

Manchester Buddhist Centre
Statement of Financial Activities
for the year ended 31 December 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	113,473	30	113,503	138,755
Charitable activities	4	127,167	-	127,167	144,040
Investments	5	-	-	-	35
Total income		240,640	30	240,670	282,830
Expenditure on:					
Charitable activities	6	256,277	-	256,277	267,273
Total expenditure		256,277	-	256,277	267,273
Net income/(expenditure) for the year	7	(15,637)	30	(15,607)	15,557
Transfer between funds		-	-	-	-
Net movement in funds for the year		(15,637)	30	(15,607)	15,557
Reconciliation of funds					
Total funds brought forward		769,386	6,654	776,040	760,483
Total funds carried forward		753,749	6,684	760,433	776,040

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

Manchester Buddhist Centre

Balance Sheet as at 31 December 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	10	705,396	725,275
Total fixed assets		705,396	725,275
Current assets			
Stock		16,867	17,610
Debtors	11	11,477	2,763
Cash at bank and in hand		94,263	109,344
Total current assets		122,607	129,717
Liabilities			
Creditors: amounts falling due in less than one year	12	(39,910)	(36,104)
Net current assets		82,697	93,613
Total assets less current liabilities		788,093	818,888
Creditors: amounts falling due after more than one year	13	(27,660)	(42,848)
Net assets		760,433	776,040
Funds of the charity:			
Restricted income funds	14	6,684	6,654
Unrestricted income funds	15	753,749	769,386
Total charity funds		760,433	776,040

The notes on pages xyz to xyz form part of these accounts.

Approved by the trustees on ____/____/2022 and signed on their behalf by:

Chris Effendowicz (Trustee)

Manchester Buddhist Centre
Statement of Cash Flows
for the year ending 31 December 2021

	Note	2021 £	2020 £
Cash provided by/(used in) operating activities	18	(15,081)	47,132
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		-	35
Cash provided by/(used in) investing activities		-	35
Increase/(decrease) in cash and cash equivalents in the year		(15,081)	47,167
Cash and cash equivalents at the beginning of the year		109,344	62,177
Cash and cash equivalents at the end of the year		94,263	109,344

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), second edition - October 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The accounts (financial statements) have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), second edition - October 2019, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Manchester Buddhist Centre meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b Preparation of the accounts on a going concern basis

The financial statements have been prepared on the going concern basis, as the trustees are confident that the charity will continue to be able to meet its liabilities as they fall due.

Donations, primarily via standing orders have held up well, and show no sign of declining. With the re-opening in April 2021 more normal forms of income are beginning to build, though it is predicted that the year will be characterised by losses as furlough ends and attendance at events is still partial and hesitant. This is all to be expected after the pandemic restrictions and public anxiety, but the reserves increased considerably over lockdown, and are available to service this period until losses are eliminated.

Business rental incomes are slowly building back up, albeit that the café space is empty again and further offers need investigating. Community occupancy is also slowly increasing with consequent improvement in rent income.

Notes to the accounts for the year ended 31 December 2021 (continued)

b Preparation of the accounts on a going concern basis (cont.)

Splitting the rating structure of the building into separate businesses has also, eventually, led to a 2k pa permanent reduction in rates bills for the building.

It is also to be noted that the two North Manchester communities' mortgages only have only approximately 2 and 1.5 years to run (after the 12 month capital payments holiday), so costs will drop permanently by 1.9k in two years time.

However, the most significant financial impact is the considerable reduction in paid staff levels. 1.8 roles have ended, and all but one of the further roles have reduced by one or two days per week. This means that staff costs will decline over late 2020 to mid 2021 by 25-30%. As staffing costs are the single highest expenditure, this will contribute considerably to financial stability. Meanwhile the volunteer community is slowly but significantly taking up vacated workloads.

Retreats and courses, though currently less attractive to more anxious, older community members, are being well attended by newer, younger Sangha members who are very energetic and pleased to occupy the building.

2021 is therefore a considerable transition year through reduction in structural costs, though temporary fuel costs will rise, balanced by lower income through lower attendance for some little time yet.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Notes to the accounts for the year ended 31 December 2021 (continued)

c Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

d Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Notes to the accounts for the year ended 31 December 2021 (continued)

f Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of running the Manchester Buddhist Centre undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h Operating leases

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

i Tangible fixed assets

Individual fixed assets costing £2,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

	Per annum
Buildings (excluding value of land)	2%
Library	5%
Ground floor refurbishment	10%
Fixtures & fittings	25%

Notes to the accounts for the year ended 31 December 2021 (continued)

j Stock

Stock is included at the lower of cost or net realisable value. In general, cost is determined on a first in, first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving, and defective stocks. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

k Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l Cash at bank and in hand

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

m Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Notes to the accounts for the year ended 31 December 2021 (continued)

o Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end.

2 Legal status of the charity

The charity is an unincorporated charity, registered as a charity in England & Wales. The registered office address is disclosed on page 1.

3 Income from donations and legacies

Current reporting period

	Unrestricted £	Restricted £	Total 2021 £
Donations	83,263	30	83,293
Coronavirus Job Retention Scheme	30,210		30,210
	<hr/>	<hr/>	<hr/>
Total	113,473	30	113,503
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Previous reporting period

	Unrestricted £	Restricted £	Total 2020 £
Donations	92,561	11	92,572
Coronavirus Job Retention Scheme	46,183	-	46,183
	<hr/>	<hr/>	<hr/>
Total	138,744	11	138,755
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Manchester Buddhist Centre

Notes to the accounts for the year ended 31 December 2021 (continued)

4 Income from charitable activities

Current reporting period

	Unrestricted £	Restricted £	Total 2021 £
Fees and other income			
Room Hire	-	-	-
Bookshop Sales	19,740	-	19,740
Charges for classes/events	28,640	-	28,640
Rental Income:			
Right Livelihood Businesses	26,383	-	26,383
Spiritual Communities	52,404	-	52,404
Total	127,167	-	127,167

Previous reporting period

	Unrestricted £	Restricted £	Total 2020 £
Fees and other income			
Room Hire	3,934	-	3,934
Bookshop Sales	16,338	-	16,338
Charges for classes/events	32,362	-	32,362
Rental Income:			
Right Livelihood Businesses	26,710	-	26,710
Spiritual Communities	64,696	-	64,696
Total	144,040	-	144,040

Notes to the accounts for the year ended 31 December 2021 (continued)

5 Investment income

All of the charity's investment income arises from money held in interest bearing deposit accounts. All investment income is unrestricted.

6 Analysis of expenditure on charitable activities

	Total 2021 £	Total 2020 £
Staff costs	153,471	158,833
Bookshop stock & expenses	11,246	10,607
Services/Utilities	23,835	28,547
Maintenance/H&S	11,300	9,192
Administration	13,648	21,518
Loans/mortgages/interest	1,992	2,192
Depreciation	19,879	19,988
Other costs	15,760	13,477
Governance costs	5,146	2,919
	<hr/>	<hr/>
	256,277	267,273
	<hr/> <hr/>	<hr/> <hr/>
	2021 £	2020 £
Restricted expenditure	-	-
Unrestricted expenditure	256,277	267,273
	<hr/>	<hr/>
	256,277	267,273
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Notes to the accounts for the year ended 31 December 2021 (continued)

7 Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2021 £	2020 £
Depreciation	19,879	19,988
Independent examiner's remuneration:		
Independent examination	600	600
Accountancy fees	1,442	1,350
	<u> </u>	<u> </u>

8 Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	136,208	144,791
Social security costs	2,254	2,621
Pension costs	1,950	2,106
Team support	2,444	1,100
Training	10,615	8,215
	<u> </u>	<u> </u>
	153,471	158,833
	<u> </u>	<u> </u>

No employees has employee benefits in excess of £60,000 (2020: Nil).

The average number of staff employed during the period was xyz (2020: 11).

The Manchester Buddhist Centre operates a flat management structure, with decisions being taken collectively by staff. The key management personnel of the charity comprise the trustees and the staff team. The total employee benefits of the key management personnel of the charity were £xyz (2020: £149,518).

9 Trustee remuneration and expenses, and related party transactions

The charity is part of a network of connected charities, similar organisations, each of which is legally autonomous. The various charities in the network co-operate in their shared objectives of advancing the Buddhist religion. Specifically, the charity aims to contribute financially to the Triratna Development Fund, an organisation which provides help and guidance to Triratna centres. In 2021, the charity made a payment of £xyz to this fund.

The charity rents out parts of the main building to other businesses which are connected with the centre. These are: Breathworks, a company that teaches mindfulness-based approaches to managing pain and other chronic conditions; and Bodywise, a company that offers complementary therapies (such as massage, acupuncture, and shiatsu) as well as teaching yoga and Chi Kung. During 2020 The Clear Vision Trust ceased to operate in the year, meaning some months rents were lost. However, OneTek, an ethical Fast Fibre business, took the space and began to pay rent towards the end of the year. Sadly Earth cafe ceased trading, and all rent from the basement space was lost. Work began to find a replacement asap.

Dayanandi is a tenant in one of the community houses.

The transactions between the charity and the above related parties are as follows:

Rental income to the charity:

	2021 £	2020 £
The Clear Vision Trust		1,346
Earth Café		4,560
Bodywise		12,909
Breathworks		6,944
One Tek		350
Abhayaratna Trust		600
Dayanandi, trustee and tenant		3,538
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Support received by the Trustees in 2020 are as follows:

	2021 £	2020 £
Acharashraddha		13,626
Vishangka		14,017
Silabodhi		12,579
	<hr/>	<hr/>

The charity's rules allow for support – such as living allowances mentioned above – to be given to the Trustees (ie. members of the charity's council who are members of the Triratna Buddhist Order).

Otherwise, the Trustees have not claimed any expenses in 2021.

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Notes to the accounts for the year ended 31 December 2021 (continued)

10 Fixed assets: tangible assets

	Freehold Land and Buildings £	Office and Computer Equipment £	Library £	Total £
Cost				
At 1 January 2021	909,129	51,400	2,409	962,938
Additions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	909,129	51,400	2,409	962,938
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2021	185,517	49,746	2,400	237,663
Charge for the year	18,216	1,654	9	19,879
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	203,733	51,400	2,409	257,542
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2021	705,396	-	-	705,396
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	723,612	1,654	9	725,275
	<hr/>	<hr/>	<hr/>	<hr/>

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Notes to the accounts for the year ended 31 December 2021 (continued)

11 Debtors

	2021 £	2020 £
HMRC (tax for Gift Aid donations)	1,920	2,266
Prepayments	9,557	247
Other debtors	-	250
	<u>11,477</u>	<u>2,763</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Triodos Mortgages	21,415	20,894
Other Creditors and Accruals	17,656	14,645
Taxation and social security costs	839	565
	<u>39,910</u>	<u>36,104</u>

13 Creditors: amounts falling after more than one year

	2021 £	2020 £
Personal Loan	2,250	2,250
Triodos Mortgages	25,410	40,598
	<u>27,660</u>	<u>42,848</u>
Repayable after more than 5 years by instalments	-	-

The Triodos mortgages were taken out to purchase 2 & 4 Healey Close Salford and the mortgages are secured on the properties with variable interest rates. The mortgages are repaid on a capital and interest basis by regular monthly payments over a repayment profile of 12 years. The mortgages represent xyz% of the carrying value of the properties.

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Notes to the accounts for the year ended 31 December 2021 (continued)

14 Analysis of movements in restricted funds

Current reporting period	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
Stan Kukalowisz Bursury Fund	921	30	-	-	951
Vajra Hall Fund	4,478	-	-	-	4,478
Other	1,255	-	-	-	1,255
Total	6,654	30	-	-	6,684
Previous reporting period	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Stan Kukalowisz Bursury Fund	910	11	-	-	921
Vajra Hall Fund	4,478	-	-	-	4,478
Other	1,255	-	-	-	1,255
Total	6,643	11	-	-	6,654

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Notes to the accounts for the year ended 31 December 2021 (continued)

14 Analysis of movements in restricted funds (cont.)

Stan Kukalowisz Bursury Fund	This money has been donated specifically to the fund to enable those with low incomes to be able to apply for a Bursury. This can be used primarily to pay for or contribute towards the cost of our local residential retreats organised by the Manchester Buddhist Centre.
Vajra Hall Fund	This is money fundraised to enable us to fit secondary glazing to the windows of the Vajra Hall Shrine room.
Other	Other smaller restricted amounts collected and dispersed during the year

15 Analysis of movement in unrestricted funds

Current reporting period	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	As at 31 December 2021 £
General fund	769,386	240,640	(256,277)	-	753,749
	<u>769,386</u>	<u>240,640</u>	<u>(256,277)</u>	<u>-</u>	<u>753,749</u>
Previous reporting period	Balance at 1 January 2020	Income	Expenditure	Transfers	As at 31 December 2020
General fund	753,840	282,819	(267,273)	-	769,386
	<u>753,840</u>	<u>282,819</u>	<u>(267,273)</u>	<u>-</u>	<u>769,386</u>

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The free reserves after allowing for all designated funds

16 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	705,396	-	-	705,396
Other net current assets/(liabilities)	76,013	-	6,684	82,697
Creditors of more than one year	(27,660)	-	-	(27,660)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	753,749	-	6,684	760,433
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<i>Previous reporting period</i>	<i>General fund £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total £</i>
<i>Tangible fixed assets</i>	<i>725,275</i>	<i>-</i>	<i>-</i>	<i>725,275</i>
<i>Other net current assets/(liabilities)</i>	<i>86,959</i>	<i>-</i>	<i>6,654</i>	<i>93,613</i>
<i>Creditors of more than one year</i>	<i>(42,848)</i>	<i>-</i>	<i>-</i>	<i>(42,848)</i>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total</i>	<i>769,386</i>	<i>-</i>	<i>6,654</i>	<i>776,040</i>
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Notes to the accounts for the year ended 31 December 2021 (continued)

17 Financial instruments

Financial instruments measured at amortised cost comprise the loan financing provided by Triodos bank to the charity.

	2021 £	2020 £
Loan payable falling due within one year	21,415	20,894
Loan payable falling due in more than one year but in less than five years	25,410	40,598
	<u>46,825</u>	<u>61,492</u>

The Triodos mortgages were taken out to purchase 2 & 4 Healey Close Salford and the mortgages are secured on the properties with variable interest rates. The mortgages are repaid on a capital and interest basis by regular monthly payments over a repayment profile of 12 years. The mortgages represent xyz% of the carrying value of the properties.

18 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year	(15,607)	15,557
Adjustments for:		
Depreciation charge	19,879	19,988
Dividends, interest and rents from investments	-	(35)
Decrease/(increase) in stock	743	1,637
Decrease/(increase) in debtors	(8,714)	15,914
Increase/(decrease) in creditors	(11,382)	(5,929)
	<u>(15,081)</u>	<u>47,132</u>