

REGISTERED COMPANY NUMBER: 02758093 (England and Wales)
REGISTERED CHARITY NUMBER: 1015054

**Group Report of the Trustees and
Consolidated Financial Statements for the Year Ended 31 December 2016
for**

**New Kadampa Tradition - International
Kadampa Buddhist Union**

R F Miller & Co
Chartered Accountants &
Statutory Auditors
102 Duke Street
Barrow in Furness
Cumbria
LA14 1RD

**New Kadampa Tradition - International
Kadampa Buddhist Union**

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for the Year Ended 31 December 2016**

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**Report of the Trustees
for the Year Ended 31 December 2016**

The trustees who are also directors of the charity and group for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2016. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

In the wording of the charity's Memorandum of Association, the objects for which the charity is established are to increase the Buddhist Faith throughout the world, under the spiritual guidance of the elected General Spiritual Director ('GSD') of the NKT-IKBU, by promoting the activities of the union of Kadampa Buddhist Centres called the NKT-IKBU, the international association of study and meditation centres that follow the pure tradition of Mahayana Buddhism derived from the Buddhist meditators and scholars Atisha and Je Tsongkhapa, introduced into the West by the Buddhist teacher Venerable Geshe Kelsang Gyatso; and that follow the three New Kadampa Tradition Study Programmes; and that are guided by the code of moral discipline called the Internal Rules of the NKT-IKBU.

Significant activities

In order to promote its objects, the charity maintains an International Temples Project ('ITP'), whose aim is in general to introduce the Buddhist Faith of the New Kadampa Tradition publicly and in particular to exemplify Buddhist practice through service to the public.

To further the objects of the ITP, the charity continually emphasises the development throughout the world of:

- (a) local Kadampa Buddhist Centres ('KBCs');
- (b) Kadampa Meditation Centres ('KMCs');
- (c) international Kadampa Buddhist Temples, dedicated to world peace;
- (d) International Retreat Centres ('IRC');
- (e) publishing activities (under the name 'Tharpa Publications');
- (f) Kadampa Companies.

In furtherance of its aims, the charity also operates the residential Buddhist Centre 'Manjushri KMC'; produces Buddhist art prints and publishes printed, audio and e-books of Buddhist teachings, under the name 'Tharpa Publications'; holds annual Spring and Summer Festivals with Buddhist teachings and meditation retreats; and maintains a 'Kadampa Art Studio' and a 'Kadampa Internet' office, all at its Conishead Priory premises.

In support of the activities of the International Temples Project, the charity makes grants and interest-free loans to NKT-IKBU Centres around the world. Requests for grants and loans are considered by the trustees on an individual basis, and the financial forecasts for each project are closely examined to ensure viability. The charity takes a long-term view when supporting the development of International Temples Project activities, and makes financial provisions as necessary. When a grant or loan is made, the recipient Centre provides regular progress reports to the Secretary of the GSD of the charity, who then reports to the Weekly Meeting of the Education Council, and the charity's Finance Committee.

**Report of the Trustees
for the Year Ended 31 December 2016**

OBJECTIVES AND ACTIVITIES

Public benefit

Identifiable benefits

In exercising their powers and duties, the trustees have due regard to the guidance on public benefit published by the Charity Commission. They believe that the work of the charity in promoting the Buddhist Faith has clearly identifiable public benefits.

The charity believes that there are three important public benefits to promoting the Buddhist Faith throughout the world: to help people to develop their wisdom, to cultivate a good heart, and to maintain a peaceful mind.

If as individuals we do not strive to develop our wisdom, we will always remain ignorant of the true nature of reality. Everyone wishes for happiness, but our ignorance of reality leads us to engage in non-virtuous actions, which in turn are the main cause of all our suffering. Further, if we do not cultivate a good heart towards others, then our selfish motivation destroys the harmony of our relationships with others. We then have no peace, and no chance to gain pure happiness. Without inner, mental peace, outer peace is impossible, both personally and throughout society.

Benefit to the public

The charity supports a world-wide membership of Buddhist Centres, all of which offer classes of instruction in Buddhist philosophy and meditation, bringing personal and social benefit.

These same programmes of study and meditation are directly offered by the charity at Manjushri Kadampa Meditation Centre, which functions at the charity's main premises at Conishead Priory. All classes are accessible to the public. Both 'drop-in' classes and more advanced courses of Buddhist instruction are offered. Some are offered free of charge, whilst modest fees are charged for others. A year-round programme of services of prayer and meditation is also offered; once again open to the public.

The charity's main premises at Conishead Priory, including the Kadampa World Peace Temple and 70 acres of woodlands and gardens, are freely open to the public daily throughout the year, providing a peaceful environment for anyone who wishes to enjoy it. 2016 saw an increasing interest in the free 15-minute meditation sessions which are offered twice-daily in the Temple, and on weekends visitors may also join the House and Temple Tour. The Café and Gift Shop are increasingly popular with local people, course attendees, and visitors to the area alike. All of these activities are staffed by volunteers from Conishead Priory's residential and local community, showing the example of Kadampa Buddhist practice through service to the public.

Manjushri KMC also regularly hosts visits from school and other community groups; and the charity runs a 'World Peace Café' and meditation space in the nearby town of Ulverston itself, for the benefit of the local community.

In addition, the charity funds and supports the establishment of traditional and non-traditional World Peace Temples, meditation and retreat Centres, World Peace Cafés, Kadampa Schools and Tharpa Publications throughout the world, all dedicated to the promotion of the Buddhist faith through service to the public.

Grantmaking

In general, grants and loans are made only to NKT-IKBU Centres that are incorporated and registered as charities within their own countries. Exceptions may be made in the case where Kadam Dharma is being newly establishing in a country where there has been no prior activity.

Volunteers

All aspects of the day to day functioning of Manjushri KMC, Conishead Priory, are run by members of the residential community together with volunteers from the extended community in the local area. The support of the community, as an expression of their service to the public, means that the charity can operate with relatively low staff numbers.

**Report of the Trustees
for the Year Ended 31 December 2016**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

International Festivals

In 2016 the charity once again successfully hosted the annual NKT-IKBU International Spring and Summer Festivals at Conishead Priory.

The International Spring Festival was held over a period of 5 days, and was attended by over 1,400 people, from 34 countries.

The International Summer Festival was held over a period of two weeks, and was attended by 3,400 people, from 54 countries.

The 2016 NKT-IKBU International Fall Festival, held in Toronto (Canada), was not organised by the charity but by Kadampa Meditation Centre New York (USA).

Tharpa Publications

2016 highlights for Tharpa Publications include the publication of two major new books from Venerable Geshe Kelsang Gyatso Rinpoche, *The New Eight Steps to Happiness*, released in May and *How to Transform Your Life* released in October. It was the author's wish to offer *How to Transform Your Life* as a free ebook, and this was released on 10 December 2016, seeing almost 16,000 unique downloads by the end of December.

Manjushri Kadampa Meditation Centre (Manjushri KMC), Conishead Priory

Manjushri KMC continued to offer a full and varied spiritual programme of meditation retreats and courses, study programmes and prayer services throughout the year. Of particular note were the two annual 'empowerment' weekend courses taught by the Centre's Resident Teacher (who also serves as the General Spiritual Director of the NKT-IKBU). These two courses, in February and November, were attended by 430 and 480 people respectively. Two public talks were also held in the World Peace Temple, in February and September, attended by approximately 280 people on each occasion, mostly from the local area.

Day-visitors to Conishead Priory, including the Temple, grounds and World Peace Café, increased again in 2016, with just under 20,000 day visitors to the Temple alone (2015: 17,700, 2014: 15,000). The Priory is open to the public seven days a week, and between March and October guided tours are offered at weekends. The free twice-daily 15-minute meditation sessions are now an established part of the public spiritual programme. These continue to increase in popularity, and were attended by 7,520 people in 2016 (2015: 5,100).

We also welcomed 2,000 children and young people, who came on group educational visits throughout the year (2015: 2,200), and a further 600 people who came on various other organised group visits (2015: 680).

Kadampa Art Studio

The Kadampa Art Studio at Conishead Priory had yet another busy year. Large Buddha statues and Buddhist ornaments were produced for traditional and urban Temple developments in San Francisco, Arizona, New Mexico (USA); for London (UK), Tara KMC (UK), Nagarjuna KMC (UK), and for Kailash International Retreat Centre in Switzerland. Statues and Buddhist ornaments were also produced for NKT-IKBU Meditation Centres in several cities around the world, including Monterrey (Mexico), Madison, Montreal (Canada), Melbourne (Australia), and Brighton (UK).

**Report of the Trustees
for the Year Ended 31 December 2016**

FINANCIAL REVIEW

Financial review

Since 1 January 2011, the charity has followed financial guidelines set out in an internal guidance manual, called 'A Money Handbook'. These guidelines recognise that all charity income is designated as ITP funds, and as such provides the funding for all of the charity's activities.

The aims of the ITP are in general to introduce the Buddhist Faith of the New Kadampa Tradition publicly, and in particular to exemplify Buddhist practice through service to the public.

In March 2016 the charity purchased a property in Kensington, central London, to serve as a city-centre branch of Kadampa Meditation Centre London. The property is being extensively refurbished, and will open to the public in 2017.

Building work was completed on the charity's property in Germany (Tharpaland International Retreat Centre). The renovation of the building there known as the 'Red House' provided 18 new bedrooms and a meditation room for the residential community.

Following extensive property searches in Edinburgh and Paris, the charity finally purchased two properties in these cities, which will serve as the base for KMC Edinburgh and KMC Paris respectively.

International Temples Project (ITP) funds were also made available in the form of interest-free loans to facilitate the purchase of new properties for Nordic KMC in Oslo (Norway), and KMC Cape Town (South Africa), and to assist with building improvements in Kadampa Centres both in the UK and abroad.

As detailed above, the ITP funded the production of statues and other artwork in the Kadampa Art Studio for various other new city-centre Kadampa Meditation Centres and Temples around the world. Total grants raised for the Kadampa Art Studio in 2016 was £45,556.

A donation of £254,980 was received by the Charity within 2016 for the purchase of a property in Marseilles (France). This was donated in full to KMC France who purchased the property. The Charity also donated £150,000 to Heruka KMC (London) to assist with costs relating to ongoing development and renovations. A total of £24,504 was also given in grants and £ 208,234 interest-free loans in support of other ITP activities throughout the world.

The trustees consider that providing interest-free loans rather than grants benefits the recipient NKT-IKBU Centres in a number of ways. It provides safe funding for projects, and allows time for Centre activities to become established without undue financial pressure; but at the same time it also helps create an attitude of financial independence and responsibility in the recipients, and encourages an appreciation of the ITP through the recognition that repayment of the loan will ensure that funds are available for future ITP projects.

Principal funding sources

The principal funding sources for the charity in 2016 included the surplus from the NKT-IKBU International Spring and Summer Festivals held at Conishead Priory, and the surpluses from Tharpa Publications and Manjushri KMC.

The annual International Fall Festivals are not always hosted by the charity; whether or not to host these events is decided each year in dependence upon the country where the Fall Festival is to be held and the resources and skills available to the NKT-IKBU there.

Reserves policy

The ITP accounts are reviewed fortnightly to ensure that sufficient funds are available to cover current running costs, and that there is a minimum of £75,000 available to replenish the funds in the charity's daily running account (as set out in A Money Handbook). The trustees are of the opinion that £750,000 is a comfortable level of free reserves in order to maintain the basic operations of the charity including required capital expenditure or servicing of any borrowing, and to provide some surety against adverse financial events, such as unbudgeted expenditure, or failure to achieve income targets. This level of reserve funds is reviewed annually by the trustees.

FUTURE PLANS

The charity continues to offer material support for the international development of NKT-IKBU Buddhist Centres through its International Temples Project.

As mentioned above, refurbishment work will be carried out on the two new properties in Edinburgh and Paris, both of which will open to the public in 2017.

**Report of the Trustees
for the Year Ended 31 December 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a company limited by guarantee, incorporated in 1992 and now operating under Memorandum and Articles of Association adopted in April 2007, when the organisation also adopted its present name (which is abbreviated to "NKT-IKBU" in this report).

In the event of the company being dissolved, each Member is required to contribute an amount not exceeding £10 towards the settlement of any outstanding debts, liabilities and costs.

The company is registered as a charity, and is established, organised and operated exclusively for religious purposes. There are four trustees, who are the Directors of the company. Two of the trustees are directly elected as such by the Members of the charity, and two are ex-officio posts. The ex-officio posts are occupied by the General and Deputy Spiritual Directors of the charity, who again are elected as such by the Members. An elected trustee's term of office is two years, with re-election possible.

The Members of the charity are (a) the sole Subscriber to the original 1992 Memorandum and Articles of the charity (namely Venerable Geshe Kelsang Gyatso); and (b) all incorporated NKT-IKBU Buddhist Centres throughout the world; and (c) all the Resident Teachers of unincorporated NKT-IKBU Buddhist Centres throughout the world.

The trustees make all the major decisions of the charity, and under their direction the central daily administrative tasks are carried out by a team of executive officers.

All trustees are already familiar with the practical work of the charity before their appointment, having undertaken similar duties within the charity or within a related organisation. Other present and former trustees are also available to help a new trustee with his or her responsibilities and duties.

All Member Centres of the NKT-IKBU are independent legal entities, bound together firstly by the common spiritual lineage called the "New Kadampa Tradition" of Buddhism, and secondly by membership of the charity. The General Spiritual Director ('GSD') of the NKT-IKBU is also the Spiritual Director of each Member Centre.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees of the charity meet regularly to review the major risks to which the charity is exposed, and they have established procedures to mitigate such risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02758093 (England and Wales)

Registered Charity number

1015054

Registered office

Conishead Priory
Priory Road
Ulverston
Cumbria
LA12 9QQ

**Report of the Trustees
for the Year Ended 31 December 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Jennifer J. Andrews (aka Kelsang Droljang), appointed on 24 July 2012
Roland J. Levy, appointed on 23 March 2014
Heather C. Wright (aka Kelsang Dekyong), appointed on 1 August 2009
Henry F. Shefveland (aka Kelsang Jampa), appointed on 10 January 2016

Other persons who served the Charity as trustees during this period were:

Monika E. Wirth (aka Kelsang Kunsang), who was first appointed (ex-officio) on 11 April 2010 and who retired on 10 January 2016.

Executive Officers

The daily central administrative tasks of the charity are carried out by the four main executive officers, as follows:

General Secretary - Stephen P. Cowing
Deputy Secretary - Anthony Roy Tyson
Secretary of the General Spiritual Director - Lisa McGovern (aka Kelsang Ringyal)
Treasurer - Linda Cay (aka Kelsang Maitri)

Company Secretary

S P Cowing

Auditors

R F Miller & Co
Chartered Accountants &
Statutory Auditors
102 Duke Street
Barrow in Furness
Cumbria
LA14 1RD

Bankers

Barclays Bank PLC, 86-90 Dalton Road, Barrow-in-Furness, Cumbria, LA14 1JF
CCLA Investment Management Ltd, COIF Charity Funds, 80 Cheapside, London, EC2V 6DZ

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of New Kadampa Tradition - International Kadampa Buddhist Union for the purposes of company law) are responsible for preparing the Report of the Trustees 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 group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, R F Miller & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**New Kadampa Tradition - International
Kadampa Buddhist Union (Registered number: 02758093)**

**Report of the Trustees
for the Year Ended 31 December 2016**

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

Approved by order of the board of trustees on and signed on its behalf by:

.....
Ms H C Wright - Trustee

**Report of the Independent Auditors to the Members of
New Kadampa Tradition - International
Kadampa Buddhist Union (Registered number: 02758093)**

We have audited the financial statements of New Kadampa Tradition - International Kadampa Buddhist Union for the year ended 31 December 2016 on pages nine to thirty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Alan Meikle FCA (Senior Statutory Auditor)
for and on behalf of R F Miller & Co
Chartered Accountants &
Statutory Auditors
102 Duke Street
Barrow in Furness
Cumbria
LA14 1RD

Date:

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Consolidated Statement of Financial Activities
for the Year Ended 31 December 2016**

		Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	311,811	264,089	575,900	256,623
Charitable activities	4				
International Festivals		1,750,838	-	1,750,838	1,601,564
Tharpa Publications		396,975	-	396,975	438,157
Manjushri Kadampa Meditation Centre		701,972	-	701,972	654,334
Shop and World Peace Cafe		290,467	-	290,467	262,606
Kadampa Art Studio and Internet		66,833	-	66,833	44,090
International Properties		68,698	-	68,698	57,744
Kadampa School Project		118,416	-	118,416	159,145
Hotel Kadampa Holland B.V.		36,503	-	36,503	29,627
New Kadampa Tradition KMC Spain S.L.		77,919	-	77,919	44,687
Investment income	3	282,798	-	282,798	290,550
Total		4,103,230	264,089	4,367,319	3,839,127
EXPENDITURE ON					
Charitable activities	5				
Grants Payable		220,060	254,980	475,040	32,829
International Festivals		480,792	14,026	494,818	422,503
Tharpa Publications		221,584	-	221,584	221,367
Manjushri Kadampa Meditation Centre		773,728	1,730	775,458	634,935
Kadampa Art Studio and Internet		154,125	-	154,125	117,204
International Properties		102,193	-	102,193	53,868
International Kadampa Development		(213,163)	1,342	(211,821)	623,644
Kadampa School Project		126,963	-	126,963	117,018
Hotel Kadampa Holland B.V.		53,836	-	53,836	43,303
New Kadampa Tradition KMC Spain S.L.		69,314	-	69,314	82,233
Total		1,989,432	272,078	2,261,510	2,348,904
NET INCOME/(EXPENDITURE)		2,113,798	(7,989)	2,105,809	1,490,223
RECONCILIATION OF FUNDS					
Total funds brought forward		18,524,633	3,103,939	21,628,572	20,200,597
Exchange differences		146,339	-	146,339	(62,248)
		18,670,972	3,103,939	21,774,911	20,138,349
TOTAL FUNDS CARRIED FORWARD		<u>20,784,770</u>	<u>3,095,950</u>	<u>23,880,720</u>	<u>21,628,572</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**New Kadampa Tradition - International
Kadampa Buddhist Union (Registered number: 02758093)**

**Consolidated Statement of Financial Position
At 31 December 2016**

		Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
	Notes				
FIXED ASSETS					
Intangible assets	14	15,976	-	15,976	19,351
Tangible assets	15	16,276,830	4,887,762	21,164,592	15,600,211
Investments	16	-	-	-	-
		<u>16,292,806</u>	<u>4,887,762</u>	<u>21,180,568</u>	<u>15,619,562</u>
CURRENT ASSETS					
Stocks	17	300,547	-	300,547	314,741
Debtors	18	4,480,731	-	4,480,731	4,454,522
Cash at bank		<u>2,815,941</u>	<u>8,355</u>	<u>2,824,296</u>	<u>4,484,786</u>
		<u>7,597,219</u>	<u>8,355</u>	<u>7,605,574</u>	<u>9,254,049</u>
CREDITORS					
Amounts falling due within one year	19	<u>(1,145,959)</u>	<u>(1,800,167)</u>	<u>(2,946,126)</u>	<u>(647,865)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>6,451,260</u>	<u>(1,791,812)</u>	<u>4,659,448</u>	<u>8,606,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,744,066	3,095,950	25,840,016	24,225,746
CREDITORS					
Amounts falling due after more than one year	20	<u>(1,959,296)</u>	-	<u>(1,959,296)</u>	<u>(2,597,174)</u>
NET ASSETS		<u>20,784,770</u>	<u>3,095,950</u>	<u>23,880,720</u>	<u>21,628,572</u>
FUNDS	23				
Unrestricted funds				20,784,770	18,524,633
Restricted funds				<u>3,095,950</u>	<u>3,103,939</u>
TOTAL FUNDS				<u>23,880,720</u>	<u>21,628,572</u>

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

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
Ms H C Wright -Trustee

The notes form part of these financial statements

**New Kadampa Tradition - International
Kadampa Buddhist Union (Registered number: 02758093)**

**Charity Statement of Financial Position
At 31 December 2016**

		Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	15	14,709,049	4,887,762	19,596,811	14,255,074
Investments	16	<u>2,109</u>	<u>19,169</u>	<u>21,278</u>	<u>21,278</u>
		14,711,158	4,906,931	19,618,089	14,276,352
CURRENT ASSETS					
Stocks	17	270,998	-	270,998	288,786
Debtors	18	5,518,217	-	5,518,217	5,238,939
Cash at bank		<u>2,555,158</u>	<u>8,355</u>	<u>2,563,513</u>	<u>4,336,404</u>
		8,344,373	8,355	8,352,728	9,864,129
CREDITORS					
Amounts falling due within one year	19	<u>(840,762)</u>	<u>(1,800,167)</u>	<u>(2,640,929)</u>	<u>(419,755)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>7,503,611</u>	<u>(1,791,812)</u>	<u>5,711,799</u>	<u>9,444,374</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,214,769	3,115,119	25,329,888	23,720,726
CREDITORS					
Amounts falling due after more than one year	20	<u>(1,436,175)</u>	-	<u>(1,436,175)</u>	<u>(1,952,413)</u>
NET ASSETS		<u><u>20,778,594</u></u>	<u><u>3,115,119</u></u>	<u><u>23,893,713</u></u>	<u><u>21,768,313</u></u>
FUNDS	23				
Unrestricted funds				20,778,594	18,645,205
Restricted funds				<u>3,115,119</u>	<u>3,123,108</u>
TOTAL FUNDS				<u><u>23,893,713</u></u>	<u><u>21,768,313</u></u>

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

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
Ms H C Wright -Trustee

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Consolidated Statement of Cash Flows
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Cash generated from operations	1	3,652,011	1,378,002
Interest paid		<u>(59,135)</u>	<u>(63,670)</u>
Net cash provided by (used in) operating activities		<u>3,592,876</u>	<u>1,314,332</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,464,052)	(299,583)
Sale of tangible fixed assets		28,512	-
Interest received		<u>262,166</u>	<u>290,550</u>
Net cash provided by (used in) investing activities		<u>(5,173,374)</u>	<u>(9,033)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(79,992)</u>	<u>(186,041)</u>
Net cash provided by (used in) financing activities		<u>(79,992)</u>	<u>(186,041)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(1,660,490)	1,119,258
Cash and cash equivalents at the beginning of the reporting period		<u>4,484,786</u>	<u>3,365,528</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,824,296</u></u>	<u><u>4,484,786</u></u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 December 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,105,809	1,490,223
Adjustments for:		
Exchange (gains)/losses on consolidation	(65,438)	22,714
Sale of furniture and IT equipment	(20,632)	-
Depreciation charges	106,943	107,277
Interest received	(262,166)	(290,550)
Interest paid	59,135	63,670
Decrease in stocks	14,194	58,571
Increase in debtors	(26,209)	(189,894)
Increase in creditors	<u>1,740,375</u>	<u>115,991</u>
Net cash provided by (used in) operating activities	<u><u>3,652,011</u></u>	<u><u>1,378,002</u></u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Reconciliation with previous Generally Accepted Accounting Practice

This is the first year of accounts affected by the new standards and the results for the year ending 31 December 2015 have been restated to be on a comparable basis.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the SORP 2015 the restatement of corresponding amounts was required.

The opening fund balances at the date of transition have been restated due to the items outlined in the table below. The transition date was 1 January 2015 and in accordance with the requirements of FRS 102 a reconciliation of opening balances of the group is provided below:

Reconciliation of total funds as previously reported to total funds in accordance with FRS 102

	31 December 2015 £	1 January 2015 £
Total funds as previously reported in accordance with UK GAAP	22,282,280	20,751,364
Discounting of Loans to Centres due > 1 year	(686,163)	(660,832)
Amendment to provision for potentially unrecoverable debts following discounting of Loans to Centres due > 1 year	5,423	60,480
Discounting of Loans from Centres due > 1 year	96,170	49,586
Depreciation of Freehold property	(69,138)	-
Total funds restated in accordance with FRS 102	<u>21,628,572</u>	<u>20,200,598</u>

Reconciliation of net income for the year ended 31 December 2015

	31 December 2015 £
Net income for the year ended 31 December 2015 as previously reported	1,593,165
Interest receivable on discounting of Loans to Centres due > 1 year	208,311
Interest payable on discounting of Loans to Centres due > 1 year	(233,641)
Amendment to provision for potentially unrecoverable debts following discounting of Loans to Centres due > 1 year	(55,058)
Interest receivable on discounting of Loans from Centres due > 1 year	81,681
Interest payable on discounting of Loans from Centres due > 1 year	(35,097)
Depreciation of Freehold property	(69,138)
Net income reported under FRS 102	<u>1,490,223</u>

The principal changes in accounting policy that have been made in order to comply with FRS 102 are as follows:
- FRS 102 requires Loans to/(from) Centres due > 1 year to be discounted

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosure paragraph 33.7.

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiaries.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group statement of financial activities includes the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

As permitted by Section 479A of the Companies Act 2006, New Kadampa Tradition KMC Spain S.L., Hotel Kadampa Holland B.V. and Kadampa School Project are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts.

Significant judgements and estimates

Significant judgments and estimates made by trustees and management in preparing these financial statements which also have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Effective interest rates for discounting of Loans due to/(from) Centres
- Depreciation and impairment of fixed assets

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, 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.

Income received in advance of a festival, course, retreat or for provision of other specified service it is deferred until the criteria for income recognition are met.

Donated goods, services and facilities

Donated goods, professional services and 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.

On receipt, donated goods, professional services and 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.

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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

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

Grants payable

Grants offered subject to conditions which have not been met at the statement of financial position date are noted as a commitment but not accrued as expenditure.

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

Support costs that cannot be directly attributed to a specific activity are apportioned across all relevant activities on the basis of time spent on each activity by NKT administrative employees.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2005, is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Tangible fixed assets are capitalised at cost. The costs of property repairs, replacement and maintenance are written off as they are incurred. The charity only capitalises items costing more than £10,000.

Depreciation is provided so as to write off the cost of fixed assets to their estimated residual values over their expected useful lives, as follows:

Freehold property	- Land is not depreciated
	Listed buildings - Straight line over 350 years
	Non-listed buildings - Straight line over 80 years
	Other land and buildings - Straight line over 25-50 years
Long leasehold	- Straight line over 80 years, or lease period if shorter
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 15% on reducing balance

Depreciation is charged on a monthly basis from the calendar month following acquisition or on the bringing into use of the asset, whichever is the later. A full month is charged in the month of disposal.

Stocks

Stock is included at the lower of cost or net realisable value after making due allowance for obsolete and slow moving items. 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.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income or expenditure.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income or expenditure.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income or expenditure.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in income or expenditure.

2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	<u>575,900</u>	<u>256,623</u>

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

3. INVESTMENT INCOME

	2016 £	2015 £
Sale of furniture and IT equipment	20,632	-
Deposit account interest	435	558
Interest on Loans to Centres	261,731	208,311
Interest on Loans from Centres	-	81,681
	<u>282,798</u>	<u>290,550</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2016 £	2015 £
Festivals	International Festivals	1,750,838	1,601,564
Tharpa Publications	Tharpa Publications	396,975	438,157
Manjushri Centre Activities	Manjushri Kadampa Meditation Centre	701,972	654,334
Shop and World Peace Cafe	Shop and World Peace Cafe	290,467	262,606
Kadampa Art Studio Activities	Kadampa Art Studio and Internet	66,833	44,090
International Properties	International Properties	68,698	57,744
Kadampa School Project	Kadampa School Project	118,416	159,145
Hotel Kadampa Holland B.V.	Hotel Kadampa Holland B.V.	36,503	29,627
New Kadampa Tradition KMC Spain S.L.	New Kadampa Tradition KMC Spain S.L.	77,919	44,687
		<u>3,508,621</u>	<u>3,291,954</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 6) £	Support costs (See note 7) £	Totals £
International Festivals	488,126	-	6,692	494,818
Tharpa Publications	215,749	-	5,835	221,584
Manjushri Kadampa Meditation Centre	764,130	-	11,328	775,458
Kadampa Art Studio and Internet	151,201	-	2,924	154,125
International Properties	77,080	-	25,113	102,193
International Kadampa Development	250,380	-	(462,201)	(211,821)
Kadampa School Project	126,963	-	-	126,963
Hotel Kadampa Holland B.V.	53,836	-	-	53,836
New Kadampa Tradition KMC Spain S.L.	69,314	-	-	69,314
Grants Payable	-	475,040	-	475,040
	<u>2,196,779</u>	<u>475,040</u>	<u>(410,309)</u>	<u>2,261,510</u>

6. GRANTS PAYABLE

	2016 £	2015 £
Grants Payable	<u>475,040</u>	<u>32,829</u>

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

6. GRANTS PAYABLE continued

The total grants paid to institutions during the year was as follows:

	2016 £	2015 £
Gifts to Centres	<u>475,040</u>	<u>32,829</u>

Gifts to Centres include the following donations:

	2016 £	2015 £
Small grants to Centres	24,504	32,829
Grants for Kadampa Art Studio	45,556	-
Donation to KMC France	254,980	-
Donation to Heruka KMC	<u>150,000</u>	<u>-</u>
	<u>475,040</u>	<u>32,829</u>

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
International Festivals	3,707	-	2,985	6,692
Tharpa Publications	2,120	2,287	1,428	5,835
Manjushri Kadampa Meditation Centre	6,275	-	5,053	11,328
Kadampa Art Studio and Internet	2,311	-	613	2,924
International Properties	-	-	25,113	25,113
International Kadampa Development	<u>24,113</u>	<u>-</u>	<u>(486,314)</u>	<u>(462,201)</u>
	<u>38,526</u>	<u>2,287</u>	<u>(451,122)</u>	<u>(410,309)</u>

Activity	Basis of allocation
Management	NKT administrative employees
Finance	NKT administrative employees
Governance costs	NKT administrative employees

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Depreciation - owned assets	108,628	108,943
Exchange (gains)/losses	<u>(505,623)</u>	<u>181,966</u>

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

9. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>19,500</u>	<u>7,500</u>
Total audit fees	<u>19,500</u>	<u>7,500</u>
 Audit-related assurance services	<u>10,000</u>	<u>5,024</u>
Total non-audit fees	<u>10,000</u>	<u>5,024</u>
 Total fees payable	<u>29,500</u>	<u>12,524</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

11. STAFF COSTS

	2016 £	2015 £
Wages and salaries	<u>215,310</u>	<u>160,912</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Manjushri Centre	7	6
Tharpa Publications	3	3
Kadampa Art Studio and Hosting	11	10
Support and Administration	9	8
Kadampa Hotels and School	<u>4</u>	<u>4</u>
	<u>34</u>	<u>31</u>

No employees received emoluments in excess of £60,000.

All charity employees receive the same standard staff remuneration which applies across all departments and to all offices of the charity. The level of the standard staff remuneration of the charity accords with the principle of Buddhist practice through public service.

Volunteers

All aspects of the day to day functioning of Manjushri KMC, Conishead Priory, are run by members of the residential community together with volunteers from the extended community in the local area. The support of the community, as an expression of their service to the public, means that the charity can operate with relatively low staff numbers.

12. SURPLUS OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charitable company is not presented in these financial statements. The parent charity's surplus for the year was £2,125,400 (2015 - £1,577,452).

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	232,304	24,319	256,623
Charitable activities			
International Festivals	1,547,414	54,150	1,601,564
Tharpa Publications	438,157	-	438,157
Manjushri Kadampa Meditation Centre	654,334	-	654,334
Shop and World Peace Cafe	224,212	38,394	262,606
Kadampa Art Studio and Internet	44,090	-	44,090
International Properties	57,744	-	57,744
Kadampa School Project	159,145	-	159,145
Hotel Kadampa Holland B.V.	29,627	-	29,627
New Kadampa Tradition KMC Spain S.L.	44,687	-	44,687
Investment income	290,550	-	290,550
Total	3,722,264	116,863	3,839,127
EXPENDITURE ON			
Charitable activities			
Grants Payable	32,829	-	32,829
International Festivals	407,640	14,863	422,503
Tharpa Publications	217,711	3,656	221,367
Manjushri Kadampa Meditation Centre	631,024	3,911	634,935
Kadampa Art Studio and Internet	117,204	-	117,204
International Properties	53,868	-	53,868
International Kadampa Development	535,588	88,056	623,644
Kadampa School Project	117,018	-	117,018
Hotel Kadampa Holland B.V.	43,303	-	43,303
New Kadampa Tradition KMC Spain S.L.	82,233	-	82,233
Total	2,238,418	110,486	2,348,904
NET INCOME/(EXPENDITURE)	1,483,846	6,377	1,490,223
RECONCILIATION OF FUNDS			
As previously reported	17,822,271	3,097,562	20,919,833
Prior year adjustment	(719,236)	-	(719,236)
Exchange differences	(62,248)	-	(62,248)
As restated	17,040,787	3,097,562	20,138,349
TOTAL FUNDS CARRIED FORWARD	18,524,633	3,103,939	21,628,572

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

14. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 January 2016

411,049

Exchange differences

8,621

At 31 December 2016

419,670

AMORTISATION

At 1 January 2016

391,698

Charge for year

6,391

Exchange differences

5,605

At 31 December 2016

403,694

NET BOOK VALUE

At 31 December 2016

15,976

At 31 December 2015

19,351

Charity

Goodwill
£

COST

At 1 January 2016 and 31 December 2016

355,764

AMORTISATION

At 1 January 2016 and 31 December 2016

355,764

NET BOOK VALUE

At 31 December 2016

-

At 31 December 2015

-

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

15. TANGIBLE FIXED ASSETS

Group	Freehold property £	Long leasehold £	Improvements to property £	Fixtures and fittings £	Motor vehicles £
COST					
At 1 January 2016	15,349,282	-	343,136	319,519	17,251
Additions	2,945,607	2,466,887	46,323	-	5,235
Disposals	-	-	-	(9,924)	-
Exchange differences	<u>165,703</u>	<u>-</u>	<u>53,508</u>	<u>12,103</u>	<u>-</u>
At 31 December 2016	<u>18,460,592</u>	<u>2,466,887</u>	<u>442,967</u>	<u>321,698</u>	<u>22,486</u>
DEPRECIATION					
At 1 January 2016	73,647	-	76,035	262,044	17,251
Charge for year	71,186	-	17,243	11,905	218
Eliminated on disposal	-	-	-	(2,044)	-
Exchange differences	<u>703</u>	<u>-</u>	<u>11,857</u>	<u>9,993</u>	<u>-</u>
At 31 December 2016	<u>145,536</u>	<u>-</u>	<u>105,135</u>	<u>281,898</u>	<u>17,469</u>
NET BOOK VALUE					
At 31 December 2016	<u>18,315,056</u>	<u>2,466,887</u>	<u>337,832</u>	<u>39,800</u>	<u>5,017</u>
At 31 December 2015	<u>15,275,635</u>	<u>-</u>	<u>267,101</u>	<u>57,475</u>	<u>-</u>
					Totals £
COST					
At 1 January 2016					16,029,188
Additions					5,464,052
Disposals					(9,924)
Exchange differences					<u>231,314</u>
At 31 December 2016					<u>21,714,630</u>
DEPRECIATION					
At 1 January 2016					428,977
Charge for year					100,552
Eliminated on disposal					(2,044)
Exchange differences					<u>22,553</u>
At 31 December 2016					<u>550,038</u>
NET BOOK VALUE					
At 31 December 2016					<u>21,164,592</u>
At 31 December 2015					<u>15,600,211</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

15. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2016	14,286,669	-	233,905	17,251	14,537,825
Additions	<u>2,945,607</u>	<u>2,466,887</u>	<u>-</u>	<u>5,235</u>	<u>5,417,729</u>
At 31 December 2016	<u>17,232,276</u>	<u>2,466,887</u>	<u>233,905</u>	<u>22,486</u>	<u>19,955,554</u>
DEPRECIATION					
At 1 January 2016	69,138	-	196,362	17,251	282,751
Charge for year	<u>70,142</u>	<u>-</u>	<u>5,632</u>	<u>218</u>	<u>75,992</u>
At 31 December 2016	<u>139,280</u>	<u>-</u>	<u>201,994</u>	<u>17,469</u>	<u>358,743</u>
NET BOOK VALUE					
At 31 December 2016	<u>17,092,996</u>	<u>2,466,887</u>	<u>31,911</u>	<u>5,017</u>	<u>19,596,811</u>
At 31 December 2015	<u>14,217,531</u>	<u>-</u>	<u>37,543</u>	<u>-</u>	<u>14,255,074</u>

16. FIXED ASSET INVESTMENTS

Charity

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2016 and 31 December 2016	<u>21,278</u>
NET BOOK VALUE	
At 31 December 2016	<u>21,278</u>
At 31 December 2015	<u>21,278</u>

The net book value of investments comprises:

	2016	2015
Investments in the UK	-	-
Investments outside the UK	<u>21,278</u>	<u>21,278</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

**New Kadampa Tradition - International
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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

16. FIXED ASSET INVESTMENTS - continued

New Kadampa Tradition KMC Spain S.L.

Nature of business: Rental services

Class of share:	%
Ordinary	holding 100

	2016 £	2015 £
Aggregate capital and reserves	(73,325)	(54,753)
(Loss) for the year	<u>(10,033)</u>	<u>(55,099)</u>

The summary results for the year were as follows:

	2016 £	2015 £
Gross income	25,563	23,330
Expenditure	<u>(35,596)</u>	<u>(78,429)</u>
Deficit	<u>(10,033)</u>	<u>(55,099)</u>

Hotel Kadampa Holland B.V.

Nature of business: Hotel Services

Class of share:	%
Ordinary	holding 100

	2016 £	2015 £
Aggregate capital and reserves	(159,548)	(123,029)
(Loss) for the year	<u>(17,334)</u>	<u>(13,675)</u>

The summary results for the year were as follows:

	2016 £	2015 £
Gross income	36,503	29,627
Expenditure	<u>(53,837)</u>	<u>(43,302)</u>
Deficit	<u>(17,334)</u>	<u>(13,675)</u>

**New Kadampa Tradition - International
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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

16. FIXED ASSET INVESTMENTS - continued

Kadampa School Project (limited by guarantee)

Nature of business: School

Class of share:	%
Member	holding 100

	2016	2015
	£	£
Aggregate capital and reserves	12,868	13,747
(Loss)/profit for the year	<u>(879)</u>	<u>627</u>

The summary results for the year were as follows:

	2016	2015
	£	£
Gross income	140,084	159,145
Expenditure	<u>(140,963)</u>	<u>(158,518)</u>
Surplus/(Deficit)	<u>(879)</u>	<u>627</u>

17. STOCKS

Group

	2016	2015
	£	£
Goods for resale	<u>300,547</u>	<u>314,741</u>

Charity

	2016	2015
	£	£
Goods for resale	<u>270,998</u>	<u>288,786</u>

18. DEBTORS

Group

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	177,302	246,911
Loans to Centres	2,582,220	1,824,875
Other debtors	28,502	3,762
VAT	1,227	-
Prepayments and accrued income	<u>21,889</u>	<u>47,823</u>
	<u>2,811,140</u>	<u>2,123,371</u>

**New Kadampa Tradition - International
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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

18. DEBTORS - continued

Group - continued

Amounts falling due after more than one year:
Loans to Centres

1,669,591	2,331,151
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Aggregate amounts

4,480,731	4,454,522
-----------	-----------

Loans to Centres are stated after taking into consideration provisions against potentially unrecoverable debts of £39,412 (2015 - £43,502).

Charity

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	154,227	192,200
Loans to Centres	3,671,283	1,861,046
Amounts owed by group undertakings	-	3,401
Other debtors	-	794
VAT	1,227	-
Prepayments and accrued income	21,889	47,823
	<u>3,848,626</u>	<u>2,105,264</u>

Amounts falling due after more than one year:
Loans to Centres

1,669,591	3,133,675
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Aggregate amounts

5,518,217	5,238,939
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Loans to Centres are stated after taking into consideration provisions against potentially unrecoverable debts of £186,216 (2015 - £736,835).

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

	2016 £	2015 £
Bank loans and overdrafts (see note 21)	163,867	151,834
Trade creditors	107,684	91,501
Tax	-	26,779
VAT	-	4,960
Social security and other taxes	4,582	1,936
Other creditors	2,581,668	297,649
Accruals and deferred income	88,325	73,206
	<u>2,946,126</u>	<u>647,865</u>

Charity

	2016 £	2015 £
Bank loans and overdrafts (see note 21)	117,859	112,990
Trade creditors	85,384	29,780
VAT	-	4,960
Other creditors	2,357,030	212,351
Accruals and deferred income	80,656	59,674
	<u>2,640,929</u>	<u>419,755</u>

**New Kadampa Tradition - International
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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group

	2016 £	2015 £
Bank loans (see note 21)	1,959,296	2,051,321
Other creditors	-	287,534
Other creditors more than 5 years	-	258,319
	<u>1,959,296</u>	<u>2,597,174</u>

Charity

	2016 £	2015 £
Bank loans (see note 21)	1,436,175	1,558,583
Other creditors	-	135,511
Other creditors more than 5 years	-	258,319
	<u>1,436,175</u>	<u>1,952,413</u>

21. LOANS

An analysis of the maturity of loans is given below:

Group

	2016 £	2015 £
Amounts falling due within one year on demand:		
Bank loans	<u>163,867</u>	<u>151,834</u>
Amounts falling between one and two years:		
Bank loans 1-2 years	<u>171,683</u>	<u>159,153</u>
Amounts falling due between two and five years:		
Bank loans 2-5 years	<u>561,944</u>	<u>521,377</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years by instalments	<u>1,225,669</u>	<u>1,370,791</u>

**New Kadampa Tradition - International
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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

21. LOANS - continued

Charity

	2016 £	2015 £
Amounts falling due within one year on demand: Bank loans	<u>117,859</u>	<u>112,990</u>
Amounts falling between one and two years: Bank loans 1-2 years	<u>123,617</u>	<u>118,669</u>
Amounts falling due between two and five years: Bank loans 2-5 years	<u>405,401</u>	<u>390,080</u>
Amounts falling due in more than five years: Repayable by instalments: Bank loans more than 5 years by instalments	<u>907,157</u>	<u>1,049,834</u>

22. SECURED DEBTS

The following secured debts are included within creditors:

Group

	2016 £	2015 £
Bank loans	<u>2,123,163</u>	<u>2,203,155</u>

Properties with a net book value of £8,171,225 have been pledged as security against secured debts.

Charity

	2016 £	2015 £
Bank loans	<u>1,554,034</u>	<u>1,671,573</u>

Properties with a net book value of £7,113,122 have been pledged as security against secured debts.

**New Kadampa Tradition - International
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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

23. MOVEMENT IN FUNDS

Group

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
Unrestricted funds			
General funds	15,653,126	2,260,137	17,913,263
Designated Funds	<u>2,871,507</u>	<u>-</u>	<u>2,871,507</u>
	18,524,633	2,260,137	20,784,770
Restricted funds			
International Temple Projects	2,044,881	-	2,044,881
Main Building Fund	473,191	-	473,191
Temple Fund	503,456	-	503,456
Statue Fund	39,649	-	39,649
Other Funds	<u>42,762</u>	<u>(7,989)</u>	<u>34,773</u>
	3,103,939	(7,989)	3,095,950
TOTAL FUNDS	<u><u>21,628,572</u></u>	<u><u>2,252,148</u></u>	<u><u>23,880,720</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Exchange differences £	Movement in funds £
Unrestricted funds				
General funds	4,103,230	(1,989,432)	146,339	2,260,137
Restricted funds				
Marseille Fund	254,980	(254,980)	-	-
Other Funds	<u>9,109</u>	<u>(17,098)</u>	<u>-</u>	<u>(7,989)</u>
	264,089	(272,078)	-	(7,989)
TOTAL FUNDS	<u><u>4,367,319</u></u>	<u><u>(2,261,510)</u></u>	<u><u>146,339</u></u>	<u><u>2,252,148</u></u>

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

23. MOVEMENT IN FUNDS - continued

Charity

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
Unrestricted funds			
General funds	15,773,698	2,133,389	17,907,087
Designated Funds	<u>2,871,507</u>	<u>-</u>	<u>2,871,507</u>
	18,645,205	2,133,389	20,778,594
Restricted funds			
International Temple Projects	2,064,050	-	2,064,050
Main Building Fund	473,191	-	473,191
Temple Fund	503,456	-	503,456
Statue Fund	39,649	-	39,649
Other Funds	<u>42,762</u>	<u>(7,989)</u>	<u>34,773</u>
	3,123,108	(7,989)	3,115,119
TOTAL FUNDS	<u><u>21,768,313</u></u>	<u><u>2,125,400</u></u>	<u><u>23,893,713</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	3,937,999	(1,804,610)	2,133,389
Restricted funds			
Marseille Fund	254,980	(254,980)	-
Other Funds	<u>9,109</u>	<u>(17,098)</u>	<u>(7,989)</u>
	264,089	(272,078)	(7,989)
TOTAL FUNDS	<u><u>4,202,088</u></u>	<u><u>(2,076,688)</u></u>	<u><u>2,125,400</u></u>

Restricted Income Funds

International Temple Project

The International Temple Project is to introduce the Buddhist Faith of the New Kadampa Tradition publicly, and in particular to exemplify Buddhist practice through public service.

The Main Building Fund

The Main Building Fund is to account for monies received specifically for the restoration of the buildings at Conishead Priory.

The Temple Fund

The Temple Fund is to provide funds to construct the Buddhist Temple at Conishead Priory which is now complete.

Paris Fund

The Paris Fund is to provide funds to purchase and renovate a property in Paris (France), which will serve as the base for KMC Paris.

Marseilles Fund

The Marseilles Fund is to provide funds to purchase a property in Marseilles (France), which will serve as the base for KMC Marseilles.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

23. MOVEMENT IN FUNDS - continued

Restricted Income Funds - continued

Other Funds

Other Funds are to account for monies received in respect of small projects.

Unrestricted Income Funds

Designated ITP Fund

The designated ITP fund represents funds that the trustees have put aside from general funds to aid the International Temple Project.

General Fund

The general unrestricted fund represents free funds of the charity which can be applied at the discretion of the trustees.

24. CONTINGENT LIABILITIES

The charity has guaranteed the repayment of a bank loan for one of its subsidiaries if the subsidiary is in default which currently it is not. The amount outstanding on the loan at 31 December 2016 was £576,890 (2015: £531,584).

The charity has guaranteed the payment of all the debts of the Kadampa School Project, a wholly owned subsidiary, if the company is in default.

25. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions with related parties outside of the group are as follows:

KMC France and Bodhichitta IRC

Members

KMC France and Bodhichitta IRC operate from premises in France owned by NKT-IKBU. Rent of £57,793 (2015: £59,395) has been charged on this property.

KMC Germany and Tharpaland IRC

Members

KMC Germany and Tharpaland IRC operate from premises in Germany owned by NKT-IKBU on a rent-free basis.

KMC Singapore

Member

KMC Singapore operate from premises in Singapore owned by NKT-IKBU on a rent-free basis.

KMC London

Member

KMC London operate from premises in the United Kingdom owned by NKT-IKBU on a rent-free basis.

Key management personnel compensation

The total key management personnel compensation for the year was £21,858 (2015: £15,280).

26. ULTIMATE CONTROLLING PARTY

The charity is controlled by its members.

**New Kadampa Tradition - International
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**Reconciliation of Consolidated Income and Expenditure
for the Year Ended 31 December 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		256,623	-	256,623
Charitable activities		3,291,954	-	3,291,954
Investment income		<u>558</u>	<u>289,992</u>	<u>290,550</u>
Total		3,549,135	289,992	3,839,127
EXPENDITURE ON				
Charitable activities		<u>1,955,970</u>	<u>392,934</u>	<u>2,348,904</u>
NET INCOME/(EXPENDITURE)		<u><u>1,593,165</u></u>	<u><u>(102,942)</u></u>	<u><u>1,490,223</u></u>

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Reconciliation of Consolidated Funds
At 1 January 2015
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		26,415	-	26,415
Tangible assets		<u>15,485,804</u>	<u>-</u>	<u>15,485,804</u>
		15,512,219	-	15,512,219
CURRENT ASSETS				
Stocks		373,312	-	373,312
Debtors		4,860,359	(600,352)	4,260,007
Cash at bank		<u>3,365,528</u>	<u>-</u>	<u>3,365,528</u>
		8,599,199	(600,352)	7,998,847
CREDITORS				
Amounts falling due within one year		(573,846)	-	(573,846)
		<u>8,025,353</u>	<u>(600,352)</u>	<u>7,425,001</u>
NET CURRENT ASSETS/(LIABILITIES)				
		23,537,572	(600,352)	22,937,220
CREDITORS				
Amounts falling due after more than one year		(2,786,208)	49,586	(2,736,622)
		<u>20,751,364</u>	<u>(550,766)</u>	<u>20,200,598</u>
FUNDS				
Unrestricted funds		17,653,802	(550,766)	17,103,036
Restricted funds		<u>3,097,562</u>	<u>-</u>	<u>3,097,562</u>
TOTAL FUNDS		<u>20,751,364</u>	<u>(550,766)</u>	<u>20,200,598</u>

**New Kadampa Tradition - International
Kadampa Buddhist Union**

**Reconciliation of Consolidated Funds
At 31 December 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		19,351	-	19,351
Tangible assets		<u>15,669,349</u>	<u>(69,138)</u>	<u>15,600,211</u>
Total		15,688,700	(69,138)	15,619,562
CURRENT ASSETS				
Stocks		314,741	-	314,741
Debtors		5,130,302	(680,740)	4,449,562
Cash at bank		<u>4,484,786</u>	<u>-</u>	<u>4,484,786</u>
		9,929,829	(680,740)	9,249,089
CREDITORS				
Amounts falling due within one year		<u>(642,905)</u>	<u>-</u>	<u>(642,905)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>9,286,924</u>	<u>(680,740)</u>	<u>8,606,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,975,624	(749,878)	24,225,746
CREDITORS				
Amounts falling due after more than one year		<u>(2,693,344)</u>	<u>96,170</u>	<u>(2,597,174)</u>
NET ASSETS		<u><u>22,282,280</u></u>	<u><u>(653,708)</u></u>	<u><u>21,628,572</u></u>
FUNDS				
Unrestricted funds		19,178,341	(653,708)	18,524,633
Restricted funds		<u>3,103,939</u>	<u>-</u>	<u>3,103,939</u>
TOTAL FUNDS		<u><u>22,282,280</u></u>	<u><u>(653,708)</u></u>	<u><u>21,628,572</u></u>