

Company registration number: 09705732

Charity number: 1167737

**The Theosophical Society In England
Charitable Company limited by guarantee**

Financial statements

30 September 2018

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**The Theosophical Society in England
Charitable Company limited by guarantee**

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**The Theosophical Society in England
Charitable Company limited by guarantee**

Directors and other information

Directors/Trustees

J Baker
SM Bayliss
E Crofts
N Hart
JM Hoult
S Johnson
E McGough
Dr CL Nash
PT Soteriou

Charity number

1167737

Company number

09705732

Registered office

50 Gloucester Place
London
W1U 8EA

Auditor

Keymer Haslam & Co
4/6 Church Road
Burgess Hill
West Sussex
RH15 9AE

Accountants

Keymer Haslam & Co
4/6 Church Road
Burgess Hill
West Sussex
RH15 9AE

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Directors/Trustees report
Year ended 30 September 2018**

The directors of the charitable company are its trustees for the purposes of charity law. The directors present their report and the financial statements of the charitable company for the year ended 30 September 2018.

Directors/Trustees

The directors/trustees who served the company during the year were as follows:

J Baker
SM Bayliss
E Crofts
N Hart
JM Hoult
S Johnson
E McGough
Dr CL Nash
PT Soteriou

Directors/trustees responsibilities statement

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Directors/Trustees report (continued)
Year ended 30 September 2018**

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 20 March 2019 and signed on behalf of the board by:

J.M Baker

J Baker
Director

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Independent auditor's report to the members of
The Theosophical Society in England
Year ended 30 September 2018**

Opinion

We have audited the financial statements of The Theosophical Society in England (the charitable company) for the year ended 30 September 2018 which comprise the statement of comprehensive income, statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2018 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 11 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Independent auditor's report to the members of
The Theosophical Society in England (continued)
Year ended 30 September 2018**

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relations to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the directors' report; or
- the financial statements are not in agreement with the accounting records and the returns; or
- the charitable company has not kept adequate accounting records; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Independent auditor's report to the members of
The Theosophical Society in England (continued)
Year ended 30 September 2018**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

A. Burgess

A Burgess ACA (Senior Statutory Auditor)

For and on behalf of
Keymer Haslam & Co
Chartered Accountants and Statutory Auditor
4/6 Church Road
Burgess Hill
West Sussex
RH15 9AE

16 March 2019

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Statement of Financial Activities/Statement of comprehensive income
Year ended 30 September 2018**

	Unrestricted	2017
Note	2018 £	£
Income	9,392,988	-
Staff costs	(67,040)	-
Other operating expenses	(113,872)	-
Operating surplus	<u>9,212,076</u>	-
Surplus before taxation	<u>9,212,076</u>	-
Tax on surplus	-	-
Surplus for the year	<u><u>9,212,076</u></u>	<u><u>-</u></u>

All the activities of the company are from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 10 to 14 form part of these financial statements.

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Statement of financial position
30 September 2018**

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	7	5,287,400		-	
Investments	8	3,692,054		-	
			<u>8,979,454</u>		
Current assets					
Stocks		19,846		-	
Debtors	9	17,689		-	
Cash at bank and in hand		289,043		-	
			<u>326,578</u>		
Creditors: amounts falling due within one year	10	(85,331)		-	
Net current assets/(liabilities)			<u>241,247</u>		
Total assets less current liabilities			<u>9,220,701</u>		
Net assets			<u><u>9,220,701</u></u>		
Funds					
Staff Retirement Designated Fund			5,711		-
Life Membership Subscription Designated Fund			2,914		-
Unrestricted funds			9,212,076		-
Total funds			<u><u>9,220,701</u></u>		<u><u>-</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The notes on pages 10 to 14 form part of these financial statements.

**The Theosophical Society In England
Charitable Company limited by guarantee**

**Statement of financial position (continued)
30 September 2018**

These financial statements were approved by the board of directors and authorised for issue on ¹⁰20 March 2019, and are signed on behalf of the board by:



PT Soteriou
Director

Company registration number: 09705732

The notes on pages 10 to 14 form part of these financial statements.

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Notes to the financial statements
Year ended 30 September 2018**

1. General Information

The charitable company is limited by guarantee and registered in England. The address of the registered office is 50 Gloucester Place, London, W1U 8EA.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Fund accounting - unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2016. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 33.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

**The Theosophical Society In England
Charitable Company limited by guarantee**

**Notes to the financial statements (continued)
Year ended 30 September 2018**

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- No depreciation provided
Fittings fixtures and equipment	- 25%% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

**The Theosophical Society In England
Charitable Company limited by guarantee**

**Notes to the financial statements (continued)
Year ended 30 September 2018**

Financial Instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Taxation

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.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

4. Limited by guarantee

The company is a private company limited by guarantee and has no share capital. In the event of winding up the members' liability is restricted to £1.

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Notes to the financial statements (continued)
Year ended 30 September 2018**

5. Staff costs

The average number of persons employed by the company during the year amounted to 5 (2017: Nil).

The aggregate payroll costs incurred during the year were:

	2018	2017
	£	£
Wages and salaries	64,740	-
	<u>64,740</u>	<u>-</u>

6. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2018	2017
	£	£
Fees payable for the audit of the financial statements	16,772	-
	<u>16,772</u>	<u>-</u>

7. Tangible assets

	Freehold property	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 October 2017	-	-	-
Additions	5,285,000	2,400	5,287,400
At 30 September 2018	<u>5,285,000</u>	<u>2,400</u>	<u>5,287,400</u>
Depreciation			
At 1 October 2017 and 30 September 2018	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
At 30 September 2018	<u>5,285,000</u>	<u>2,400</u>	<u>5,287,400</u>
At 30 September 2017	<u>-</u>	<u>-</u>	<u>-</u>

The land and buildings were valued by White Druce & Brown Property Consultants as at 30 September 2018, in accordance with the relevant sections and standards contained within the current edition of the RICS Valuation - Global Standards 2017, incorporating the International Valuation Standards Global and the UK (the "Red Book"). 50 Gloucester Place was valued at £3.125M and 18 Rodmartin Street was valued at £2.16M.

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Notes to the financial statements (continued)
Year ended 30 September 2018**

8. Investments	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost			
At 1 October 2017	-	-	-
Additions	100	3,691,954	3,692,054
At 30 September 2018	<u>100</u>	<u>3,691,954</u>	<u>3,692,054</u>
Impairment			
At 1 October 2017 and 30 September 2018	-	-	-
Carrying amount			
At 30 September 2018	<u>100</u>	<u>3,691,954</u>	<u>3,692,054</u>
At 30 September 2017	<u>-</u>	<u>-</u>	<u>-</u>
9. Debtors		2018	2017
		£	£
Trade debtors		4,470	-
Other debtors		13,219	-
		<u>17,689</u>	<u>-</u>
10. Creditors: amounts falling due within one year		2018	2017
		£	£
Other creditors		<u>85,331</u>	<u>-</u>
11. Ethical standards			

In common with other businesses of a similar size and nature, the auditors are used to prepare returns for the tax authorities and assist with the preparation of the financial statements.

**The Theosophical Society in England
Charitable Company limited by guarantee**

The following pages do not form part of the statutory accounts.

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Detailed income statement
Year ended 30 September 2018**

	2018
	£
Turnover	
Donations received	9,314,981
Subscriptions	7,871
Courses and seminars	2,537
Summer School income	54,207
Other income	288
Rent receivable	13,104
	<u>9,392,988</u>
Gross profit	<u>9,392,988</u>
Gross profit percentage	100.0%
Overheads	
Administrative expenses	(180,912)
	<u>(180,912)</u>
Operating profit	9,212,076
Operating profit percentage	98.1%
Profit before taxation	<u><u>9,212,076</u></u>

**The Theosophical Society in England
Charitable Company limited by guarantee**

**Detailed income statement (continued)
Year ended 30 September 2018**

2018

£

Overheads

Administrative expenses

Honoraria and salaries	(64,740)
Adyar and European fees	(2,300)
Volunteer costs	(193)
Meeting expenses	(452)
Conference expenses	(3,848)
Rates	(11,113)
Light and heat	(1,794)
Cleaning	(432)
Telephone	(647)
Training	(1,597)
Library costs	(1,635)
Legal and professional	(30,000)
Speakers expenses	(3,003)
Accountancy fees	(2,413)
Auditors remuneration	(16,772)
Bank charges	(235)
General expenses	(372)
Magazine and publications	(4,351)
Summer School costs	(28,244)
Grants and bursaries	(3,650)
Website	(3,121)
	<u>(180,912)</u>