

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

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2017
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 2017**

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**Report of the Trustees
for the Year Ended 31 December 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2017. 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 ('IRCs');
- (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 2017**

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. Free 15-minute meditation sessions are offered twice-daily in the Temple, and on weekends visitors may also join the House and Temple Tour. The Café and Gift Shop continue to be popular with local people, course attendees, and visitors to the area alike. Manjushri KMC also regularly hosts visits from school and other community groups. 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.

In addition, the charity funds and supports the establishment of traditional and non-traditional World Peace Temples, meditation and retreat Centres, World Peace Cafés, 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 2017**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

International Festivals

In 2017 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 32 countries.

The International Summer Festival was held over a period of two weeks, and was attended by 2,600 people, from 45 countries.

The 2017 NKT-IKBU International Fall Festival, held at Tharpaland International Retreat Centre, near Berlin, Germany, was not organised by the charity but by Kadampa Meditation Centre Germany.

Tharpa Publications

2017 highlights for Tharpa Publications include the publication of completely revised 2nd editions of 'Essence of Vajrayana' and 'Ocean of Nectar' by Venerable Geshe Kelsang Gyatso Rinpoche. 'Ocean of Nectar' was also released as an ebook, as was another of title by the same author, 'Meaningful to Behold'.

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 March and November, were attended by 500 and 400 people respectively. Three public talks were also held in the World Peace Temple, in February, June and September. More than 600 people attended the talks, mostly from the local area. Manjushri KMC also continues to offer regular mediation classes throughout the South Lakes area.

Day-visitors to Conishead Priory, including the Temple, grounds and World Peace Café, continue to increase each year, with over 21,500 day visitors to the Temple alone (2016: 19,880). The Priory is open to the public seven days a week, with guided tours offered at weekends. The free twice-daily 15-minute meditation sessions are an established part of the public spiritual programme. These continue to increase in popularity, and over 7,600 people participated in the meditation sessions in 2017.

We also welcomed around 2,000 children and young people, who came on group educational visits throughout the year, and a further 600 people who came on various other organised group visits.

Kadampa Art Studio

The Kadampa Art Studio at Conishead Priory had yet another busy year. Buddha statues and Buddha ornaments were produced for traditional and urban Temple developments, and for Kadampa Meditation Centres (KMCs) and International Kadampa Retreat Centres (IKRCs) throughout the world. These Centres included:

- KMC London (Kensington), KMC Southampton, Tara KMC (Derby) and Nagarjuna KMC (Northampton) in the UK;
- KMC Paris (France), Nordic KMC (Oslo, Norway), and Kailash IRC (Switzerland) in Europe;
- Brooklyn (New York City), KMC Bloomington and KMC Indianapolis (Indiana), KMC Texas (Dallas), KMC Washington DC, IKRC Grand Canyon (Arizona), KMC Georgia (Atlanta), KMC North Carolina, and KMC Fort Lauderdale (Florida) in the USA;
- KMC Brazil; KMC Chile; KMC Cape Town (South Africa); and KMC Melbourne and Mahasiddha KMC (Sydney) in Australia.

**Report of the Trustees
for the Year Ended 31 December 2017**

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. Renovations have been completed and it opened to the public in November 2017.

Permissions have been granted for the renovation works on the charity's property in Edinburgh which was purchased in December 2016. These are ongoing and it is estimated that it will open to the public in Summer 2018.

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. Nagarjuna KMC (UK) also received assistance from the ITP for the purchase of their new property in 2017.

ITP funds were made available in support of initial developments of Kadampa Centres in several eastern Europe countries in 2017. Support for developments in Croatia and Romania is ongoing.

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 2017 was £145,710.

A total of £133,344 was also given in grants and £2,287,470 in interest-free loans in support of other ITP activities throughout the world

Donations made to the charity's International Temples Project Fund increased in 2017, totalling £855,915 in unrestricted and £472,450 in restricted donations.

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 2017 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 NKT-IKBU 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 resources and skills available to the NKT-IKBU in the country where the Festival is to be held.

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.

**Report of the Trustees
for the Year Ended 31 December 2017**

FUTURE PLANS

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

Refurbishment work will be carried out on the charity's property in Edinburgh which will open to the public in Summer 2018.

A traditional Kadampa World Peace Temple will be built at the charity's property in Spain. Additional works onsite there will include increasing the available accommodation and upgrading of other services. Works are still in the planning stage and no date has been set for commencement of building works.

Support for the activities in Croatia and Romania will continue in 2018.

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

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

**Report of the Trustees
for the Year Ended 31 December 2017**

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. Shefelveland (aka Kelsang Jampa), appointed 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 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 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 charitable company 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 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 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.

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

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

**Report of the Trustees
for the Year Ended 31 December 2017**

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

.....
Trustee

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

Opinion

We have audited the financial statements of New Kadampa Tradition - International Kadampa Buddhist Union (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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.

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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 28 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

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**

**Statement of Financial Activities
for the Year Ended 31 December 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	967,976	473,476	1,441,452	588,889
Charitable activities					
International Festivals	4	1,284,029	-	1,284,029	1,750,838
Tharpa Publications		370,144	-	370,144	396,975
Manjushri Kadampa Meditation Centre Shop and World Peace Cafe		857,656	-	857,656	701,972
Kadampa Art Studio and Internet		307,037	-	307,037	290,467
International Properties		149,117	-	149,117	66,833
		154,051	-	154,051	87,349
Investment income	3	5,824	-	5,824	399
Total		4,095,834	473,476	4,569,310	3,883,722
EXPENDITURE ON					
Charitable activities					
Grants Payable	5	438,907	825,168	1,264,075	475,040
International Festivals		395,087	1,043	396,130	494,818
Tharpa Publications		184,818	350	185,168	221,585
Manjushri Kadampa Meditation Centre		817,738	5,439	823,177	775,457
Kadampa Art Studio and Internet		227,757	2,292	230,049	154,125
International Properties		127,382	-	127,382	102,193
International Kadampa Development		492,101	12,810	504,911	(242,701)
Total		2,683,790	847,102	3,530,892	1,980,517
NET INCOME/(EXPENDITURE)		1,412,044	(373,626)	1,038,418	1,903,205
Transfers between funds	25	2,281,624	(2,281,624)	-	-
Net movement in funds		3,693,668	(2,655,250)	1,038,418	1,903,205
RECONCILIATION OF FUNDS					
As previously reported		20,778,594	3,115,119	23,893,713	22,414,941
Prior year adjustment	13	424,433	-	424,433	-
As Restated		21,203,027	3,115,119	24,318,146	22,414,941
TOTAL FUNDS CARRIED FORWARD		24,896,695	459,869	25,356,564	24,318,146

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)**

**Statement of Financial Position
At 31 December 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds as restated £
FIXED ASSETS					
Tangible assets	15	19,459,414	37,472	19,496,886	19,596,811
Investments	16	18,399	-	18,399	21,278
		<u>19,477,813</u>	<u>37,472</u>	<u>19,515,285</u>	<u>19,618,089</u>
CURRENT ASSETS					
Stocks	17	322,383	-	322,383	270,998
Debtors	18	7,755,469	-	7,755,469	5,942,650
Investments	19	-	148,293	148,293	-
Cash at bank	20	945,205	599,104	1,544,309	2,563,513
		<u>9,023,057</u>	<u>747,397</u>	<u>9,770,454</u>	<u>8,777,161</u>
CREDITORS					
Amounts falling due within one year	21	(2,096,801)	(325,000)	(2,421,801)	(2,640,929)
		<u>6,926,256</u>	<u>422,397</u>	<u>7,348,653</u>	<u>6,136,232</u>
NET CURRENT ASSETS					
		<u>26,404,069</u>	<u>459,869</u>	<u>26,863,938</u>	<u>25,754,321</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	22	(1,507,374)	-	(1,507,374)	(1,436,175)
		<u>24,896,695</u>	<u>459,869</u>	<u>25,356,564</u>	<u>24,318,146</u>
NET ASSETS					
FUNDS					
Unrestricted funds	25			24,896,695	21,203,027
Restricted funds				459,869	3,115,119
				<u>25,356,564</u>	<u>24,318,146</u>
TOTAL FUNDS					

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

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

.....
Trustee

The notes form part of these financial statements

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

**Statement of Cash Flows
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 as restated £
Cash flows from operating activities:			
Cash generated from operations	1	(413,734)	2,166,434
Interest paid		(51,692)	(59,135)
Net cash provided by (used in) operating activities		<u>(465,426)</u>	<u>2,107,299</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(293,293)	(5,417,729)
Interest received		5,824	399
Transfer of funds to be held on deposit		(148,293)	-
Net cash provided by (used in) investing activities		<u>(435,762)</u>	<u>(5,417,330)</u>
Cash flows from financing activities:			
Loan repayments in year		(124,302)	(117,539)
New concessionary loans in year		565,550	1,800,167
Concessionary loan repayments in year		(559,264)	(145,488)
Net cash provided by (used in) financing activities		<u>(118,016)</u>	<u>1,537,140</u>
Change in cash and cash equivalents in the reporting period		<u>(1,019,204)</u>	<u>(1,772,891)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>2,563,513</u>	<u>4,336,404</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,544,309</u></u>	<u><u>2,563,513</u></u>

The notes form part of these financial statements

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

**Notes to the Statement of Cash Flows
for the Year Ended 31 December 2017**

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

	2017	2016
	£	as restated £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,038,418	1,903,205
Adjustments for:		
Depreciation charges	76,235	75,992
Interest received	(5,824)	(399)
Interest paid	51,692	59,135
Reclassification/transfer of investments	2,879	-
Impairment of fixed assets	316,983	-
(Increase)/decrease in stocks	(51,385)	17,788
(Increase)/decrease in debtors	(1,812,819)	39,088
(Decrease)/increase in creditors	(29,913)	71,625
	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	<u>(413,734)</u>	<u>2,166,434</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

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' 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.

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.

Preparation of consolidated financial statements

In accordance with paragraph 19 of The Charities (Accounts and Reports) Regulations 2008, individually and in aggregate, each of the subsidiary undertakings are not material for the purposes of giving a true and fair view.

On this basis, the financial statements contain information about New Kadampa Tradition - International Kadampa Buddhist Union as an individual charity and do not contain consolidated financial information as the parent of a group.

Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements and key sources of estimation uncertainty 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:

- Depreciation and impairment of fixed assets
- Impairment provisions for concessionary loans made to centres

Changes in accounting policies

During the year the accounting policy was changed to apply the measurements provisions of FRS 102 paragraphs PBE34.90-92 to all its concessionary loans as the trustees consider this to more accurately reflect the purpose of these loans which are to provide support for the development of International Temples and Kadampa Meditation Centres as a way to achieve the charity's objectives and aims of increasing Buddhist Faith throughout the World. Previously these were accounted for as financial assets and liabilities under Sections 11 and 12 of FRS 102.

The effect of this change in accounting policy is included within the prior year adjustment note.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

1. ACCOUNTING POLICIES - continued

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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

1. ACCOUNTING POLICIES - continued

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.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value.

Any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

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 Financial Statements - continued
for the Year Ended 31 December 2017**

1. ACCOUNTING POLICIES - continued

Financial instruments

Concessionary loans

The charity meets the definition of a Public Benefit Entity ("PBE") and applies the measurement provisions of FRS 102 paragraphs PBE34.90-92 to all its concessionary loans

Financial instruments

The charity has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments that are not concessionary loans.

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.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

2. DONATIONS AND LEGACIES

	2017	2016 as restated
	£	£
Donations	<u>1,441,452</u>	<u>588,889</u>

3. INVESTMENT INCOME

	2017	2016 as restated
	£	£
Deposit account interest	<u>5,824</u>	<u>399</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2017	2016 as restated
	£	£
Festivals	1,284,029	1,750,838
Tharpa Publications	370,144	396,975
Manjushri Centre Activities	857,656	701,972
Shop and World Peace Cafe	307,037	290,467
Kadampa Art Studio		
Activities	149,117	66,833
International Properties	154,051	87,349
	<u>3,122,034</u>	<u>3,294,434</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 6)	Support costs (See note 7)	Totals
	£	£	£	£
International Festivals	389,880	-	6,250	396,130
Tharpa Publications	178,862	-	6,306	185,168
Manjushri Kadampa Meditation Centre	814,204	-	8,973	823,177
Kadampa Art Studio and Internet	226,815	-	3,234	230,049
International Properties	41,550	-	85,832	127,382
International Kadampa Development	529,159	-	(24,248)	504,911
Grants Payable	-	1,264,075	-	1,264,075
	<u>2,180,470</u>	<u>1,264,075</u>	<u>86,347</u>	<u>3,530,892</u>

Included within International Kadampa Development are impairment losses on tangible fixed assets of £316,983.

6. GRANTS PAYABLE

	2017	2016 as restated
	£	£
Grants Payable	<u>1,264,075</u>	<u>475,040</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

6. GRANTS PAYABLE - continued

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

	2017	2016 as restated
	£	£
Gifts to Centres	<u>1,264,075</u>	<u>475,040</u>

Gifts to Centres include the following donations:

	2017	2016
	£	£
Small grants to Centres	55,464	24,504
Grants for Kadampa Art Studio	133,471	45,556
Donation to KMC France	-	254,980
Donation to Heruka KMC	250,000	150,000
Donation to Nagarjuna KMC	825,140	-
	<u>1,264,075</u>	<u>475,040</u>

7. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
International Festivals	4,167	-	2,083	6,250
Tharpa Publications	1,992	3,466	848	6,306
Manjushri Kadampa Meditation Centre	6,006	-	2,967	8,973
Kadampa Art Studio and Internet	2,792	-	442	3,234
International Properties	-	-	85,832	85,832
International Kadampa Development	19,390	-	(43,638)	(24,248)
	<u>34,347</u>	<u>3,466</u>	<u>48,534</u>	<u>86,347</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):

	2017	2016 as restated
	£	£
Depreciation - owned assets	76,235	75,992
Exchange (gains)/losses	(43,551)	(505,623)
Impairment of tangible fixed assets	<u>316,983</u>	<u>-</u>

9. AUDITORS' REMUNERATION

	2017	2016 as restated
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>10,000</u>	<u>19,500</u>
Total audit fees	<u>10,000</u>	<u>19,500</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

9. AUDITORS' REMUNERATION

	2017	2016 as restated
	£	£
Audit-related assurance services	6,030	10,000
Total non-audit fees	<u>6,030</u>	<u>10,000</u>
Total fees payable	<u>16,030</u>	<u>29,500</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

	2017	2016 as restated
	£	£
Trustees' salaries	<u>7,308</u>	<u>5,546</u>

During the year Heather C. Wright (aka Kelsang Dekyong) received the standard remuneration applicable to all officers and staff members of the charity amounting to £7,308 (2016: £5,546) for her role as a Resident Teacher. No other trustees' received any remuneration or benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

11. STAFF COSTS

	2017	2016 as restated
	£	£
Wages and salaries	<u>230,511</u>	<u>200,317</u>

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

	2017	2016
Manjushri Centre	7	7
Tharpa Publications	4	3
Kadampa Art Studio and Hosting	13	11
Support and Administration	7	9
Kadampa Hotels and School	3	4
	<u>34</u>	<u>34</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.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds as restated £
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	324,800	264,089	588,889
Charitable activities			
International Festivals	1,750,838	-	1,750,838
Tharpa Publications	396,975	-	396,975
Manjushri Kadampa Meditation Centre	701,972	-	701,972
Shop and World Peace Cafe	290,467	-	290,467
Kadampa Art Studio and Internet	66,833	-	66,833
International Properties	87,349	-	87,349
Investment income	399	-	399
Total	<u>3,619,633</u>	<u>264,089</u>	<u>3,883,722</u>
EXPENDITURE ON			
Charitable activities			
Grants Payable	220,060	254,980	475,040
International Festivals	480,792	14,026	494,818
Tharpa Publications	221,585	-	221,585
Manjushri Kadampa Meditation Centre	773,727	1,730	775,457
Kadampa Art Studio and Internet	154,125	-	154,125
International Properties	102,193	-	102,193
International Kadampa Development	(244,043)	1,342	(242,701)
Total	<u>1,708,439</u>	<u>272,078</u>	<u>1,980,517</u>
NET INCOME/(EXPENDITURE)	<u>1,911,194</u>	<u>(7,989)</u>	<u>1,903,205</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	19,291,833	3,123,108	22,414,941
TOTAL FUNDS CARRIED FORWARD	<u><u>21,203,027</u></u>	<u><u>3,115,119</u></u>	<u><u>24,318,146</u></u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

13. PRIOR YEAR ADJUSTMENT

During the year the accounting policy was changed to apply the measurements provisions of FRS 102 paragraphs PBE34.90-92 to all its concessionary loans as the trustees consider this to more accurately reflect the purpose of these loans which are to provide support for the development of International Temples and Kadampa Meditation Centres as a way to achieve the charity's objectives and aims of increasing Buddhist Faith throughout the World. Previously these were accounted for as financial assets and liabilities under Sections 11 and 12 of FRS 102.

This change in accounting policy has had the following effect on the Statement of Financial Activities and Balance Sheet:

Effect on Statement of Financial Activities:

	£
Net surplus as previously reported	2,125,400
Effect of adjustment for the reversal of interest receivable on loans to centres	(318,366)
Effect of adjustment for the reversal of interest payable on loans from centres	96,171
	<hr/>
Net surplus as restated	1,903,205
	<hr/> <hr/>

Effect on Statement of Financial Position

	£
Total funds as previously reported	23,893,713
Effect of adjustment for the reversal of interest receivable on loans to centres	424,433
	<hr/>
Total funds as restated	24,318,146
	<hr/> <hr/>

14. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2017	355,764
Disposals	(355,764)
	<hr/>
At 31 December 2017	-
	<hr/>
AMORTISATION	
At 1 January 2017	355,764
Eliminated on disposal	(355,764)
	<hr/>
At 31 December 2017	-
	<hr/>
NET BOOK VALUE	
At 31 December 2017	-
	<hr/> <hr/>
At 31 December 2016	-
	<hr/> <hr/>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2017	17,232,276	2,466,887	233,905	22,486	19,955,554
Additions	131,321	161,972	-	-	293,293
At 31 December 2017	<u>17,363,597</u>	<u>2,628,859</u>	<u>233,905</u>	<u>22,486</u>	<u>20,248,847</u>
DEPRECIATION					
At 1 January 2017	139,280	-	201,994	17,469	358,743
Charge for year	70,141	-	4,785	1,309	76,235
Impairments	316,983	-	-	-	316,983
At 31 December 2017	<u>526,404</u>	<u>-</u>	<u>206,779</u>	<u>18,778</u>	<u>751,961</u>
NET BOOK VALUE					
At 31 December 2017	<u>16,837,193</u>	<u>2,628,859</u>	<u>27,126</u>	<u>3,708</u>	<u>19,496,886</u>
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>

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2017	21,278
Reclassification/transfer	(2,879)
At 31 December 2017	<u>18,399</u>
NET BOOK VALUE	
At 31 December 2017	<u>18,399</u>
At 31 December 2016	<u>21,278</u>

The net book value of investments comprises:

	2017	2016
Investments in the UK	-	-
Investments outside the UK	<u>18,399</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
Kadampa Buddhist Union**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

16. FIXED ASSET INVESTMENTS - continued

New Kadampa Tradition KMC Spain S.L.

Nature of business: Rental services

Class of share:	% holding	2017 £	2016 £
Ordinary	100		
Aggregate capital and reserves		(107,156)	(73,325)
(Loss) for the year		<u>(27,989)</u>	<u>(10,033)</u>

The summary results for the year were as follows:

	2017 £	2016 £
Gross income	87,564	25,563
Expenditure	<u>(115,553)</u>	<u>(35,596)</u>
Deficit	<u>(27,989)</u>	<u>(10,033)</u>

Hotel Kadampa Holland B.V.

Nature of business: Hotel Services

Class of share:	% holding	2017 £	2016 £
Ordinary	100		
Aggregate capital and reserves		(217,526)	(159,548)
(Loss) for the year		<u>(43,761)</u>	<u>(17,334)</u>

The summary results for the year were as follows:

	2017 £	2016 £
Gross income	27,016	36,503
Expenditure	<u>(70,777)</u>	<u>(53,837)</u>
Deficit	<u>(43,761)</u>	<u>(17,334)</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

16. FIXED ASSET INVESTMENTS - continued

Kadampa School Project (limited by guarantee)

Nature of business: School

Class of share:	% holding	2017 £	2016 £
Member	100		
Aggregate capital and reserves		-	12,868
(Loss) for the year		<u>(12,868)</u>	<u>(879)</u>

The summary results for the year were as follows:

	2017 £	2016 £
Gross income	-	140,084
Expenditure	<u>(12,868)</u>	<u>(140,963)</u>
Surplus/(Deficit)	<u>(12,868)</u>	<u>(879)</u>

On 23rd January 2018, Kadampa School Project was dissolved.

17. STOCKS

	2017 £	2016 as restated £
Goods for resale	<u>322,383</u>	<u>270,998</u>

18. DEBTORS

	2017 £	2016 as restated £
Amounts falling due within one year:		
Trade debtors	183,452	154,227
Concessionary loans to centres	6,214,979	3,671,283
VAT	2,367	1,227
Prepayments and accrued income	24,271	21,889
	<u>6,425,069</u>	<u>3,848,626</u>
Amounts falling due after more than one year:		
Concessionary loans to centres	<u>1,330,400</u>	<u>2,094,024</u>
Aggregate amounts	<u>7,755,469</u>	<u>5,942,650</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

18. DEBTORS - continued

Concessionary loans to centres are interest-free and stated after taking into consideration provisions against potentially unrecoverable debts of £287,116 (2016: £238,616). Loans repayable on demand are classed as current assets. Fixed term loans are repayable in full at a future date as stated within the loan agreements and are classed as current asset or long term assets as appropriate to the repayment date in each agreement.

Included within concessionary loans are two loans for which the following securities have been pledged:

- £251,971 Loan to KMC Capetown, South Africa, secured against property owned by Tushita KBC
- £1,173,214 Loan to Nordic KMC, Norway, secured against property owned by Nordisk Kadampa Meditasjonscenter (Nordic KMC)

19. CURRENT ASSET INVESTMENTS

	2017	2016 as restated
	£	£
Cash held on deposit	<u>148,293</u>	<u>-</u>

Cash held on deposit relates to funds required by the Spanish Government to be set aside until the completion of the Spanish Temple Project. These funds are required to be held on deposit until approval has been granted by the Spanish Government that these funds can be released.

20. CASH AT BANK

	General funds	Designated Funds	Other Funds
	£	£	£
Bank deposit account	<u>595,205</u>	<u>350,000</u>	<u>8,365</u>

	Spanish Temple Fund	Nagarjuna Fund	2017 Total funds	2016 Total funds as restated
	£	£	£	£
Bank deposit account	<u>265,739</u>	<u>325,000</u>	<u>1,544,309</u>	<u>2,563,513</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Bank loans and overdrafts (see note 23)	122,358	117,859
Other loans (see note 23)	2,163,316	2,357,030
Trade creditors	54,580	85,384
Accruals and deferred income	81,547	80,656
	<u>2,421,801</u>	<u>2,640,929</u>

**New Kadampa Tradition - International
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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

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

	2017	2016 as restated
	£	£
Bank loans (see note 23)	1,307,374	1,436,175
Other loans (see note 23)	200,000	-
	<u>1,507,374</u>	<u>1,436,175</u>

23. LOANS

An analysis of the maturity of loans is given below:

	2017	2016 as restated
	£	£
Amounts falling due within one year on demand:		
Bank loans	122,358	117,859
Concessionary loans from centres	2,163,316	2,357,030
	<u>2,285,674</u>	<u>2,474,889</u>
Amounts falling between one and two years:		
Bank loans 1-2 years	128,253	123,617
Concessionary loans from centres 1-2 years	200,000	-
	<u>328,253</u>	<u>123,617</u>
Amounts falling due between two and five years:		
Bank loans 2-5 years	420,130	405,401
	<u>420,130</u>	<u>405,401</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years by instalments	758,991	907,157
	<u>758,991</u>	<u>907,157</u>

Concessionary loans from centres are interest-free. Loans repayable on demand are classed as current liabilities. Fixed term loans are repayable in full at a future date as stated within the loan agreements and are classed as current liabilities or long term liabilities as appropriate to the repayment date in each agreement.

24. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016 as restated
	£	£
Bank loans	<u>1,429,732</u>	<u>1,554,034</u>

Properties with a net book value of £5,607,587 have been pledged as security against secured debts.

**New Kadampa Tradition - International
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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

25. MOVEMENT IN FUNDS

	At 1.1.17 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
Unrestricted funds					
General funds	17,907,087	424,433	1,412,044	4,803,131	24,546,695
Designated Funds	2,871,507	-	-	(2,521,507)	350,000
	<u>20,778,594</u>	<u>424,433</u>	<u>1,412,044</u>	<u>2,281,624</u>	<u>24,896,695</u>
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	34,773	-	10	(26,418)	8,365
Spanish Temple Fund	-	-	451,504	-	451,504
Nagarjuna Fund	-	-	(825,140)	825,140	-
	<u>3,115,119</u>	<u>-</u>	<u>(373,626)</u>	<u>(2,281,624)</u>	<u>459,869</u>
TOTAL FUNDS	<u>23,893,713</u>	<u>424,433</u>	<u>1,038,418</u>	<u>-</u>	<u>25,356,564</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	4,095,834	(2,683,790)	1,412,044
Restricted funds			
Other Funds	21,972	(21,962)	10
Spanish Temple Fund	451,504	-	451,504
Nagarjuna Fund	-	(825,140)	(825,140)
	<u>473,476</u>	<u>(847,102)</u>	<u>(373,626)</u>
TOTAL FUNDS	<u>4,569,310</u>	<u>(3,530,892)</u>	<u>1,038,418</u>

**New Kadampa Tradition - International
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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

25. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
Unrestricted Funds			
General funds	16,420,326	1,911,194	18,331,520
Designated Funds	2,871,507	-	2,871,507
	<hr/>	<hr/>	<hr/>
	19,291,833	1,911,194	21,203,027
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	42,762	(7,989)	34,773
	<hr/>	<hr/>	<hr/>
	3,123,108	(7,989)	3,115,119
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	22,414,941	1,903,205	24,318,146
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	3,619,633	(1,708,439)	1,911,194
Restricted funds			
Marseille Fund	254,980	(254,980)	-
Other Funds	9,109	(17,098)	(7,989)
	<hr/>	<hr/>	<hr/>
	264,089	(272,078)	(7,989)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	3,883,722	(1,980,517)	1,903,205
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**New Kadampa Tradition - International
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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

25. MOVEMENT IN FUNDS - continued

Restricted Income Funds

International Temple Project

The International Temple Project is to introduce the Buddhist faith of the New Kadampa Tradition - International Kadampa Buddhist Union 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, and has been spent as such in full.

The Temple Fund

The Temple Fund is to provide funds to construct the Buddhist Temple at Conishead Priory, which is now complete. The Temple Fund has been spent as such in full.

The Statue Fund

The Statue Fund is to account for monies received specifically for statues in the Buddhist Temple at Conishead Priory, which is now complete. The Statue Fund has been spent as such in full.

Spanish Temple Fund

The Spanish Temple Fund is to provide funds to construct a Kadampa Buddhist Temple in Spain.

Nagarjuna Fund

The Nagarjuna KMC Fund is to provide funds for Nagarjuna KMC to purchase a property in the UK, which will serve as the basis for Nagarjuna KMC.

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.

26. 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 2017 was £544,119 (2016: £576,890).

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

27. RELATED PARTY DISCLOSURES

New Kadampa Tradition KMC Spain S.L.

Subsidiary

New Kadampa Tradition KMC Spain S.L. operate from premises in Spain owned by NKT-IKBU. Rent of £63,113 (2016: £18,652) has been charged on this property.

At 31 December 2017 £1,305,242 (2016: £1,249,423) was owed by New Kadampa Tradition KMC Spain S.L. after taking into consideration provisions against potentially unrecoverable debts of £55,625 (2016: £38,268).

Hotel Kadampa Holland B.V.

Subsidiary

Hotel Kadampa Holland B.V. operate from premises in Holland owned by NKT-IKBU on a rent-free basis.

At 31 December 2017 £68,064 (2016: £109,896) was owed by Hotel Kadampa Holland B.V. after taking into consideration provisions against unrecoverable debts of £217,516 (2016: £160,914).

Kadampa School Project

Subsidiary

During the year donations totalling £10,818 (2016: £14,000) were received from Kadampa School Project.

KMC France and Bodhichitta IRC

Members

KMC France and Bodhichitta IRC operate from premises in France owned by NKT-IKBU. Rent of £61,918 (2016: £57,973) has been charged on this property.

KMC Spain

Member

KMC Spain operates from premises in Spain owned by NKT-IKBU. Rent of £11,229 (2016: £9,630) has been charged on this property.

Tharpaland IRC

Members

Tharpaland IRC operates 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 London owned by NKT-IKBU on a rent-free basis.

KMC Paris

Member

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

KMC Edinburgh

Member

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

Key management personnel compensation

The total key management personnel compensation for the year was £22,668 (2016: £21,858).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

28. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

29. ULTIMATE CONTROLLING PARTY

The charity is controlled by its members.