u>	<u>2,030,087</u>
Total expenditure		<u>2,093,506</u>	<u>99,114</u>	<u>2,192,620</u>	<u>2,030,087</u>
Net Income/(Expenditure) before transfers		165,639	(49,335)	116,304	350,751
Transfer between funds (Bursaries)	15	18,545	(18,545)	-	-
Transfer between funds (other)	15	20,927	(20,927)	-	-
Net movement in funds		205,111	(88,807)	116,304	350,751
Total funds brought forward		<u>3,982,745</u>	<u>1,789,826</u>	<u>5,772,571</u>	<u>5,421,820</u>
Total funds carried forward		<u>4,187,856</u>	<u>1,701,019</u>	<u>5,888,875</u>	<u>5,772,571</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.

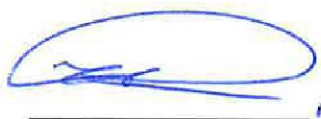
The notes on pages 22 to 30 form part of these financial statements

BALANCE SHEET

31st July 2019

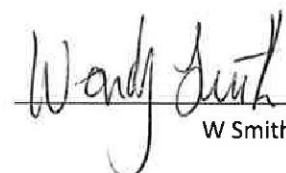
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
FIXED ASSETS					
Tangible Assets	9	1,817,750	2,745,808	4,563,558	4,656,355
Investment in subsidiary	10	-	100	100	100
		<u>1,817,750</u>	<u>2,745,908</u>	<u>4,563,658</u>	<u>4,656,455</u>
CURRENT ASSETS					
Stock	11	24,866	-	24,866	28,482
Debtors	12	159,013	4,284	163,297	208,666
Bank & Cash Balances		3,163,002	(930,201)	2,232,801	1,998,603
		<u>3,346,881</u>	<u>(925,917)</u>	<u>2,420,964</u>	<u>2,235,751</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	894,715	118,972	1,013,687	979,711
NET CURRENT ASSETS		<u>2,452,166</u>	<u>(1,044,889)</u>	<u>1,407,277</u>	<u>1,256,040</u>
NET ASSETS LESS CURRENT LIABILITIES		<u>4,269,916</u>	<u>1,701,019</u>	<u>5,970,935</u>	<u>5,912,495</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Loan from AG Educational Trust	22	30,000	-	30,000	90,000
		<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>90,000</u>
PROVISION FOR LIABILITIES AND CHARGES					
Provision for leaving staff	14	52,060	-	52,060	49,924
		<u>4,187,856</u>	<u>1,701,019</u>	<u>5,888,875</u>	<u>5,772,571</u>
RESERVES					
Total funds		<u>4,187,856</u>	<u>1,701,019</u>	<u>5,888,875</u>	<u>5,772,571</u>

Approved by the Council of Management on 6 November 2019 and signed on its behalf.



D A Hook

TRUSTEES/DIRECTORS



W Smith

The notes on pages 22 to 30 form part of these financial statements

Company number 01055588

Year ended 31st July 2019**CASH FLOW STATEMENT**

	2019	2018
	£	£
Cash Generated From Operations		
Net movement in funds for the period	116,304	350,751
Adjustments for:		
Depreciation, less profit on sale of assets	213,318	210,706
Net movement in provisions	2,136	(6,969)
Decrease/(Increase) in Stock	3,616	(2,259)
(Increase)/Decrease in Debtors	45,369	(25,047)
Increase/(Decrease) in Creditors	33,976	266,921
Net cash provided by operating activities	414,719	810,072
Cash flows from investing activities		
Purchase of Fixed Assets	(120,521)	(66,106)
Cash flows from financing activities		
Repayment of borrowings	(60,000)	(60,000)
	234,198	677,997
Net Movement in Cash Resources		
Increase in Bank and Cash Balances	234,198	677,997

The notes on pages 22 to 30 form part of these financial statements

**Notes forming part of the Financial Statements
for the year ended 31st July 2019**

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.

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.

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.

**Notes forming part of the Financial Statements
for the year ended 31st July 2019****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

**Notes forming part of the Financial Statements
for the year ended 31st July 2019**

2. TAXATION

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
3. <u>DONATIONS AND LEGACIES</u>				
Donations	194,579	49,779	244,358	483,376
Legacies	185,355	-	185,355	118,357
	<u>379,934</u>	<u>49,779</u>	<u>429,713</u>	<u>601,733</u>

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	1,514,802	-	1,514,802	1,413,935
Board & lodging	180,268	-	180,268	178,687
Royalties	58,482	-	58,482	73,144
Trading activities	16,608	-	16,608	16,143
Recoveries from staff and students	77,135	-	77,135	56,444
Other income	25,696	-	25,696	39,003
	<u>1,872,991</u>	<u>-</u>	<u>1,872,991</u>	<u>1,777,356</u>

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

Main School	1,375,078	82,070	1,457,148	1,309,966
Inwoods Small School	199,110	3,240	202,350	183,699
Foundation	222,006	13,804	235,810	242,314
Adult Study Centre	297,312	-	297,312	294,108
	<u>2,093,506</u>	<u>99,114</u>	<u>2,192,620</u>	<u>2,030,087</u>

6. SUPPORT COSTS

Staff	112,901	-	112,901	99,515
Communications	15,239	-	15,239	13,984
Travelling and motor	34,802	-	34,802	34,078
Insurance	28,060	-	28,060	27,662
Irrecoverable VAT	82,091	-	82,091	49,100
Stationery and office costs	60,945	-	60,945	58,882
Other costs	38,764	4,175	42,939	40,213
	<u>372,802</u>	<u>4,175</u>	<u>376,977</u>	<u>323,434</u>

KRISHNAMURTI FOUNDATION TRUST LIMITED

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**Notes forming part of the Financial Statements
for the year ended 31st July 2019**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
7. <u>GOVERNANCE COSTS</u>				
Audit and accountancy	11,320	-	11,320	14,392
Legal and professional fees	7,126	4,860	11,986	18,190
	<u>18,446</u>	<u>4,860</u>	<u>23,306</u>	<u>32,582</u>
8. <u>CHARITABLE EXPENSES</u>				
Charitable expenditure includes:				
Auditor's remuneration				
for audit services			9,350	9,350
for other services			2,050	2,050
			<u> </u>	<u> </u>
Total staff costs:				
Salaries			812,699	751,403
Social security costs			45,065	42,696
Provision for leaving staff			9,069	6,280
Pension contributions			7,108	4,419
			<u>873,941</u>	<u>804,798</u>
The number of staff of the charity analysed by areas of responsibility, including the trustees, was:				
Teaching and support			61	63
Promotion and publicity			1	1
Management and administration			12	11
Trustees			6	6
			<u>80</u>	<u>81</u>

No employee earned £60,000 or more (2018 – Nil). No trustees received any remuneration or expenses payments in the year (2019 – 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 £83,037 (2018 £100,613).

9. **TANGIBLE FIXED ASSETS**

	Land & buildings £	Plant & machinery £	Total £
Cost			
At 1 st August 2018	7,131,364	711,823	7,843,187
Additions	61,270	59,251	120,521
Disposals	-	-	-
At 31 st July 2019	7,192,634	771,074	7,963,708
Depreciation			
At 1 st August 2018	2,612,034	574,798	3,186,832
Charge for the year	143,042	70,276	213,318
Relating to disposals	-	-	-
At 31 st July 2019	2,755,076	645,074	3,400,150
Net Book Value			
At 31 st July 2019	4,437,558	126,000	4,563,558
At 31 st July 2018	4,519,330	137,025	4,656,355

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 charity owns the whole of the 100 shares of £1 each issued by the subsidiary. The turnover of the subsidiary amounted to £0 (2018 - £18,550). The deficit of the subsidiary amounted to £72 (2018 - £644) and the aggregate capital and reserves were £(811) (2018 - £(739)).

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
11. <u>STOCKS</u>				
Stock of fuel	9,965	-	9,965	13,582
Goods for resale	14,901	-	14,901	14,900
	24,866	-	24,866	28,482

KRISHNAMURTI FOUNDATION TRUST LIMITED

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Notes forming part of the Financial Statements
for the year ended 31st July 2019

12.	<u>DEBTORS</u>	2019	2018
	Due within one year	£	£
	School fees recoverable	81,966	102,018
	Trade debtors	29,336	13,680
	Owing from KFA	19,200	41,286
	Amount owing from subsidiary	1,158	1,158
	Other debtors	31,637	50,524
		<u>163,297</u>	<u>208,666</u>

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

Trade creditors	51,796	73,516
Taxes and social security	36,693	11,957
School fees in advance	636,063	637,332
Fee and text book deposits	110,368	120,050
Loan from A G Educational Trust	60,000	60,000
Other creditors and accruals	118,767	76,856
	<u>1,013,687</u>	<u>979,711</u>

The loan from A G Educational Trust is the current portion of the loan as shown in note 22.

14.	<u>PROVISION FOR LIABILITIES AND CHARGES</u>	2019	2018
	Provision for staff leaving	£	£
	Balance at 1 st August 2018	49,924	56,893
	Used in the year	(4,972)	(20,092)
	Charge for the year – Gross amounts	7,108	13,123
		<u>52,060</u>	<u>49,924</u>
	Balance at 31 st July 2019		

The trustees have agreed 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 LIMITED

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**Notes forming part of the Financial Statements
for the year ended 31st July 2019**

15. RECONCILIATION OF MOVEMENTS IN THE FUNDS

	Balance 1 st Aug 18	Movement in Resources			Balance 31 st July 19
		Incoming	Outgoing	Transfers	
UNRESTRICTED					
GENERAL					
Foundation	811,492	181,380	(164,601)	-	828,271
Main School	1,505,135	1,402,013	(1,377,078)	40,747	1,570,817
Study Centre	480,877	202,924	(297,312)	-	386,489
Small School	291,574	248,413	(199,110)	(1,275)	339,602
TOTAL GENERAL	3,089,078	2,034,730	(2,038,101)	39,472	3,125,179
DESIGNATED					
Foundation	722,736	162,769	(55,405)	-	830,100
Brockwood Park Fund	170,931	61,646	-	-	232,577
TOTAL DESIGNATED	893,667	224,415	(55,405)	-	1,062,677
TOTAL UNRESTRICTED	3,982,745	2,259,145	(2,093,506)	39,472	4,187,856
RESTRICTED					
MS Bursary Fund	-	16,580	-	(16,580)	-
Almuni Bursary Fund	64,318	1,317	-	-	65,635
Small School Bursary Fund	-	1,965	-	(1,965)	-
Music Fund	7,694	1,581	(35)	322	9,562
Inwoods Nature	-	-	(3,240)	3,240	-
J K Online	52,029	6,009	(8,800)	-	49,238
Archive Exchange	10,045	5,000	(4,096)	-	10,949
Pavilions	1,491,154	-	(75,955)	-	1,415,199
Infrastructure	67,620	-	-	-	67,620
Subtitles	9,634	-	(908)	-	8,726
Sundry main school	14,347	17,327	(6,080)	8,511	34,105
Jean-Michel	72,985	-	-	(33,000)	39,985
TOTAL RESTRICTED	1,789,826	49,779	(99,114)	(39,472)	1,701,019
TOTAL FUNDS	5,772,571	2,308,924	(2,192,620)	-	5,888,875

As stated in the Accounting Policies, 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

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.
Subtitles – Donations to be used for subtitling the videos of Krishnamurti.
Sundry main school – Other sundry donations received for specific purposes.
Jean-Michel – Donations to be used for bursaries and teacher recruitment

Significant transfers between restricted and unrestricted funds in the year were as follows:

- from the Jean-Michel and MS Bursary Fund to the Main School unrestricted fund to cover main school bursary payments

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Long Term Liabilities & Provisions £	Total £
RESTRICTED FUNDS				
Alumni Bursary Fund	-	65,635	-	65,635
Small School Bursary	-	-	-	-
Jean Michel Bursary Fund	-	39,985	-	39,985
Music Fund	-	9,562	-	9,562
J K Online	-	49,238	-	49,238
Archives/Exchange	-	10,949	-	10,949
Pavilions	2,741,559	(1,326,360)	-	1,415,199
Infrastructure	4,349	63,271	-	67,620
Mobile Apps	-	-	-	-
Subtitles	-	8,726	-	8,726
Sundry main school	-	34,105	-	34,105
TOTAL RESTRICTED FUNDS	2,745,908	(1,044,889)	-	1,701,019
UNRESTRICTED FUNDS				
DESIGNATED FUNDS				
Foundation	-	830,100	-	830,100
Brockwood Park Fund	-	232,577	-	232,577
TOTAL DESIGNATED FUNDS	-	1,062,677	-	1,062,677
GENERAL FUNDS				
Foundation	1,416	843,654	(16,799)	828,271
Main School	886,895	735,693	(51,771)	1,570,817
Study Centre	866,974	(477,337)	(3,148)	386,489
Small School	62,465	287,479	(10,342)	339,602
TOTAL GENERAL FUNDS	1,817,750	1,389,489	(82,060)	3,125,179
TOTAL UNRESTRICTED FUNDS	1,817,750	2,452,166	(82,060)	4,187,856
TOTAL FUNDS	4,563,658	1,407,277	(82,060)	5,888,875

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 (2018 – Nil). The charity put together a 10 year maintenance plan in 2018 which lays out the best method of structuring repairs and maintenance for different buildings over the coming 10 years. 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 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 £29,022 (2018 – £48,025) and the amount calculated as due from KFA amounts to £19,200 (2018 - £41,286), 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' 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.

21. ULTIMATE CONTROLLING ENTITY

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

22. 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 was due for repayment on 31st January 2016 and was interest free. However this loan has been renegotiated and the new terms commenced on 1st February 2016. From that date the loan has been repayable by quarterly instalments of £15,000 and carries interest of 2% above LIBOR six month rate.