

THE LONDON BUDDHIST CENTRE
COUNCIL MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

THE LONDON BUDDHIST CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members

Mr J Reeves
Ms E Light
Mr P Groves
Mr S Skelton
Ms M Healy
Sandra Turner (Suryagupta), Chair
Ms C Edwards
Mr David Waterston (Appointed 29 October 2018)

Charity number

255420

Auditor

Harwood Hutton Limited
4 Devonshire Street
London
W1W 5DT

Bankers

Lloyds Bank
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London
SW1Y 4ND

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Edward Harte & Co
6 Pavillion Parade
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THE LONDON BUDDHIST CENTRE

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THE LONDON BUDDHIST CENTRE

THE CHAIRMAN'S UPDATE FOR THE YEAR ENDED 31 MARCH 2019

One Year as Chair

I marked my first full year as Chair on the 5th March 2019. When I took over from Jnanavaca, I could not have imagined how the year would unfold and how full, inspirational and positively stretching it would be for me. As a centre we marked two hugely significant events: the first, our month long fortieth anniversary celebrations, and the second, the death of Bhante Sangharakshita, our founder and teacher. These two events are inextricably linked in my mind: Bhante died the day after I launched the month-long "40-40". While we had special events to mark Bhante's passing, I also appreciated how we were able to continue our existing programme. I was grateful for all that we are as a centre and our wonderfully generous team as well as the generosity of so many Order members, mitras and friends who contribute to it.

Farewell

On Friday 1st of March Srivati led a beautiful funeral here at the LBC for Peter Cogger. The funeral was well attended and organised and it was a positive occasion where his many friends and relatives rejoiced in his qualities.

New Order members

We were delighted to welcome five new Order members back to the LBC after their ordinations. Dharmacharinis Garavavati, Vimokshini and Suvarnajyoti were ordained at Akashavana on the three-month retreat whilst Amaladana was ordained at Guhyaloka.

LBC Activities

The focus of this year's many highlights was the "40-40" anniversary. In addition to this we had a hugely enjoyable and stimulating presidential visit from Subhuti, with a series of inspirational "Rambles" that are highly recommended listening. There were many other activities, which are detailed in Maitreyaraja's Secretary's report. So please do read this for further details.

BBC Radio 4

Another highlight for me was being asked to do a series of programmes for BBC Radio 4's long-running programme Something Understood. I was also particularly pleased that the LBC was featured prominently in their publicity and that I was able to quote Bhante regularly during each presentation. After 25 years of broadcasting Something Understood has sadly come to an end – in the penultimate episode I presented on the theme of 'Beginner's Mind'.

Our meditation and Dharma night classes continue to be popular, with a distinct increase in numbers following the end of our long retreats.

Yoga

Yoga continues to be popular and, after a successful period covering for Garavavati while she was at Akashavana being Ordained, the yoga team proposed that Sraddhagita join them permanently. Sraddhagita now works for the team on a part time basis which helps with cover and supporting the team whilst residential yoga retreats are occurring. She also brings her considerable experience of team-based right livelihood to the team, which has been very welcome. The rest of Sraddhagita's time is spent supporting the carers' project at the centre and working as my assistant, for which I am truly grateful!

Lama's Pyjamas

Our charity shop Lama's Pyjamas continues creates both a positive team-based right livelihood experience for its team and volunteers, and generates considerable surplus for the centre. Lama's Pyjamas was also recognised this year by The London Faith Belief and Community Forum. At a lovely venue in central London Nikki Moores and I were presented with a specially commended judges' award for Lama's contribution to social inclusion by Her Majesty's Lord-Lieutenant of Greater London's Council on Faith. The existing Lama's team was joined by Dani Schink and Marleen Laurman this year. Abhayanandi took a sabbatical which included a three-month retreat.

THE LONDON BUDDHIST CENTRE

THE CHAIRMAN'S UPDATE FOR THE YEAR ENDED 31 MARCH 2019

Jambala Bookshop

Jambala also saw a number of staff changes, with Esther Cann leaving the team. Prajnamala led a successful initiative to recruit volunteers and both Prajnamala and Heather Belcher have been well supported by a team including Achalapriya, Enrico Nadalutti, Celine Ammeux and Simon Howes.

Breathing Space

This year Luke Doherty left the LBC as Breathing Space manager after five years of faithful service. During his time Luke was instrumental in developing the carer's project which continues to grow well.

Sikkha project

This year we launched a new initiative to support other centres to develop a culture of inspiration. In March, 15 Order members from Dublin and Berlin came to the LBC with members of the Sikkha project team and were led through a range of teaching, training and workshops on specific topics such as sub25 events and a visioning exercise.

Vajrasana

Vajrasana continues to do well under the care of its resident community, Jnanaruchi, Saddhaketu and Dridhakarini. As Vajrasana is a separate business from the LBC, Vidyadaka has become its CEO. As well as leading the directors' meeting, Vidyadaka also meets with the resident community regularly. He is impressed with the way they are deepening their connections as a community as well as the care they take of the retreatants and the centre itself.

Day Time Convenor and Mandala Communications

This year we welcomed Maitrivajri back after her solitary retreat and she started a new role as daytime convenor. Her role will be to manage and develop daytime activities at the centre including MBCT activities, outreach and lunchtime classes. Following on from the forums last year, Maitrivajri will be exploring ways to develop avenues for more effective mandala communications.

Abhayavajra

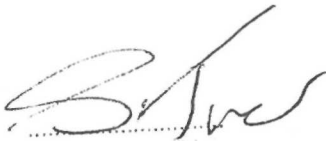
After 22 years, Abhayavajra is leaving the council and, with that, the LBC mandala. Over the years Abhayavajra has been involved with a vast range of activities, most recently living and working at Vajrasana for over seventeen years.

THE LONDON BUDDHIST CENTRE

THE CHAIRMAN'S UPDATE FOR THE YEAR ENDED 31 MARCH 2019

Dana

Generosity and friendship are the foundations on which the Centre flourishes and we continue to share the fruits of our efforts with the wider Triratna community, in terms of time, energy and other resources. This year we gave Dana to The India Dhamma Trust, Akashavana and Ratnagoshā. We wish them well in their future endeavors.



Yours in the Dharma

Suryagupta

Chair

suryagupta @lbc.org.uk

THE LONDON BUDDHIST CENTRE

COUNCIL MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Council Members (which is the board of trustees for charity law purposes) present its annual report and accounts for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with its Rules, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Structure, governance and management

The Charity is constituted as an unincorporated association and is governed by its Rules.

The Charity is governed by its Council whose members are all of the Triratna Buddhist Order. The members of the Council, who served throughout the year and since except where stated otherwise, are shown below.

Individual members of the Council also hold executive posts for the day-to-day management of the Charity. Council members normally serve for one year and since and are then eligible for re-election at the Annual General Meeting.

The Council meets monthly. The Treasurer reports on financial matters to the Council meeting once per quarter, but is not a trustee. Day-to-day running of the Charity is undertaken by the Centre Support Team, which is managed by a senior team and directed by the Chair of Trustees.

The Charity inducts new Council members by providing them with a copy of 'The Effective Trustee, A Guide for Members of FWBO Councils' (February 2002), the Charity Commission's 'Responsibilities of Charity trustees' and 'The Essential Trustee: An introduction' and by discussing their role during council meetings.

Trustees are aware of the Charity Governance Code and fulfil their trusteeships in that spirit - they are thus able to explain the charity's aims and how those aims are achieved, and are confident of the integrity of the charity's function in the public benefit.

The Council members who served during the year were:

Mr P Newman	(Resigned 4 March 2019)
Mr J Reeves	
Ms E Light	
Mr P Groves	
Mr S Skelton	
Ms M Healy	
Sandra Turner (Suryagupta), Chair	
Mr A Leigh	(Resigned 14 January 2019)
Ms C Edwards	
Mr David Waterston	(Appointed 29 October 2018)

THE LONDON BUDDHIST CENTRE

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Objectives and activities

The objects of the Charity consist in the advancement of the Buddhist religion; in particular to encourage members and others to live in accordance with the teachings of the Buddha, and to support ordained members of the Triratna Buddhist Order and other duly ordained Buddhists at the discretion of the Council. In addition, the Charity added the following object to its constitution on 12 March 2007: 'To use applications of the Buddha's teaching to promote the health and well-being of all'.

In pursuit of its objects the Charity runs a variety of activities, both introductory and those designed to help people deepen their practice and understanding of Buddhism. It is also an objective of the Charity to encourage the establishment of residential communities, where Buddhists can live and practise together, and businesses where they can work in accordance with the Buddhist principle of Right Livelihood.

When planning the activities for the year, the trustees considered the Charity Commission's guidance on public benefit and are satisfied that the Charity's activities met the principles laid out in that guidance. The Charity's strategy for achieving its objectives is to agree a list of priorities for the year and to move towards these objectives through agreeing actions at Council meetings, the yearly Council retreat and at meetings with people who regularly attend the London Buddhist Centre. The priorities for the year were to: provide teaching in Buddhism and meditation for all levels of experience; attract a more diverse range of people to its classes, courses and retreats; and to communicate more widely and transparently. These priorities relate to the main objective of the Charity by contributing to the advancement of the Buddhist religion.

Breathing Space was initiated in 2004 by the LBC's then Chairman, Dr Paramabandhu Groves, a Consultant Psychiatrist. Its main focus is to help those who have suffered from depression and anxiety. The programme also helps those who have suffered with addiction and those coping with chronic pain or stress. Breathing Space uses mindfulness-based approaches (MBAs) to enable people to address their problems in group sessions and through self-management techniques.

Achievements and performance

The Charity fulfilled its objectives for the year by continuing to run a full programme of classes at its property and principal office at 51 Roman Road, London E2, as well as running retreats at the newly rebuilt Vajrasana retreat centre in Suffolk, which opened in May 2016. The Charity also continued to teach classes in Central London at St Martin's Lane. Overall, courses, classes and retreats account for approximately 40% of the Charity's regular income.

The Charity also continued to support members of the Triratna Buddhist Order engaged in the organisation of the Charity by the provision of allowances and the opportunity to attend retreats.

The Charity continued to let properties to communities of Buddhists to enable them to practise the teachings of Buddhism. Having sold its legacy flats to help fund the Vajrasana building project, it continues to rent out the refurbished flat at 83a Roman Road. Total income from communities and investment property represents around 23% of the Charity's regular income.

The Charity continued to offer residential breaks for carers in Tower Hamlets and Hackney at its retreat centre in Suffolk, funded by the respective London Boroughs.

THE LONDON BUDDHIST CENTRE

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Financial review

The Charity and its subsidiaries achieved a consolidated surplus for the year of £241,977 (2018: £137,294). This has increased reserves from £7,178,292 to £7,420,269.

The Charity's largest regular funding source continues to be its rental income. The Charity also relies on voluntary income in the form of donations and money generated by providing courses, classes and retreats as well as income from its charity shops, Lama's Pyjamas and Jambala. As well as the investment property at 83a Roman Road mentioned above, the restaurant at 241-245 Globe Road continues to be let to the World's Larder Ltd. The Charity's own bookshop in the centre provides additional income.

The Charity's unrestricted reserves are split into a Fixed assets fund representing resources tied up in fixed assets, a Major repairs fund representing funds set aside for major repairs to the Charity's buildings and a General fund representing free reserves. The Fixed assets fund is roughly calculated as the net book value of the Charity's fixed assets less the loans financing them. It is intended that the General fund will be maintained between a lower level equal to two months' expenditure of the Charity and an upper level of six months' expenditure (in each case disregarding exceptional expenditure). In the event of either limit being exceeded, action to return the General fund to within the limits set out above will be decided upon by the Council.

At the year end the General funds amounted to £6,895,240 (2018: £6,560,683).

Plans for future periods

The Charity will continue to run a full programme of courses, classes and retreats in Buddhism and meditation. It will also continue to develop and expand its range of teaching activities and continue to develop 'Breathing Space', its mental health and well-being programme. Continuing to make good use of the newly rebuilt Vajrasana retreat centre will also be important.

Volunteers

Volunteers are recruited by the Charity to assist with the office and general administration work at the London Buddhist Centre including cleaning and reception duties. Volunteers also assist in the LBC's charity shops. Order members teach classes and run retreats without reimbursement. Volunteers assist Order members in running these classes and retreats.


Risk Management

The Council Members keep under review the principal risks faced by the charity and seek to mitigate these. The key risks include the ability of the charity to retain appropriately skilled volunteers and staff to facilitate running events and other sessions, as well as to retain the support of sufficient donors to ensure the charity can continue to operate.

Connected charities

The Charity is part of a worldwide network of similar organisations and charities associated with the Triratna Buddhist Order and Community, each of which is legally autonomous. The various charities in the network co-operate in their shared objective of advancing the Buddhist religion. Specifically the Charity contributes financially to the Triratna Buddhist Community Chairs Assembly, the network's administrative headquarters, and the India Dhamma Trust, which provides support to the ordination team in India.

The Council Members' report was approved by the Board of Council Members.



Sandra Turner (Suryagupta), Chair

Chair of trustees

Dated: 28.1.20

THE LONDON BUDDHIST CENTRE

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

The Council members are responsible for preparing the Council Members' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Council members are required to:

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

The Council members are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE LONDON BUDDHIST CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF THE LONDON BUDDHIST CENTRE

Opinion

We have audited the financial statements of The London Buddhist Centre (the 'charity') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, The consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the 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 Financial Reporting Standard 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 Group's and Charity's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources, 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 Charities Act 2011.

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 Charity 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 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 Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Charity'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 Council members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 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.

We have nothing to report in this regard.

THE LONDON BUDDHIST CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF THE LONDON BUDDHIST CENTRE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 Council Members' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council members

As explained more fully in the statement of Council Members' responsibilities, the Council members 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 Council members 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 Council members are responsible for assessing the Group's and Charity'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 Council members either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Council members, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Council 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 charity and the charity's Council members as a body, for our audit work, for this report, or for the opinions we have formed.


Yuen Man Anna Bulmer (Senior Statutory Auditor)
for and on behalf of Harwood Hutton Limited

Chartered Accountants
Statutory Auditor

18 January 2020

4 Devonshire Street
London
W1W 5DT

Harwood Hutton Limited is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE LONDON BUDDHIST CENTRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies	3	127,201	41,664	168,865	152,002
Charitable activities	5	1,029,943	-	1,029,943	964,623
Trading activities - shops	4	257,019	-	257,019	234,956
Investments	6	16,900	-	16,900	13,614
Total income		1,431,063	41,664	1,472,727	1,365,195
Expenditure on:					
Expenditure on raising funds - shops running costs	7	177,394	-	177,394	200,100
Analysis of expenditure by charitable activities	8	1,073,450	40,436	1,113,886	1,053,811
Total resources expended		1,250,844	40,436	1,291,280	1,253,911
Net gains/(losses) on investments	13	60,530	-	60,530	26,010
Net income for the year/ Net movement in funds		240,749	1,228	241,977	137,294
Fund balances at 1 April 2018		7,173,265	5,027	7,178,292	7,040,998
Fund balances at 31 March 2019		7,414,014	6,255	7,420,269	7,178,292

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE LONDON BUDDHIST CENTRE

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	14	7,792,811	7,786,948
Investment properties	15	545,000	484,470
		<u>8,337,811</u>	<u>8,271,418</u>
Current assets			
Stocks	17	14,536	13,415
Debtors	18	143,884	68,757
Cash at bank and in hand		687,914	636,150
		<u>846,334</u>	<u>718,322</u>
Creditors: amounts falling due within one year	19	<u>(237,944)</u>	<u>(186,989)</u>
Net current assets		608,390	531,333
Total assets less current liabilities		<u>8,946,201</u>	<u>8,802,751</u>
Creditors: amounts falling due after more than one year	20	<u>(1,525,932)</u>	<u>(1,624,459)</u>
Net assets		<u><u>7,420,269</u></u>	<u><u>7,178,292</u></u>
Income funds			
Restricted funds	23	6,255	5,026
<u>Unrestricted funds</u>			
Designated funds	24	518,774	612,583
General unrestricted funds		<u>6,895,240</u>	<u>6,560,683</u>
		<u>7,414,014</u>	<u>7,173,266</u>
		<u>7,420,269</u>	<u>7,178,292</u>

The financial statements were approved by the Council Members on 28/1/20



Sandra Turner (Suryagupta), Chair
Trustee

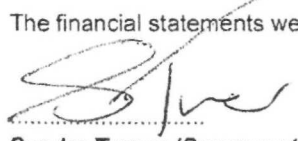
THE LONDON BUDDHIST CENTRE

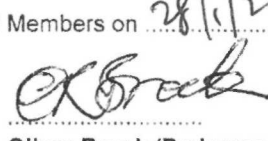
CHARITY BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	14	1,587,437		1,624,345	
Investment properties	15	545,000		484,470	
Investments		1,384,022		1,368,508	
		<u>3,516,459</u>		<u>3,477,323</u>	
Current assets					
Stocks	17	11,279		13,415	
Debtors falling due after more than one year	18	5,139,625		5,074,179	
Debtors falling due within one year	18	246,361		222,627	
Cash at bank and in hand		542,348		478,852	
		<u>5,939,613</u>		<u>5,789,073</u>	
Creditors: amounts falling due within one year	19	(179,848)		(172,927)	
Net current assets		<u>5,759,765</u>		<u>5,616,146</u>	
Total assets less current liabilities		<u>9,276,224</u>		<u>9,093,469</u>	
Creditors: amounts falling due after more than one year	20	(1,525,932)		(1,624,459)	
Net assets		<u><u>7,750,292</u></u>		<u><u>7,469,010</u></u>	
Income funds					
Restricted funds	23		6,255		5,026
Designated funds	24	518,774		612,583	
General unrestricted funds		7,225,263		6,851,401	
		<u>7,744,037</u>		<u>7,463,984</u>	
Total funds		<u><u>7,750,292</u></u>		<u><u>7,469,010</u></u>	

The financial statements were approved by Council Members on 28/1/2020 and signed on their behalf, by:


Sandra Turner (Suryagupta)
Chair


Oliver Brock (Prajnamanas)
Treasurer

28/1/20

THE LONDON BUDDHIST CENTRE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	28		233,521		256,522
Investing activities					
Purchase of tangible fixed assets		(85,466)		(255,578)	
Interest received		-		14	
Net cash used in investing activities			(85,466)		(255,564)
Financing activities					
Repayment of borrowings		(7,468)		(77,936)	
Repayment of bank loans		(88,823)		300,000	
Net cash (used in)/generated from financing activities			(96,291)		222,064
Net increase in cash and cash equivalents			51,764		223,022
Cash and cash equivalents at beginning of year			636,150		413,128
Cash and cash equivalents at end of year			687,914		636,150

THE LONDON BUDDHIST CENTRE

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Critical accounting estimates and judgements

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

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

2 Accounting policies

2.1 Accounting convention

The accounts have been prepared in accordance with the Charity's Rules, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016) and UK Generally Accepted Practice as it applies from 1 January 2015. The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Charity alone. The net income for the year dealt with in the accounts of the Charity was £281,285 (2018 - £214,094).

2.2 Going concern

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

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

2 Accounting policies

(Continued)

2.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the Council Members in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Council Members for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Accounting policies

(Continued)

2.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.5 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with the governance of the Charity and are primarily associated with compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

2.6 Tangible fixed assets

All assets costing more than £500 are capitalised.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold buildings	50 years
Furniture and equipment	5 years
Motor vehicles	4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

2.7 Investment properties

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

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Accounting policies

(Continued)

2.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic financial Instruments" to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are measured at transaction price less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method, less any provision for impairment.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

2 Accounting policies

(Continued)

2.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2.13 Other trading activities

Income from trading activities includes income earned from trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

2.14 Debtors

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

2.15 Creditors and provisions

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

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Donations and gifts	127,201	41,664	168,865	152,002
For the year ended 31 March 2018	100,147	51,855		152,002

4 Trading activities - shops

	Unrestricted funds	Total
	2019 £	2018 £
Shop income	257,019	234,956

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Incoming resources from charitable activities - analysis by activities

	2019 £	2018 £
London Buddhist Centre events	262,316	236,611
Breathing Space	73,408	85,099
Retreat centre events	358,278	345,061
Properties and residential communities	335,941	297,852
	<u>1,029,943</u>	<u>964,623</u>

6 Investments

	2019 £	2018 £
Interest receivable	-	14
Investment property	16,900	13,600
	<u>16,900</u>	<u>13,614</u>

7 Expenditure on raising funds - shops running costs

	Unrestricted funds	Total
	2019 £	2018 £
<u>Fundraising and publicity</u>		
Shop running costs	50,122	55,499
Staff costs	102,726	114,137
Support costs	24,546	30,464
	<u>177,394</u>	<u>200,100</u>
Fundraising and publicity	<u>177,394</u>	<u>200,100</u>

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8

Analysis of expenditure by charitable activities

	London Buddhist Centre event	Breathing space community	Buddhist community	Grant payablecentre event	Retreat event	Total 2019	Total 2018
	2019 £	2019 £	2019 £	2019 £	2019 £	£	£
Charitable activities							
	123,522	49,177	220,717	-	-	393,416	347,099
	112,805	6,642	253,264	39,401	214,353	626,465	600,665
	236,327	55,819	473,981	39,401	214,353	1,019,881	947,764
Staff costs							
	24,283	9,668	43,390	-	-	77,341	58,448
	5,232	2,083	9,349	-	-	16,664	47,599
	265,842	67,570	526,720	39,401	214,353	1,113,886	1,053,811
Share of support costs (see note 10)							
Share of governance costs (see note 10)							
	225,406	67,570	526,720	39,401	214,353	1,073,450	1,015,486
	40,436	-	-	-	-	40,436	38,325
	265,842	67,570	526,720	39,401	214,353	1,113,886	1,053,811
Analysis by fund							
Unrestricted funds							
Restricted funds							
	278,275	69,119	365,403	42,332	260,357	1,015,486	1,015,486
	38,325	-	-	-	-	38,325	38,325
	316,600	69,119	365,403	42,332	260,357	1,053,811	1,053,811
For the year ended 31 March 2018							
Unrestricted funds							
Restricted funds							

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

9 Grants payable

	2019 £	2018 £
Grants to institutions:		
Triratna Buddhist Order Central	28,250	27,000
Triratna Buddhist Order India	-	3,900
Other grants under £2,000 each	9,483	4,022
	<hr/>	<hr/>
	37,733	34,922
Grants to individuals	1,668	7,410
	<hr/>	<hr/>
	39,401	42,332
	<hr/>	<hr/>

10 Support costs

	Support costs £	Governance costs £	2019 £	2018 £	Basis of allocation
Depreciation	40,394	-	40,394	39,697	Staff time on activity
Postage and stationery	7,714	-	7,714	2,859	Staff time on activity
IT costs	9,750	-	9,750	9,957	Staff time on activity
Bank charges	3,018	-	3,018	6,682	Staff time on activity
Telephone	2,250	-	2,250	2,461	Staff time on activity
Travel	12,887	-	12,887	12,782	Staff time on activity
Sundry expenses	21,526	-	21,526	3,229	Staff time on activity
Audit fees	-	13,400	13,400	13,400	Governance
Accountancy	-	-	-	6,100	Governance
Legal and professional fees	-	7,615	7,615	39,344	Governance
	<hr/>	<hr/>	<hr/>	<hr/>	
	97,539	21,015	118,554	136,511	
	<hr/>	<hr/>	<hr/>	<hr/>	
Analysed between					
Fundraising	20,198	4,351	24,549	30,464	
Charitable activities	77,341	16,664	94,005	106,047	
	<hr/>	<hr/>	<hr/>	<hr/>	
	97,539	21,015	118,554	136,511	
	<hr/>	<hr/>	<hr/>	<hr/>	

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
LBC charity shops	7	7
London Buddhist Centre events	9	9
Breathing space	2	2
Retreat centre events	3	3
Buddhist Communities	1	1
Support	5	5
Governance	1	1
	<u>28</u>	<u>28</u>

Employment costs

	2019 £	2018 £
Wages and salaries	382,101	358,840
Social security costs	30,664	20,982
Other pension costs	28,285	25,839
Retreat	-	55,575
	<u>441,050</u>	<u>461,236</u>

Each staff member has percentages allocated to the various activities, adding up to 100% of their time; these then produce totals for these categories, rounded to the nearest whole number of employees

Staff costs represent living allowances paid to those involved in the running of the Charity, tax and national insurance due thereon, and the cost of retreats to enable them to develop their Buddhist practice. Although deemed to be taxable by HMRC, the purpose of the living allowances is to enable those concerned - all of whom are practising Buddhists - to continue with their Buddhist practice at the same time as helping the Charity. They do not represent remuneration for services rendered.

Staff costs for the year to March 2019 include £55,092 (2018 - £39,600) recharged to Pure Land Limited relating to the Vajrasana development.

The number in receipt of allowances in the Charity was 28 (2018 - 28). All staff were based at the London Buddhist Centre and cannot be easily categorised. All received less than £28,000 (2018: £30,000) p.a. During the year, 1 (2018 - 1) member of the Charity's Council (who are the trustees for charity law purposes) were reimbursed expenses totalling £220 (2018 - £516) for costs incurred with respect to travel and accommodation.

The Charity's Rules allow for support - such as the living allowances mentioned above - to be given to members of Council who are members of the Triratna Buddhist Community and during the year 6 (2018 - 7) members of the Council received such allowances totalling £77,623 (2018 - £102,255). In pursuit of its objects, the Charity also paid for retreats for Council members during the year totalling £5,575 (2018 - £9,064).

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Remuneration paid to Council Members

Remuneration was paid to the following Council members during the year:-

Jayaka (Jeff Reeves) £10,887 (2018 - £10,152)
Maitrivajri (Erica Light) £19,434 (2018 - £14,530)
Subhadramati (Mary Healy) £10,663 (2018 - £11,899)
Vidyadaka (Alban Leigh) £14,375 (2018 - £9,960)
Suryagupta (Sandra Turner) £40,409 (2018 - £29,042)
Abhayanandi (Claudine Edward) £9,357 (2018 - £11,541)

13 Net gains/(losses) on investments

	2019 £	2018 £
Revaluation of investment properties	60,530	26,010

14 Tangible fixed assets

	Freehold land £	Fixtures, Motor vehicles fittings £	£	Total £
Group Cost				
At 1 April 2018	8,349,575	268,539	9,549	8,627,663
Additions	67,466	10,953	7,047	85,466
At 31 March 2019	8,417,041	279,492	16,596	8,713,129
Depreciation and impairment				
At 1 April 2018	680,875	150,288	9,549	840,712
Depreciation charged in the year	38,692	39,153	1,761	79,606
At 31 March 2019	719,567	189,441	11,310	920,318
Carrying amount				
At 31 March 2019	7,697,474	90,051	5,286	7,792,811
At 31 March 2018	7,668,697	118,251	-	7,786,948

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Tangible fixed assets

(Continued)

	Freehold land	Fixtures, fittings	Motor vehicles	Total
	£	£	£	£
Charity Cost				
At 1 April 2018	2,153,525	88,751	9,549	2,251,825
Additions	-	3,485	-	3,485
At 31 March 2019	2,153,525	92,236	9,549	2,255,310
Depreciation and impairment				
At 1 April 2018	532,950	84,980	9,549	627,479
Depreciation charged in the year	38,692	1,702	-	40,394
At 31 March 2019	571,642	86,682	-	667,873
Carrying amount				
At 31 March 2019	1,581,883	5,554	-	1,587,437
At 31 March 2018	1,620,575	3,770	-	1,624,345

The Charity owns a number of freehold properties held for charitable purposes (as well as the investment properties, shown in Note 14). All are in East London and owned by the Charity:

- 51 Roman Road houses the London Buddhist Centre, where most of its London activities are run, including the Breathing Space. The rest of the property houses Buddhist communities. The cost of land attributable to this property is £NIL.

- 241/3/5/7 Globe Road primarily houses a Buddhist community and the Charity's second-hand shop. Part of the ground floor is let on a commercial basis. The element of land in respect of these buildings which has not been subject to depreciation is £14,190.

- 16,18,20 and 22 Approach Road houses Buddhist communities. The element of land in respect of these buildings which has not been subject to depreciation is £97,396.

The Council do not consider it practical or helpful (given that the properties are all held for the long term) to quantify any difference between the net book value of freehold buildings and their fair values at the year end.

15 Investment property

	2019
	£
Group and Charity Fair value	
At 1 April 2018	484,470
Net gains or losses through fair value adjustments	60,530
At 31 March 2019	545,000

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

15 Investment property

(Continued)

The fair value of the investment property has been arrived at on the basis of a valuation carried out by Council Members. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

Council members are satisfied with the fair value of investment properties stated at the balance sheet date.

On a historical cost basis these would have been included at an original cost of £250,000 (2018 - £250,000).

16 Subsidiaries

These financial statements are separate financial statements for the subsidiary, Pure Land Limited (Company Registration No. 02495212 (England and Wales)).

	2019 £	2018 £
Tangible fixed assets	6,368,038	6,325,269
Stock	3,257	-
Cash at bank	145,566	157,298
Trade debtors	9,731	6,913
Other debtors	4,426	3,795
VAT recoverable	-	3,322
Accruals	(4,305)	(44,065)
Deferred income	(36,515)	-
Due to parent Charity (excluding loan)	(116,623)	(115,323)
Trade creditors	(4,332)	(21,857)
Other creditors	(2,989)	(715)
VAT payable	(9,965)	-
Loan from parent Charity	(5,139,625)	(5,074,178)
Capital and reserve at period end	1,216,664	1,240,459

Details of the Charity's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Pure Land Limited	England and Wales	Retreat centre	Ordinary	100.00	

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Subsidiaries

(Continued)

The Charity owns all the issued share capital of Pure Land Limited ("Pure Land"), a UK company, which was dormant until April 2014. The value of the investment equals that of the share capital held (104 ordinary shares of £0.10 each).

As at 31 March 2019, the loan balance with Pure Land Limited was £5,139,625 (2018: £5,074,178). The amount showed in the financial statements was discounted at present value to comply with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102). The original loan amount was £6,483,203 (2018: £6,402,243).

The loan is at a fixed rate of interest of 1%. The loan is repayable on a monthly interest only basis, due starting from when the retreat centre opened in May 2016, with the capital due in four ten-yearly instalments (with early repayment possible without penalty). The interest payable in the year was £60,000 (2018: £60,000).

Day to day management of the Company is carried out by the staff of the LBC and the cost is recharged to the Company. The costs charged in the period, including allocated support costs, was £55,092 (2018: £39,600).

17 Stocks

	2019 £	2018 Group £	2019 £	2018 Charity £
Finished goods and goods for resale	14,536	13,415	11,279	13,415

18 Debtors

	2019 £	2018 Group £	2019 £	2018 Charity £
Amounts falling due within one year:	£	£	£	£
Trade debtors	14,358	13,408	397	6,497
Amounts due from subsidiary undertakings	-	-	116,623	115,323
Other debtors	90,062	54,131	90,062	99,589
Prepayments and accrued income	39,464	1,218	39,279	1,218
	143,884	68,757	246,361	222,627
Amounts falling due after more than one year:	£	£	£	£
Amounts due from subsidiary undertakings	-	-	5,139,625	5,074,179
Total debtors	143,884	68,757	5,385,986	5,296,806

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Creditors: amounts falling due within one year

	Notes	2019 £	2018 Group £	2019 £	2018 Charity £
Bank loans	21	90,174	88,190	90,174	88,190
Other borrowings: Windhorse Trust	21	7,692	7,440	7,692	7,440
Other taxation and social security		10,975	11,625	1,010	14,947
Deferred income		48,244	15,075	11,729	15,075
Trade creditors		40,638	14,906	36,306	5,707
Other creditors		15,983	14,107	13,004	14,117
Accruals and deferred income		24,238	35,646	19,933	27,451
		<u>237,944</u>	<u>186,989</u>	<u>179,848</u>	<u>172,927</u>

20 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 Group £	2019 £	2018 Charity £
Bank loans	21	1,517,769	1,608,576	1,517,769	1,608,576
Other borrowings: Windhorse Trust		8,163	15,883	8,163	15,883
		<u>1,525,932</u>	<u>1,624,459</u>	<u>1,525,932</u>	<u>1,624,459</u>

21 Loans and overdrafts

	Notes	2019 £	2018 Group £	2019 £	2018 Charity £
Bank loans		1,607,943	1,696,766	1,607,943	1,696,766
Other loans		15,855	23,323	15,855	23,323
		<u>1,623,798</u>	<u>1,720,089</u>	<u>1,623,798</u>	<u>1,720,089</u>
Payable within one year		97,866	95,630	97,866	95,630
Payable after one year		<u>1,525,932</u>	<u>1,624,459</u>	<u>1,525,932</u>	<u>1,624,459</u>

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

21 Loans and overdrafts

(Continued)

The loans were all obtained to help finance the purchase of and/or works to various of the Group's properties.

The loan from Triodos Bank (20239920) is secured on the Charity's freehold property at 51 Roman Road and is repayable over 20 years from September 2010 at the higher of 2% over base rate and 3.5%. Interest for the year was £26,924 (2018 - £26,836).

The loan from Windhorse Trust, which was provided for the purchase and a previous development of the Vajrasana retreat centre, is charged interest equivalent to the rate on the Triodos Bank loan. Interest for the year is included under Retreat centre costs and amounted to £567 (2018: £724).

The loan from Triodos Bank (20632339) is secured on the Charity's freehold properties at 16, 18, 20 and 22 Approach Road and is repayable over 20 years from November 2016 at the higher of 2.25% over base rate and 2.75%. Interest for the year was £25,310 (2018 - £19,819).

22 Financial instruments	2019	2018	2019	2018
	£	Group £	£	Charity £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	104,420	67,539	5,346,707	5,295,588
Carrying amount of financial liabilities				
Measured at amortised cost	1,704,657	1,784,748	1,693,041	1,767,364

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 31 March 2019
	£	£	£	£
Triratna Buddhist Order India	5,026	41,664	(40,435)	6,255

The Triratna Buddhist Order India fund represents grants and donations, inclusive of Gift Aid recoverable, restricted for use towards the work of the Triratna Buddhist Order in India.

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018	Transfers	Balance at 31 March 2019
	£	£	£
Vajrasana retreat centre	250,000	(208,000)	42,000
Fixed assets fund	314,500	121,500	436,000
Major repairs reserve	40,000	(20,000)	20,000
Residential community fund	8,083	12,691	20,774
	<u>612,583</u>	<u>(93,809)</u>	<u>518,774</u>

The Vajrasana fund represents funds set aside to loan to Pure Land Limited in case of need. All building work on the retreat centre having been completed, this fund is simply the remainder of money lent to LBC by Triodos Bank, which has not been disbursed to Pure Land.

The Fixed assets fund represents the amount of the Group's funds tied up in fixed assets, including the investment properties. This is calculated as the net book value of tangible fixed assets less the long-term loans financing them (including the amounts due after and within one year) and the value of the investment property at 83 Roman Road (on the basis that the intention is for it to be held in the long term to generate income for the Charity's activities). The Fund does not include the Vajrasana retreat centre as it is held by Pure Land Limited.

The major repairs reserve is held to meet the cost of major improvement or maintenance works to the exterior of the building, for example restoration to the roof or chimneys, or painting work on all window frames, the Trustees calculating that large costs of this kind are incurred approximately every six or seven years. The policy for this designated fund is therefore to set aside £20,000 per year until reaching £120,000. Any amounts in excess of this then go into the charity's unrestricted funds.

The residential community fund retains a certain amount per person per month from the rent payment to cover maintenance and voids on rooms as necessary. In 2018-19, this was at £33 per person per month. This fund is used at the community's discretion for a prescribed set of purposes.

25 Analysis of net assets between funds

	Unrestricted funds	Restricted	Total
	£	£	£
Fund balances at 31 March 2019 are represented by:			
Tangible assets	7,792,811	-	7,792,811
Investment properties	545,000	-	545,000
Current assets/(liabilities)	598,598	9,792	608,390
Long term liabilities	(1,525,932)	-	(1,525,932)
	<u>7,410,477</u>	<u>9,792</u>	<u>7,420,269</u>

THE LONDON BUDDHIST CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

26 Reconciliation between group funds and charity funds

	2019 £	2018 £
Group funds at the year end	7,420,269	7,178,292
Add: Pure Land General Fund	125,327	86,019
Add: Gain recognised by the Charity on sales of Vajrasana retreat centre to the subsidiary Pure Land (eliminated on consolidation)	131,817	131,817
Add: Interest on the intercompany loan (eliminated on consolidation)	30,851	30,851
Add: FRS 102 interest on the intercompany loan (eliminated on consolidation)	42,031	42,031
Charity funds at the year end	<u>7,750,295</u>	<u>7,469,010</u>

The restricted and designated funds are the same for the Charity and the Group. The Charity General fund is increased by £281,285 for the Charity compared to the Group as a result of the Charity having sold the Vajrasana property to the subsidiary for an excess of the original cost to the Charity.

27 Grant to breathing space project

During the year the Charity received two grants from the Borough of Tower Hamlets, the Breathing Space project received £15,000 (2018:£15,000) to provide free places on its courses, and £16,791 (2018: £13,015) to provide services to carers in the borough, including a weekly respite session and two yearly retreats.

They were fully expended on the purposes for which they were given.

28 Cash generated from operations	2019 £	2018 £
Surplus for the year	241,977	137,294
Adjustments for:		
Investment income recognised in statement of financial activities	-	(14)
Fair value gains and losses on investment properties	(60,530)	(26,010)
Depreciation and impairment of tangible fixed assets	79,603	75,653
Movements in working capital:		
(Increase)/decrease in stocks	(1,121)	2,279
(Increase)/decrease in debtors	(75,127)	44,875
Increase in creditors	15,550	7,370
Increase in deferred income	33,169	15,075
Cash generated from operations	<u>233,521</u>	<u>256,522</u>