

KRISHNAMURTI FOUNDATION TRUST LTD

(LIMITED BY GUARANTEE)

Company Number 1055588

Charity Number 312865

**REPORTS AND
FINANCIAL STATEMENTS**

**For the year ended
31st JULY 2017**

KRISHNAMURTI FOUNDATION TRUST LTD

(A company limited by guarantee)

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Reference and Administrative Information for the year ended 31st July 2017

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

Charity Name: Krishnamurti Foundation Trust

Charity registration number 312865

Company registration number 1055588

Registered office and
Operational address Brockwood Park
Bramdean
Hampshire
SO24 OLQ

Directors/Trustees

Ms. G. A. Balleys
Mr. D. A. Hook
Mr. P. E. Henebry (resigned 05 November 2016)
Mr. G. Primrose
Mrs. W. Smith
Mr V R Reddy
Mr Alastair Herron (appointed 04 November 2016)

Senior Management Team

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

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

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

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

Websites

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

The Trustees have satisfaction in presenting their annual report and the audited financial statements of the charity for the year ended 31 July 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland UK published on 16 July 2014 and update bulletin 1.

Our Purposes, Activities, Aims and Objectives

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

The Charity operates in four areas:

1. Brockwood Park School provides a general education for students aged 14 years and over;
2. Inwoods Small School also provides a general education but for students up to the age of 11 years.

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

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

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

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

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

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

**Report of the Trustees/Directors
for the year ended 31st July 2017*****Our Objectives***

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

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

Our key objectives for the year included;

- to continue to strengthen the overall operation of the charity by continuing to implement the findings of the review conducted in the previous 2 years;
- to continue to strengthen the charity financially by putting in place financial controlling measures to run a lean organisation and recruiting and training staff to strengthen the financial reporting and controlling aspects ;
- to continue to strengthen the place operationally by bringing about more transparency and accountability to the various roles within the charity and putting into place appropriate processes and procedures;
- to continue to strengthen the charity in respect of compliance and health and safety by implementing the findings based on the detailed review conducted last year;
- to continue to improve the education of the students with an holistic approach and to provide the financial security to do so;
- to continue to protect the archived works and accelerate the transcriptions of various Krishnamurti talks and discussions with the aim of making them available free;
- to make available all the videos of Krishnamurti with their various subtitles on our official YouTube Channel for free;
- to continue to provide a quality centre for visitors to be able to study the works of Jiddu Krishnamurti and other like-minded people, in quiet and peaceful surroundings;
- to improve the quality and number of the events organised at our Centre and provide free of charge introduction days for the wider public;
- to continue to enable day visitors to visit our Centre and spend time there free of charge and access its various facilities.

Our Ethos and Public Benefit

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

Our school fees are set at the lowest level consistent with ensuring the financial stability of the schools and at a level consistent with providing the students with a high standard of academic and personal achievement (our fees are currently some £10,000 less than the average fees for independent secondary boarding schools in the UK);

Our books, DVDs, MP3s and Text Collection are competitively priced and our bulletins are free to all. In excess of 2,000 videos of Krishnamurti, meticulously subtitled in various languages, are available on our YouTube channel free of charge;

**Report of the Trustees/Directors
for the year ended 31st July 2017**

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

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

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

Early in 2015 Brockwood Park School and Inwoods Small School joined the Independent Schools Association, whose member schools fall under the Independent Schools Inspectorate instead of Ofsted. The schools were inspected by ISI in March 2016 and their report is available on our website.

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

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

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

Access Policy

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

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

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

Teaching Links and Sharing

Our staff visit schools and attend conferences to exchange information as to teaching approaches and the philosophy behind the works of Jiddu Krishnamurti. A "wildflower kindergarten" currently uses part of our grounds, particularly some of the woodland, free of charge for activities with its children. The Brockwood Observer, the newsletter of the senior school, is sent out to all on our

**Report of the Trustees/Directors
for the year ended 31st July 2017**

mailing list free of charge, with information on items of interest at the School and articles written by staff, students and trustees. The main school offers quality concerts organised and performed by award winning musicians free to the public.

Many teachers, unconnected with the Charity, visit the small school to view the teaching approaches and a group of university students from a college in Winchester visit yearly for a tour and other activities. Inwoods Small School also offers summer workshops during the holiday for local children. A weekly newsletter is sent by email to all parents and interested parties.

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

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

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

Bursary Policy

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

Bursaries range from 7% to 100% remission of fees. Information about fee assistance through bursaries is provided to all who request it. The success of our bursary scheme is explained in our review of activities and achievements section of this report. In the current year the school has made available 14% of its fee income for bursaries.

Other Policies on Assistance

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

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

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

Our Strategy and Policies

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

Schools:

The focus of our strategies is to educate the whole person and to prepare students for life in general and higher examinations where that is desired by them, by teaching them to be self-reflective and self-directed learners by way of emphasis on inquiry. All students discuss and work with staff to construct their programme of study and timetable.

In order to take forward these strategies we:

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

Foundation

The Foundation's mandate, which is preservation and dissemination of Krishnamurti's Teachings, involves various projects and activities. Below are some of the projects we are currently focusing on:

Archive: extensive records of Krishnamurti's works is preserved in the archive in various forms such as transcripts, audios, videos, etc. This collection requires special techniques of preservation and the care of trained archivists. It also requires keeping abreast with changes in technology and upgrading equipment and file formats when necessary.

Transcription and verification: the Foundation's archive has relied on the volunteer contribution of many interested people to transcribe, verify and make available Krishnamurti's talks and discussions. A team of about twenty volunteers were organised to undertake this task. After a final check (final verification), this project enables the archives to have an authentic transcript of Krishnamurti's work available for publication in books or online, and to produce video subtitles.

Media and production: We have been preparing and making available the audio and videos of the work of Krishnamurti. These audios and videos will then become available to the public via online platforms such as YouTube, JKO, Facebook, etc. and are also available for purchase via DVDs and CDs. Group of volunteers assist with the meticulous subtitling and translating the transcripts of these works for it to be available in as many languages as possible.

Editing: editors edit various Krishnamurti's talks, discussions and seminars and publish books and other printed materials. These books are either self-published or publishers will make these books available to the wider audience. Translators translate the books so they are available in various languages and territories.

Publications: we are in touch with hundreds of publishers around the world managing those relationships trying to attract new publishers to publish Krishnamurti's books in various languages and in various territories around the world.

Committees and Information Centres: various associated committees and information centres around the world and in UK also assist with dissemination. They organise events in their territories, translate works of Krishnamurti or donate to the Foundation. The Foundation has responsibilities towards them to have a close connection so that their presence and good will is utilised best and they are also informed of the news and activities of the Foundation.

Events organisation: events are also being organised in order to bring the Teachings to interested people and ensure the Teachings do not remain just in books and videos and are vitally shared and discussed among interested people.

The appearance of the Teachings in the public arena via news outlets and through Public Relations (PR) is also desirable and part of the Foundation's work.

Krishnamurti Foundation Trust is also involved with other Krishnamurti Foundations in USA, India and Spain and works on various shared projects with them such as Complete Teachings Project, J Krishnamurti Online website, social media presence, etc.

The relationship with stakeholders such as donors, volunteers, and interested people is also part of the Foundation's work and this enables the Foundation to inform and attract prospective donors, staff and volunteers and utilise their good will for the work of the Foundation.

In order to take forward these strategies we:

- *review and improve the method of archiving to ensure that the works are kept for future generations;*
- *ensure that as many people as possible have access to the teachings and the works via the printed materials as well as online materials;*
- *provide bulletins free of charge giving information concerning recent developments and details of meetings;*
- *provide access to all videos of Krishnamurti on our Youtube channel free of charge;*
- *provide the jkrishnamurti.org website where Krishnamurti's talks are available mostly for free.*

Study Centre:

The focus of our strategies are:

- to cater for people from all walks of life to study the Teachings and to assist by organising theme weekends and assisted enquiries;
- to attract more interested people to the Centre in order to inquire into the Teachings;
- to enhance the interactions among the guests at the Centre and the staff body at Brockwood Park.
- to provide free events such as introduction days and video screening days, or dialogues for interested people.

In order to take forward these strategies we:

- review our activities to ensure that we cater for all interested parties and that staff and volunteers are on hand to assist in the understanding of the teachings and works;
- ensure that we continue to create a good environment for visitors;

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- endeavour to allow people to stay at the Centre irrespective of their financial means by reducing and controlling the cost of running the place;
- organise for the school staff to spend time at the Centre and interact with the guests;
- to recruit and train suitable staff to assist with our objectives and cater to our visitors.

Achievement and Performance

As a result of the comprehensive review conducted in the previous years we continue to implement its findings to strengthen the charity operationally and financially. We continue to keep abreast of changes in respect to regulations impacting the School such as health and safety, child safety and immigration. The Schools has passed all the inspections with good and excellent results across the board.

The main School is placing its emphasis on pastoral and academic excellence holding various meetings and discussions to induct new staff and improve the various aspects of the curriculum and pastoral life based on the feedbacks received from both students and staff.

The main School offers a Teacher Apprentice programme and continuously reviews this programme to make sure that potential future staff are attracted to it and that there is a flow of interest to teach at Brockwood with an understanding of the various aspects of Krishnamurti's ethos in this respect.

In the area of Estate and Facilities, recent recruitment has happened for the garden, grounds, kitchen and housekeeping with the view to strengthen these areas. The result has already been positive with more streamlined operation across these areas showing enhanced results.

A detailed maintenance schedule has been created to make sure the charity is clear about the possible future costs. In addition, inquiry into use of our land and assets have begun with the view to make sure our assets are used in the best way possible and our utilisation of assets is aligned with our objectives and strategies to ensure the longevity and sustenance of the place.

Main School

A Parent's Weekend, for all Brockwood parents around the world, had an excellent atmosphere. We are satisfied that we had the appropriate framing, structure and tenor for this event so that general questions were explored in the general forums and specific parental questions were fully addressed with relevant staff, tutors and academic advisers. We looked at extracts from Krishnamurti's works in the first general meeting and in the inquiry time with parents and students. This was important in establishing common ground to look at things together as parents, staff and students.

Feedback about the change of weekend from Tuesday and Wednesday to Saturday and Sunday was overall positive and we will keep this arrangement. We currently offer some organised weekend activities and will continue to explore ways of offering more. Over the Feb. half-term there was a 3-day trip to London museums, galleries and theatres plus a day trip to Salisbury.

We are developing our classrooms into richer learning environments that encourage more immediate engagement with subject matter and support both independent and shared learning in projects, topics, seminars, learning spaces, and exam courses. We have also increased our IT and other classroom resources (e.g. in the art barn and other classrooms to facilitate these developments). More documentation on the learning/teaching approach has been created for both better understanding and practical use by teachers and students.

With a more developed curriculum in place, we are poised to focus on educational outreach and student recruitment. We are continuing to develop contacts with universities (in the US, Europe and UK) and establish apprenticeship options for students for their Life after Brockwood.

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Our IT coordinator attended a Microsoft Conference in Reading and the Bettshow Conference on security in London. Another member of staff completed his BMC Mountain Leader Award course in the Lake District which qualifies him to coordinate and lead the all school camp, leaving students' camp and other outdoor adventure activities.

Small School at Inwoods

General improvements to the infrastructure: 12 tonnes of new gravel to top up the car park and paths; a new earth oven run as a workshop for adults and young people to cover costs; 14m³ of new play quality bark chip for the balance beam playground feature.

Fundraising initiatives included workshops for children that raised £3,600 and a school raffle that raised £2,000, both amounts earmarked for bursaries.

Training and workshops for adults in the community included a staff trip to India to visit other Krishnamurti schools and centres, leave of absence for the headteacher for one term to visit schools and educational initiatives in both India and Europe, and regular parenting workshops for parents.

Foundation

The Complete Video Collection project was initiated whereby all the videos of Krishnamurti talks and discussions and questions and answers were put online for free. In addition, more than 2,000 videos with subtitles in various languages were made available for free on our Youtube Channel.

We have been moving the verification stage of the archival work along by hiring paid verifiers and engaging with more volunteers.

Editing has been carried out for 4 new titles and editions and these new books and titles will be released and published soon.

The production of Audio materials to be made available for free to the public is ongoing after completion of our video collection,

We are devising an integrated strategy to be present digitally and make the Teachings and the work of the Foundation more known to the wider public.

The new version of J Krishnamurti Online website is near completion to make the Teachings available for free in a better and more user friendly way.

Study Centre

We have increased our free events such as the monthly Introduction Day, video screening and dialogue to provide the guests more options and offerings.

Numerous maintenance works have been carried out at the Centre ensuring a beautiful and healthy atmosphere for the guests.

Pupil Numbers, Visitors and Fees

The main School this year was able to fill 56 of the 75 available student places. The lower number is believed to be due to the Euro crisis and economic downturn. We initially had 57 students enrolled and finished the academic year with 56 as 4 students left on mutual agreement during the course of the year and 3 students who joined mid-year. The Small School is for day students only and finished the year with 35 students, of whom some were part time. There were never more than 30 students in the small school at any one time. More enquiries are being received at the small school from parents with younger children who hope to secure a place when their children reach five years of age.

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The fee structure for Inwoods was changed and parents had a choice of full time or only Friday attendance. The fee for full time attendance was increased to £5,800 and for one day attendance to £1,250. The main school fees were kept at £20,790.

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

Co-curricular Activities

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

Details of Bursary Awards – Policy into Practice

Bursaries awarded were approximately 14% of our total expected fee income and amounted to £199,422. This provided assistance to 26 of our students at the main School. In addition, 3 children at Inwoods Small School were awarded bursaries.

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

Teaching Links

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

The Co-Principals, Bursar and Pastoral Coordinator visited the sister schools in India and attended a dialogue conference during the winter break.

Environmental Incentives – Cutting our “Carbon Footprint”

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

Day-to-day activities such as re-using and re-cycling items has been carried on for many years. Our buildings are now being upgraded with better insulation and more environmentally friendly heating systems. As part of our increased use of energy from renewable sources we have invested in a wood chip boiler to heat the Centre building. The new student and staff accommodation is heated by a ground source heat pump.

Community Access

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

One of our Co-Principals attended a two day Heads conference in Ware, north of London. There were 56 Heads from the ISA and it covered topics such as; the dynamics of introducing change, new inspection structure update, contingency planning and legal issues.

One of the Co-Principals was selected to speak at The Telegraph Festival of Education.

Following attendance by staff and students at this year's British Education Research Association (BERA), Special Interest Group (SIG) on Alternative Education conference, Our Co-Principal has been invited to be keynote speaker at next year's BERA (SIG) Conference. This also connects us with a network of alternative educators, teachers and researchers.

Dr. Simon Boxley from the University of Winchester and a Co-Principal have been looking into the possibility of Brockwood's teacher apprentices and/or teachers doing an MA in Liberal Arts and/or a PhD programme that will be supervised by Dr. Boxley and the Co-Principal. We would have considerable freedom and autonomy in the design and development of such programmes. Research and writing could range from studies of Krishnamurti's Teachings and/or the study of curriculum and pastoral life at Brockwood. This could be offered with some support to staff who have a long term commitment at Brockwood and could help with teacher retention.

All these activities and interactions are important in helping to raise Brockwood's profile and also contribute productively to discourse and practices of education in the UK.

Financial review

The charity as anticipated last year, still had lower number of students compared to its capacity. However, the cost savings carried out in previous years has enabled the charity to cope well with this drop in revenue. The number of applicants for the academic year 2017-18 is healthier and as anticipated in our last year's report, we expect to get to a better financial position in 2017-18.

Our Finances

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

Total income of the charity, excluding legacies, increased from £1,781,185 to £1,872,072 due mainly to a significant amount of donations being received in the year of £422,950 (2016 - £298,034). Legacies amounted to £25,966 (2016 - £300,875). After deducting expenses, the Net Outgoing Resources for the charity amounted to £254 (2016 Net Incoming Resources - £112,113).

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

The Trustees review the salaries of the staff regularly. As all residential staff receive close to the national minimum wage, this major cost is considerably lower than staff in other schools. Thus we are able to offer lower fees and higher staff to student ratio to parents than would otherwise be the case. The staff and students are all part of a community living together and sharing an interest in the

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philosophy of Jiddu Krishnamurti. As a charity, therefore, parents and donors have the assurance that all the income is used for the purposes of the charity. As a charity we enjoy tax exemption status which means that we pay no tax on our deposit interest which is applied to the charity's purposes, and we can reclaim tax suffered on gift aid donations made to us. We also benefit from an 80% reduction in the rates on our buildings we occupy for charitable purposes. However, we are unable to reclaim VAT on purchases and expenses used for educational purposes and we pay taxes as an employer through the national insurance contributions we make.

Employer staff pension fund contributions for the year amounted to £2,516.

Reserves and Financial Health

As can be seen from the balance sheet, the charity has £827,658 (2016 - £806,839) in net current assets. This will be used as working capital whilst the Charity rebuilds its reserves.

Future plans

The charity conducted a comprehensive review over the past two years in order to bring financial, operational and functional health to the internal operations of the trust and strengthen the charity in these areas.

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

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

- Conduct a review into our current outreach and fundraising activities and devise an integrated approach to outreach;
- Conduct a plan to consolidate our collection of data about our stakeholders and devise seamless communication strategies in order to harness the goodwill which exists, in the best possible way, to be materialised in the form of donations, support, volunteering, etc.;
- Review our online and digital strategy and refresh and re-do our online presence and devise social media strategies to achieve this;
- To bring about more awareness of the activities of the School in order to attract more students and more interest in the philosophy of Krishnamurti in respect to education;
- To conduct a strategic review of our estate and assets to devise strategies to enhance our utilisation of assets;
- To bring the activities of the Centre to the awareness of the wider public to enhance the use of the facilities at the Centre and increase our charitable income in this area;
- To bring the audios of Krishnamurti online to enable free access to the public to his talks in audio format as we did with videos;
- To review our print publications to bring about clarity to the state of the existing contracts with publishers and enhance our activities with prospective publishers and devise strategies to improve our presence in print media;

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

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

As has been stated, the Trustees view the bursary fund as very important in widening the access to our particular type of education, including the concept of educating the whole person, and to

**Report of the Trustees/Directors
for the year ended 31st July 2017**

encourage students to enquire for themselves. The Trustees will continue to review the impact of the awards scheme to ensure that as many suitable students as possible are able to be part of our community.

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

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

It is registered as a charity with the Charity Commission.

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

Governing Body

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

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

In accordance with the Articles of Association, Ms. G. A. Balleys and Mr. G. Primrose retire by rotation and, being eligible, offer themselves for re-election.

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

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

Recruitment and Training of Governors/Trustees

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

Organisational Management

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

Risk Management

The Governors are responsible for the management of the risks faced by the charity. Risks are identified, assessed and controls established throughout the year. A review of the charity's risks

**Report of the Trustees/Directors
for the year ended 31st July 2017**

management processes is undertaken frequently, and outside consultants undertake audits of procedures.

The key controls used by the charity include:

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

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

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

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Krishnamurti Foundation Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

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

KRISHNAMURTI FOUNDATION TRUST LTD

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**Report of the Trustees/Directors
for the year ended 31st July 2017**

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

AUDITOR

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



SIGNED BY ORDER OF THE TRUSTEES

D. Hook
Trustee

2 November 2017

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

We have audited the financial statements of Krishnamurti Foundation Trust Ltd for the year ended 31 July 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

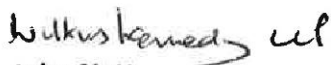
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



John Natt

Senior Statutory Auditor

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

2 November 2017

KRISHNAMURTI FOUNDATION TRUST LTD
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the Income and Expenditure Account)
Year ended 31st July 2017

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	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
INCOME					
Incoming resources from generating funds					
Donations and legacies	3	348,554	100,362	448,916	598,909
Investment income - Bank Deposit interest		5,457	-	5,457	3,609
Income from charitable activities	4	1,441,707	1,958	1,443,665	1,479,542
TOTAL INCOME		<u>1,795,718</u>	<u>102,320</u>	<u>1,898,038</u>	<u>2,082,060</u>
EXPENDITURE					
Costs of raising funds		-	-	-	-
Charitable Activities	8				
Conferences		5,500	-	5,500	16,251
Charitable Trading Costs		12,577	-	12,577	7,897
Publicity		38,315	-	38,315	41,439
Royalties payable (including KFA)		16,953	-	16,953	16,809
Irrecoverable School Fees and Bad Debts		-	-	-	8,542
Direct Costs		725,227	1,465	726,692	688,184
Food and Household Costs		169,644	-	169,644	164,256
Archive costs		354	7,952	8,306	20,369
Premises costs		336,463	-	336,463	394,685
Support costs		321,988	3,272	325,260	352,496
Depreciation		140,425	83,713	224,138	222,168
Governance costs	7	17,252	17,192	34,444	36,851
Total expenditure on charitable activities		<u>1,784,698</u>	<u>113,594</u>	<u>1,898,292</u>	<u>1,969,947</u>
Total expenditure		<u>1,784,698</u>	<u>113,594</u>	<u>1,898,292</u>	<u>1,969,947</u>
Net Income/(Expenditure) before transfers		11,020	(11,274)	(254)	112,113
Transfer between funds (Bursaries)	15	57,780	(57,780)	-	-
Transfer between funds (other)	15	14,809	(14,809)	-	-
Net movement in funds		<u>83,609</u>	<u>(83,863)</u>	<u>(254)</u>	<u>112,113</u>
Total funds brought forward		3,581,043	1,841,031	5,422,074	5,309,961
Total funds carried forward		<u>3,664,652</u>	<u>1,757,168</u>	<u>5,421,820</u>	<u>£5,422,074</u>

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

All of the above amounts relate to continuing activities.

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

BALANCE SHEET

31st July 2017

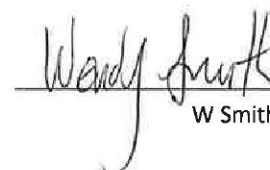
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
FIXED ASSETS					
Tangible Assets	9	1,892,298	2,908,657	4,800,955	4,907,524
Investment in subsidiary	10	-	100	100	100
		<u>1,892,298</u>	<u>2,908,757</u>	<u>4,801,055</u>	<u>4,907,624</u>
CURRENT ASSETS					
Stock	11	26,223	-	26,223	23,469
Debtors	12	173,619	10,000	183,619	104,432
Bank & Cash Balances		2,407,375	(1,086,769)	1,320,606	1,439,963
		<u>2,607,217</u>	<u>(1,076,769)</u>	<u>1,530,448</u>	<u>1,567,864</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	627,970	74,820	702,790	761,025
NET CURRENT ASSETS		<u>1,979,247</u>	<u>(1,151,589)</u>	<u>827,658</u>	<u>806,839</u>
NET ASSETS LESS CURRENT LIABILITIES		<u>3,871,545</u>	<u>1,757,168</u>	<u>5,628,713</u>	<u>5,714,463</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Loan from AG Educational Trust	23	150,000	-	150,000	210,000
		<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>210,000</u>
PROVISION FOR LIABILITIES AND CHARGES					
Provision for leaving staff	14	56,893	-	56,893	82,389
		<u>£3,664,652</u>	<u>£1,757,168</u>	<u>£5,421,820</u>	<u>£5,422,074</u>
RESERVES					
Total funds		<u>£3,664,652</u>	<u>£1,757,168</u>	<u>£5,421,820</u>	<u>£5,422,074</u>

Approved by the Council of Management on 2 November 2017 and signed on its behalf.



D A Hook

TRUSTEES/DIRECTORS



W Smith

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

Company number 01055588

Year ended 31st July 2017**CASH FLOW STATEMENT**

	2017	2016
	£	£
Cash Generated From Operations		
Net Incoming/(Outgoing) resources for the year	(254)	112,113
Movement in provisions	5,107	11,325
Depreciation, less profit on sale of assets	224,137	222,167
Decrease/(Increase) in Stock	(2,754)	2,431
(Increase)/Decrease in Debtors	(79,187)	(24,472)
Increase/(Decrease) in Creditors	(118,235)	41,488
	<u>28,814</u>	<u>365,052</u>
Cash from Other Resources		
Proceeds from sale of fixed assets	-	-
	<u>28,814</u>	<u>365,052</u>
Application of Cash		
Purchase of Fixed Assets	(117,568)	(83,293)
Payments to Leaving Staff	(30,603)	(23,215)
	<u>£(119,357)</u>	<u>£258,544</u>
Net Movement in Cash Resources		
Increase in Bank and Cash Balances	<u>£(119,357)</u>	<u>£258,544</u>

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

KRISHNAMURTI FOUNDATION TRUST LTD
Notes forming part of the Financial Statements
for the year ended 31st July 2017

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1. ACCOUNTING POLICIES

a) Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

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

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

b) Consolidation

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

c) Going Concern.

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

d) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy Incoming resources comprise the value of goods and services supplied by the company, net of Value Added Tax and trade discounts, plus donations when received and investment income receivable. Legacies are recognised when the amount and date of receipt are certain. Advance royalties are recognised when the agreement is signed and other royalties are recognised when the charity is notified of the amount receivable.

e) Resources Expended

Expenditure is accounted for on an accruals basis. Any irrecoverable element of VAT is included with the item of expense to which it relates. All direct and indirect costs are attributed to the areas to which they belong. All other costs are apportioned on a reasonable apportionment basis. Support costs are shown in note 6, and governance costs (note 7), which are charitable, relate to the stewardship of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

f) Tangible Fixed Assets and Depreciation

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

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

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

No depreciation is provided on the freehold land.

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

g) Cash at bank and in hand

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

h) Financial Instruments

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

i) Operating Leases

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

KRISHNAMURTI FOUNDATION TRUST LTD
Notes forming part of the Financial Statements
for the year ended 31st July 2017

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j) Funds Structure

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

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

Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees

k) Stocks and Work in Progress

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

l) Foreign Currencies

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

m) Irrecoverable VAT

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

n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

o) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless the costs are required to be part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination payments are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

p) Pension Costs

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

q) Judgements and key sources of estimation uncertainty

In application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The main accounting estimates for the charity are depreciation, and debt recoverability

KRISHNAMURTI FOUNDATION TRUST LTD
Notes forming part of the Financial Statements
for the year ended 31st July 2017

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2. TAXATION

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
3. <u>DONATIONS AND LEGACIES</u>				
Donations	324,420	98,530	422,950	298,034
Legacies	24,134	1,832	25,966	300,875
	<u>348,554</u>	<u>100,362</u>	<u>448,916</u>	<u>598,909</u>

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

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

School fees	1,133,596	-	1,133,596	1,141,546
Board & lodging	155,202	-	155,202	148,197
Royalties	46,515	-	46,515	84,545
Trading activities	16,908	1,958	18,866	17,145
Recoveries from staff and students	56,429	-	56,429	67,969
Other income	33,057	-	33,057	20,140
	<u>1,441,707</u>	<u>1,958</u>	<u>1,443,665</u>	<u>1,479,542</u>

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

Main School	1,138,540	84,089	1,222,629	1,418,288
Inwoods Small School	173,808	1,320	175,128	146,015
Foundation	204,039	28,185	232,224	159,658
Adult Study Centre	268,311	-	268,311	245,986
	<u>1,784,698</u>	<u>113,594</u>	<u>1,898,292</u>	<u>1,969,947</u>

6. SUPPORT COSTS

Staff	88,570	-	88,570	99,252
Communications	15,340	-	15,340	22,100
Travelling and motor	35,489	-	35,489	45,330
Insurance	26,284	-	26,284	30,798
Irrecoverable VAT	59,076	-	59,076	70,516
Stationery and office costs	70,268	-	70,268	59,336
Other costs	26,961	3,272	30,233	25,164
	<u>321,988</u>	<u>3,272</u>	<u>325,260</u>	<u>352,496</u>

KRISHNAMURTI FOUNDATION TRUST LTD
Notes forming part of the Financial Statements
for the year ended 31st July 2017

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	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
7. <u>GOVERNANCE COSTS</u>				
Travel and meetings	-	-	-	175
Audit and accountancy	10,689	-	10,689	9,984
Legal and professional fees	6,563	17,192	23,755	26,692
	<u>17,252</u>	<u>17,192</u>	<u>34,444</u>	<u>£36,851</u>
8. <u>CHARITABLE EXPENSES</u>				
Charitable expenditure includes:				
Directors' (Trustees') remuneration (For Archivist services – see note 20)			-	1,980
Auditor's remuneration for audit services			5,350	5,250
			<u>5,350</u>	<u>5,250</u>
Total staff costs:				
Salaries			683,006	678,380
Social security costs			31,981	31,239
Provision for leaving staff			8,046	9,784
Pension contributions			2,516	2,072
			<u>725,549</u>	<u>721,475</u>
The number of staff of the charity analysed by areas of responsibility, including the trustees, was:				
Teaching and support			64	63
Promotion and publicity			1	1
Management and administration			11	12
Trustees			6	6
			<u>82</u>	<u>82</u>

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

No employee earned £60,000 or more (2016 – £Nil).

The key management of the charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel were £61,274 (2016 £61,820).

KRISHNAMURTI FOUNDATION TRUST LTD
Notes forming part of the Financial Statements
for the year ended 31st July 2017

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9. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Total £
Cost			
At 1 st August 2016	7,055,167	604,346	7,659,513
Additions	44,728	72,840	117,568
Disposals	-	-	-
At 31 st July 2017	7,099,895	677,186	7,777,081
Depreciation			
At 1 st August 2016	2,330,072	421,917	2,751,989
Charge for the year	140,602	83,535	224,137
Relating to disposals	-	-	-
At 31 st July 2017	2,470,674	505,452	2,976,126
Net Book Value			
At 31 st July 2017	£4,629,221	£171,734	£4,800,955
At 31 st July 2016	£4,725,095	£182,429	£4,907,524

The directors are of the opinion that the value of the Freehold Property is in excess of its book value based on the comments in a valuation carried out several years ago. In the opinion of the directors the cost of having a professional revaluation outweighs its benefits.

10. INVESTMENT IN SUBSIDIARY

The objects of the charity's subsidiary company, Brockwood Park Estates Ltd Reg Number (06703625), are the development and building of properties. The company has the contract for the building of a new accommodation building for the main school. The charity owns the whole of the 100 shares of £1 each issued by the subsidiary. The turnover of the subsidiary amounted to £- (2016 - £-). The deficit of the subsidiary amounted to £- (2016 - £499) and the aggregate capital and reserves were £(595) (2016 - £(595)).

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
11. <u>STOCKS</u>				
Stock of fuel	11,323	-	11,323	8,569
Goods for resale	14,900	-	14,900	14,900
	£26,223	-	£26,223	£23,469

KRISHNAMURTI FOUNDATION TRUST LTD
Notes forming part of the Financial Statements
for the year ended 31st July 2017

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12.	<u>DEBTORS</u>	2017	2016
	Due within one year	£	£
	School fees recoverable	72,139	21,458
	Trade debtors	38,927	6,843
	Owing from KFA	22,781	34,803
	Amount owing from subsidiary	1,158	1,158
	Other debtors	48,614	40,170
		£183,619	£104,432

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

Trade creditors	40,059	81,278
Taxes and social security	15,495	16,568
School fees in advance	414,957	464,862
Fee and text book deposits	127,111	94,305
Loan from A G Educational Trust	60,000	60,000
Other creditors and accruals	45,168	44,012
	£702,790	£761,025

The loan from A G Educational Trust is the current portion of the loan as shown below.

14.	<u>PROVISION FOR LIABILITIES AND CHARGES</u>	2017	2016
	Provision for staff leaving	£	£
	Balance at 1 st August 2016	82,389	94,279
	Used in the year	(30,603)	(23,215)
	Charge for the year – Gross amounts	5,107	11,325
		56,893	£82,389
	Balance at 31 st July 2017		

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

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**Notes forming part of the Financial Statements
for the year ended 31st July 2017****15. RECONCILIATION OF MOVEMENTS IN THE FUNDS**

	Balance 1 st Aug 16	Movement in Resources			Balance 31 st July 17
		Incoming	Outgoing	Transfers	
UNRESTRICTED					
GENERAL					
Foundation	826,999	79,809	144,367	(3,442)	758,999
Main School	1,382,779	1,074,520	1,138,540	92,842	1,411,601
Study Centre	635,544	186,990	268,311	211	554,434
Small School	254,976	157,575	173,808	5,913	244,656
TOTAL GENERAL	3,100,298	1,498,894	1,725,026	95,524	2,969,690
DESIGNATED					
Foundation	344,785	279,378	59,672	(22,935)	541,556
Brockwood Park Fund	135,960	17,446	-	-	153,406
TOTAL DESIGNATED	480,745	296,824	59,672	(22,935)	694,962
TOTAL UNRESTRICTED	3,581,043	1,795,718	1,784,698	72,589	3,664,652
RESTRICTED					
MS Bursary Fund	52,563	22,028	-	(74,591)	-
SS Bursary Fund	5,029	1,095	-	(6,124)	-
Alumni Bursary Fund	3,444	10,533	-	22,935	36,912
Music Fund	4,536	1,407	-	(784)	5,159
Inwoods Nature	4,080	8	1,320	-	2,768
J K Online	38,169	13,737	5,516	-	46,390
Archive Exchange	-	5,000	4,704	3,442	3,738
Pavilions	1,645,889	-	77,847	-	1,568,042
School Development	-	17,614	147	(17,467)	-
Infrastructure	72,606	-	4,986	-	67,620
Website	56	16,250	14,404	-	1,902
Mobile Apps	3,333	-	-	-	3,333
Subtitles	9,957	6,250	3,561	-	12,646
Sundry main school	1,369	8,398	1,109	-	8,658
TOTAL RESTRICTED	1,841,031	102,320	113,594	(72,589)	1,757,168
TOTAL FUNDS	5,422,074	1,898,038	1,898,292	-	5,421,820

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

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

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

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

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

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

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

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

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

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

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Notes forming part of the Financial Statements
for the year ended 31st July 2017

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

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

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

	Tangible Fixed Assets £	Net Current Assets £	Long Term Liabilities & Provisions £	Total £
RESTRICTED FUNDS				
MS Bursary Fund	-	-	-	-
SS Bursary Fund	-	-	-	-
Alumni Bursary Fund	-	36,912	-	36,912
Music Fund	-	5,159	-	5,159
Inwoods Nature	-	2,768	-	2,768
J K Online	-	46,390	-	46,390
Archives/Exchange	-	3,738	-	3,738
Pavilions	2,894,400	(1,326,358)	-	1,568,042
Infrastructure	14,357	53,263	-	67,620
Website	-	1,902	-	1,902
Mobile Apps	-	3,333	-	3,333
Subtitles	-	12,646	-	12,646
Sundry main school	-	8,658	-	8,658
TOTAL RESTRICTED FUNDS	2,908,757	(1,151,589)	-	1,757,168
UNRESTRICTED FUNDS				
DESIGNATED FUNDS				
Foundation	-	541,556	-	541,556
Brockwood Park Fund	-	153,406	-	153,406
TOTAL DESIGNATED FUNDS	-	694,962	-	694,962
GENERAL FUNDS				
Foundation	2,036	772,500	(15,537)	758,999
Main School	855,295	722,692	(166,386)	1,411,601
Study Centre	970,324	(405,600)	(10,290)	554,434
Small School	64,643	194,693	(14,680)	244,656
TOTAL GENERAL FUNDS	1,892,298	1,284,285	(206,893)	2,969,690
TOTAL UNRESTRICTED FUNDS	1,892,298	1,979,247	(206,893)	3,664,652
TOTAL FUNDS	4,801,055	827,658	(208,746)	5,421,820

17. CONTINGENT LIABILITIES

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

18. CAPITAL COMMITMENTS

At the year end the charity had no capital commitments (2016 – Nil).

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

19. RELATED PARTIES

The charity has a 100% subsidiary company, Brockwood Park Estates Ltd, whose objects are the design and construction of buildings. Its entire turnover has been capitalised in the charity's fixed assets.

The company has a related company under common control named Brockwood Park Krishnamurti Educational Centre Limited. Krishnamurti Foundation Trust Ltd took over the undertaking of the related company on 1st August 2001. The company was a registered Charity until it became dormant. Similar foundations exist in other countries throughout the world including Spain, India and USA. These foundations have joined together to create a global website the costs of which are to be shared between them. The charity and the American foundation (KFA) have made a Joint Representation Agreement whereby all royalties receivable on books by the two organisations are shared equally between them and they will be jointly represented to all trade partners (publishers, literary agents, committees, online channels etc.) to avoid duplication of representation. The amount of royalties to be paid to KFA amounts to £17,609 (2016 – £18,354) and the amount calculated as due from KFA amounts to £22,781 (2016 - £34,803), both of which sums are included in these accounts.

Several Trustees have donated money to the charity for various purposes throughout the year.

20. TRUSTEES' PAYMENTS

Trustees' expenses amounted to £Nil (2016 - £175) which were travelling expenses paid to or on behalf of one of the Trustees. In addition a Trustee was paid the sum of £Nil (2016 – £1,980) for archival work during the year.

21. TRUSTEES' LIABILITY INSURANCE

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

22. ULTIMATE CONTROLLING ENTITY

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

23. LONG TERM LOAN

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

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