

for
Signature

VIPASSANA TRUST
TRUSTEES' ANNUAL REPORT

VIPASSANA TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021
COMPANY NUMBER:- 2246810
REGISTERED CHARITY NUMBER:- 327798

R J FRANCIS AND CO.
Chartered Accountants
& Registered Auditors
Marshall Business Centre
Faraday Road
Hereford
HR4 9NS

VIPASSANA TRUST
FOR THE YEAR ENDED 31ST MAY 2021

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VIPASSANA TRUST

COMPANY INFORMATION

Trustees for Financial Year 2020/21

President	Yuta Fairs-Billam	
Secretary	Julie James Toby Fairs-Billam	Resigned 27 September 2020 Appointed 27 September 2020
Treasurer	Abhishek Srivastava Gavin Mitchell	Resigned as treasurer 3 October 2020 Appointed 3 October 2020

Trustees serving throughout the year

Claire Coache
Robert Doyle
Katja Fidler
Datta Mandnikar
Lislie Turner
Abhishek Srivastava

Trustees appointed during the year

Gus Griffin	27 September 2020
Alexandra Marinela	27 September 2020
Guadion Habtegabriel	3 October 2020

Trustees resigned during the year

Toby Fairs-Billam	27 September 2020
Priya Koel	27 September 2020
Tom Wolfe	27 September 2020
Eugenio Diz	27 September 2020
Sara Ghanchi	30 June 2021
Alexandra Marinela	30 June 2021

Company Number	2246810
Registered Office	Dhamma Dīpa Pencoyd St. Owens Cross Hereford HR2 8NG
Auditors	RJ Francis & Co Limited Marshall Business Centre Faraday Road Hereford HR4 9NS
Bankers	HSBC UK Bank plc Bristol Commercial Centre 3 Temple Quay 4th Floor, Temple Back East Bristol BS1 6DZ

Charity Registered In England and Wales No: 327798

VIPASSANA TRUST
TRUSTEES' ANNUAL REPORT

TRUSTEES' ANNUAL REPORT

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 May 2021.

AIMS AND CHARITABLE PURPOSES

Vipassana Trust exists to advance human happiness through the teaching of principles established by the late Sayagyi U Ba Khin. These include the practice of Vipassana meditation: a technique for developing concentration, insight and higher standards of morality that was originally taught by the Buddha.

ACTIVITIES – MEETING OUR CHARITABLE PURPOSES

Vipassana meditation courses are provided for adults and Anapana meditation courses are provided for children and young people. The trust's activities are based at two sites: Dhamma Dīpa, a residential meditation centre at Pencoyd, Herefordshire; and Dhamma Padhāna, a second purpose-built residential centre adjacent to Dhamma Dīpa. Additional courses are held at rented sites in the North of England and in Scotland.

The number of full-time adult participants (and number of courses) this year are summarised below (excluding 1-day courses):

Course Type	20/21			19/20		
	Dhamma Dīpa	Dhamma Padhāna	Total	Dhamma Dīpa	Dhamma Padhāna	Total
10-day	301 (10)	0 (0)	309 (10)	2,089 (18)	57 (1)	2,146 (19)
Other	46 (3)	196 (6)	252 (9)	124 (1)	639 (10)	763 (11)

Note: 10-day courses are the standard introduction of the technique to adult students; 'old' students, that is those who have already completed a course in this tradition, may participate in these courses as well as in others that are shorter or longer.

A Vipassana course for an adult is a rewarding but often demanding experience. The trust has a thorough application process to ensure that applicants understand the nature of what they are undertaking and have a good chance of benefitting from their commitment of time and effort.

RECENT ACHIEVEMENTS

Prior to lockdown Dhamma Dīpa had been operating at its maximum number of students of 128 students per course for a number of years and had waiting lists for most of our courses. Similarly, Dhamma Padhāna had achieved a capacity of 72 students per course prior to Covid regulations and was achieving around 88% full on average.

From 23 March 2020 and for the majority of this financial year the centre was closed in compliance with the UK Coronavirus Lockdown rules in accordance with the provisions of the Coronavirus Act 2020. Following an extensive and thorough Covid risk assessment and strict implementation of Covid measures, the centre was able to reopen when restrictions were eased. This has, of course, meant that a large number of courses have been cancelled and that numbers, when courses have been run, have been severely restricted.

A number of volunteers went into 'lockdown' at the Centres to ensure that essential tasks continued to be carried out. They also used the absence of students to carry out a number of maintenance tasks, including the refurbishment and repair of the farmhouse building, as well as progressing the Master Plan planning application.

FINANCIAL SUPPORT TO VIPASSANA TRUST (DHAMMA SUKHAKĀRI)

In January 2018 Walnut Tree Manor in Haughley Green, Suffolk was purchased for this purpose by the Dhamma Sukhakāri Trust and this organisation has been able to support it in a number of ways, including financially. During the financial year under review this meant

Holding any funds still being donated to it for the East Anglia Fund as designated funds for Dhamma Sukhakāri and transferring the balance to them from time to time

Monthly support of £3,000 totalling £15,000 until October 2020 (2020 £36,000)

This support was discontinued in October 2020 at their request when its trustees felt that the organisation had achieved financial stability.

The first course was held there in October 2018 and Vipassana Trust is delighted to have been in the position to have made assistance available to this exciting development to help spread of Vipassana meditation across the UK.

VIPASSANA TRUST

TRUSTEES' ANNUAL REPORT

FUTURE STRATEGY

Vipassana Trust aims to facilitate the spread of Vipassana meditation as taught by S.N. Goenka in the UK.

For 2021/22, Vipassana Trust's primary objectives are:

1. To finalise the master plan for both centres
2. To obtain planning permission for the master plans
3. To communicate to the old student community a vision for the completion of both centres, to inspire the dana needed to realise this plan

The Dhamma Dīpa Branch Future Strategies are:

1. To continue to work in collaboration with Dhamma Sukhakāri Trust for the spread of Vipassana meditation in the UK
2. To continue to support the existing regional groups in the UK.
3. Commence work on the first building of the master plan and relocation of meditation cells.

The Dhamma Padhāna Branch Future Strategies are:

1. To continue to provide suitable meditation facilities to those who wish to work more deeply in Vipassana Meditation, by providing longer courses and special courses at Dhamma Padhāna
2. To resolve the construction issues that have emerged with the zinc roofing of the pagoda
3. Commence work on the first building of the master plan and relocation of meditation cells

FINANCIAL STATEMENT

The incoming resources for the year amounted to £667k (2019/20: £1,020k), expenditure was £665k (2019/20: £906k) leaving a net surplus of £2k (2019/20: £114k)

As stated in the note regarding a Contingent Liability for repairs to the Pagoda Roof the Trustees, since the completion of the Pagoda in July 2017 a defect with the parts of the roof has become apparent which will require replacement. The Trust, through its subsidiary Vipassana Construction and Services Limited (VCSL), has sought legal advice and, while VCSL will do its best to resolve this dispute without resort to litigation, the Trustees acknowledge the potential for litigation if settlement attempts fail, as well as the attendant fees and costs of such litigation, many of which may not be recoverable even if there is a successful outcome.

COVID-19 PANDEMIC

Like many other organisations, Vipassana Trust has been affected by the Covid-19 Pandemic. A 'Covid Response Team' was immediately set up by the Trust with several doctors included, some of whom already serve other committees. This became 'The Covid Group'.

The Trust is following Government Guidelines and is in regular communication with local health authorities. No public courses were held between late March and July during the first national lockdowns, nor during the second and third lockdowns. Following the easing of restrictions in May 2021 courses were able to recommence at both Campuses with robust Covid measures in place. In accordance with and following strict social distancing guidelines, these were for reduced numbers. With the lifting of restrictions announced in July, courses have been able to resume with full capacity, albeit continuing to follow government guidelines and continued Covid measures. This also assisted the Centre Management Team refine their compliance procedures.

The Trust's Cash Flow projections have been regularly reworked to reflect the change in the Government Guidelines and centre closures. These were used to provide the information that helped establish the financial stability of the Trust throughout the pandemic.

Both branches (Dhamma Dīpa and Dhamma Padhāna) were fortunate to have built up reserves to invest in new buildings and so have had something of a cushion to work with. They have also been supported by regular monthly donations, which have not reduced despite the economic situation and by other generous dana from old students.

The effects on the organisation of all these changes and other factors are closely monitored and the cash flow and projections updated monthly. The Trustees are confident that Vipassana Trust will be able to continue to run courses successfully. There may well be a second wave and another lockdown but even with this, using its reserves, we believe that the future of the organisation is secure.

ORGANISATION

Management of the trust's business affairs is by a Board of Directors.

Vipassana Trust directly runs a programme of ten-day and other shorter courses at Dhamma Dīpa. In addition, its branch, Dhamma Padhāna, the European Long-Course Centre, is dedicated to running courses for experienced students. It provides special facilities for students who wish to take longer courses (20 days or more). Dhamma Dīpa and Dhamma Padhāna share many facilities, in particular the office, kitchen and maintenance workshop.

In addition, it organises 3-day and 10-day courses at rented off-centre locations in different parts of the UK whenever possible. Unfortunately this has not been possible in the financial year under review.

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TRUSTEES' ANNUAL REPORT

No charges are made for attending courses, either by way of fees or accommodation expenses, and donations are accepted only from students who have successfully completed a 10-day course. It is made clear to all participants that these donations are not payment for the teaching and accommodation that they have received, but contributions towards the costs of providing courses in the future for others to attend. The donations are called 'dana' (a Pali word). Donations given at the end of a course (course dana) are the main source of funding for the trust, which also receives donations by way of monthly standing orders and one-off donations. We also receive student loans of varying amounts and duration.

Teaching and serving (working) on courses is always done on a voluntary basis. The day to day running of the centre is largely done by volunteers, although the Trust employs two part-time office staff and a full-time maintenance co-ordinator. It also pays for the services of a part-time self-employed finance manager.

RESTRICTED FUNDS

Branch activities and specific projects are funded by donations given specifically for these activities and from surplus funds designated by trustees.

In addition, the trust collects dana from old students for specific projects or for its sister organisations in other countries such as the Global Pagoda fund. These monies are used solely to support the projects to which they have been donated. The Outreach and Global Pagoda Funds are the only ones that may receive gifts from those who have not completed a 10-day course.

SUBSIDIARY COMPANY

Vipassana Construction and Services Ltd (VCSL) was incorporated in 2013 but remained dormant until April 2015. It was set up after consultation with professional advisors as an appropriate way to manage and administer certain activities of Vipassana Trust which fall outside its main objectives, most specifically to act as principal contractor for its building projects. VCSL is a wholly owned subsidiary of Vipassana Trust and its directors are appointed by the trust.

RESERVES POLICY

The policy of the trust is to invest any liquid or current asset backed reserves into upgrading and building new facilities as funds allow, after providing sufficient funds to meet the anticipated running costs of the organisation. Cash flow forecasts are prepared regularly to enable Trustees to make such investment decisions prudently.

The Net Current Assets below represents the position of the two main funds in terms of the net of cash and near cash current assets less provisions and liabilities due within one year.

	General Funds		Restricted funds		Total
	Dhamma Dīpa	Designated	Dhamma Padhāna	Other restrict.	
	2021				
Fixed Assets	1,771 k	-	3,624 k	-	5,395 k
Long Term Liabilities	(779 k)	-	(2,430 k)	-	(3,209 k)
Net Current Assets	592 k	60 k	329 k	17 k	998 k
Total Funds	1,584 k	60 k	1,523 k	17 k	3,184 k
	2020				
Fixed Assets	1,797 k	-	3,697 k	-	5,494 k
Long Term Liabilities	(477 k)	-	(2,776 k)	-	(3,253 k)
Net Current Assets	266 k	53 k	611 k	11 k	941 k
Total Funds	1,586 k	53 k	1,532 k	11 k	3,182 k

FINANCIAL MANAGEMENT & RISK REVIEW

The finance committee regularly scrutinises the financial situation by way of monthly income and expenditure review, cash flow statements and forecasts. We aim to be prudent in our financial management with regards to commitments to future expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. In preparing these financial statements, the trustees are required to:

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

VIPASSANA TRUST

TRUSTEES' ANNUAL REPORT

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The trustees 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. In so far as the trustees are aware:

- there is no relevant audit information of which the charity'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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

AUDITOR

A resolution to re-appoint R J Francis & Co Limited as auditor for the ensuing year will be proposed at the Annual General Meeting.

Registered office:
Dhamma Dīpa
Pencoyd
St. Owens Cross
Hereford
HR2 8NG

Signed by order of the trustees



Toby Fairs-Billam
Company Secretary

Date: 3 October 2020

VIPASSANA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIPASSANA TRUST

Opinion

We have audited the financial statements of Vipassana Trust for the year ended 31st May 2021, which comprise the Statement of Financial Activities, Balance Sheet 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 the charities SORP (FRS 102) 'Accounting and Reporting by charities applicable in the UK and Republic of Ireland' and the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st May 2021 and of its profit 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 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 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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections in this report.

VIPASSANA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIPASSANA TRUST

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, 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.

We have nothing to report in this regard.

Opinion on other matter 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 required 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 directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

VIPASSANA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIPASSANA TRUST

Responsibilities of Trustees

As explained more fully in the Statement of Trustee's Responsibilities (set out on page 4 and 5), the Trustees 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 Trustees are responsible for assessing the 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 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 International Standards on Auditing (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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations was as follows:

- The engagement partner ensured that the audit team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the Company through discussions with Trustees and other management, and from our commercial knowledge and experience of this business sector.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we:

- Performed analytical procedures to identify any unusual or unexpected relationships
- Assessed whether judgments and assumptions made in determining accounting estimates included in the Accounts were indicative of potential bias.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiring of the Trustees and other management, and the inspection of regulatory and legal correspondence, if any.

VIPASSANA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIPASSANA TRUST

Material misstatements that arise due to fraud can be harder to detect than those that arise from error, as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on Financial Reporting Council's website at 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 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
R J Francis (Senior Statutory Auditor)
For and on behalf of R J Francis & Co Limited, Statutory Auditor

Marshall Business Centre
Faraday Road
Hereford
HR4 9NS

3rd October 2021

VIPASSANA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST MAY 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<u>INCOME AND ENDOWMENTS FROM:</u>					
Donations and Legacies	3	271,964	172,185	444,149	973,600
Investment income	4	6	8	14	122
Other Income	5	67,337	155,838	223,175	46,440
		<hr/>	<hr/>	<hr/>	<hr/>
		339,307	328,031	667,338	1,020,162
		<hr/>	<hr/>	<hr/>	<hr/>
<u>EXPENDITURE ON:</u>					
Costs of charitable activities	6	334,235	331,415	665,650	906,409
		<hr/>	<hr/>	<hr/>	<hr/>
		334,235	331,415	665,650	906,409
		<hr/>	<hr/>	<hr/>	<hr/>
<u>NET SURPLUS / (DEFICIT) FOR THE YEAR</u>	7	5,072	(3,384)	1,688	113,753
<u>TRANSFER BETWEEN FUNDS</u>					
		-	-	-	-
<u>RECONCILIATION OF FUNDS</u>					
Total funds brought forward		1,638,890	1,543,434	3,182,324	3,068,571
		<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL FUNDS CARRIED FORWARD</u>		1,643,962	1,540,050	3,184,012	3,182,324
		<hr/>	<hr/>	<hr/>	<hr/>

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

All of the above amounts relate to continuing activities.

VIPASSANA TRUST

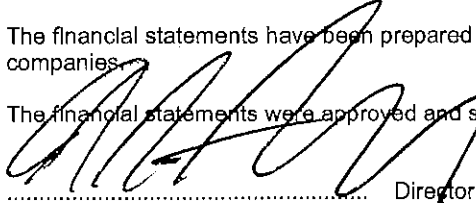
BALANCE SHEET

31ST MAY 2021

	Note	£	<u>2021</u>	£	£	<u>2020</u>	£
<u>FIXED ASSETS</u>							
Tangible Assets	9		5,395,207			5,493,473	
Investments	10		100			100	
			<u>5,395,307</u>			<u>5,493,573</u>	
<u>CURRENT ASSETS</u>							
Debtors	11	75,730			257,781		
Cash at Bank and in hand			1,233,776		1,010,538		
			<u>1,309,506</u>		<u>1,268,319</u>		
<u>CREDITORS: Amounts falling due within one year</u>	12		270,651		326,103		
<u>NET CURRENT ASSETS</u>			<u>1,038,855</u>			<u>942,216</u>	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>6,434,162</u>			<u>6,435,789</u>	
<u>CREDITORS: Amounts falling due after more than one year</u>	13	3,196,098			3,087,586		
Provisions for liabilities and charges	14	54,052			165,879		
			<u>3,250,150</u>		<u>3,253,465</u>		
<u>NET ASSETS</u>			<u>£3,184,012</u>			<u>£3,182,324</u>	
<u>FUNDS</u>							
Restricted Income Funds	15		1,540,050			1,543,434	
Unrestricted Income Funds	16		1,643,962			1,638,890	
<u>TOTAL FUNDS</u>			<u>£3,184,012</u>			<u>£3,182,324</u>	

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

The financial statements were approved and signed on behalf of the board on 3rd October 2021.


 Director

Gavin Mitchell

Treasurer and Director

VIPASSANA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2021

1. STATUTORY INFORMATION

Vipassana Trust is a private limited charitable company, limited by guarantee, registered in England and Wales. The company's registered number, registered office address and registered charity number can be found on the company information page.

2. ACCOUNTING POLICIES

a) Basis of preparing the financial statements

The financial statements have been prepared in accordance with the charities SORP (FRS 102) 'Accounting and Reporting by charities applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

b) Cash Flow Statement

The trustees have taken advantage of the exemption in Update Bulletin 1 from including a cash flow statement in the financial statements on the grounds that the Company is small.

c) Depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land & Buildings*	-	2% Straight Line
Fixtures, Fittings and Equipment	-	20% Straight Line
Motor Vehicles	-	25% Straight Line

* Costs relating to Biomass and solar panels, included within Freehold Property Costs, are depreciated on a 4% straight line basis.

d) Foreign Currency

Transactions in foreign currency are recorded at the rate on the day when the transaction is made. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates on that date; any exchange differences are recognised in the profit and loss account.

e) Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's Statement of Financial Position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

f) Reserves Policy

The reserves policy of the trust is to invest any liquid or current asset backed reserves in upgrading and building new facilities as funds allow after providing sufficient funds to meet the anticipated running costs of the organisation. Cash flow forecasts are prepared regularly to enable Trustees to make such investment decisions prudently.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2021

3.	<u>DONATIONS AND LEGACIES</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
	Dana	185,129	129,359	314,488	644,544
	Gift Aid	30,595	15,477	46,072	74,489
	Student Dana via overseas centres	-	27,349	27,349	104,567
	Legacies	56,240	-	56,240	150,000
		<u>271,964</u>	<u>172,185</u>	<u>444,149</u>	<u>973,600</u>
4.	<u>INVESTMENT INCOME</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
	Bank Interest Receivable	6	8	14	122
		<u>6</u>	<u>8</u>	<u>14</u>	<u>122</u>
5.	<u>OTHER INCOME</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
	Foreign Exchange Gain	-	126,457	126,457	-
	Wayleaves	-	-	-	154
	Feed In Tariff Income	4,982	-	4,982	4,328
	Other Income	-	73	73	95
	RHI Subsidy	28,108	12,901	41,009	41,863
	Covid Grants	24,610	16,407	41,017	-
	JRS Furlough Receipts	9,637	-	9,637	-
		<u>67,337</u>	<u>155,838</u>	<u>223,175</u>	<u>46,440</u>
6.	<u>COST OF CHARITABLE ACTIVITIES</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
	Cost of Charitable Activities	334,235	331,415	665,650	906,409
		<u>334,235</u>	<u>331,415</u>	<u>665,650</u>	<u>906,409</u>
	Cost of Charitable Activities includes:				
	<u>GOVERNANCE COSTS</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
	Audit Fees	4,610	-	4,610	4,566
		<u>4,610</u>	<u>-</u>	<u>4,610</u>	<u>4,566</u>
7.	<u>NET (OUTGOING) / INCOMING RESOURCES FOR THE YEAR</u>				
	This is stated after charging:			2021 £	2020 £
	Auditor's Remuneration			4,610	4,566
	Depreciation			160,695	160,240
				<u>165,305</u>	<u>164,806</u>

VIPASSANA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2021

8. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:	2021	2020
	£	£
Wages and Salaries	52,290	45,165
Social Security Costs	-	-
	£52,290	£45,165

Particulars of employees:

The average number of employees during the year, calculated on the basis of fulltime equivalents, was as follows:

	2021	2020
	No.	No.
	2	2
	—	—

No employee received emoluments of more than £60,000 during the year (2020 - £Nil).

9. TANGIBLE FIXED ASSETS

	Land & Buildings £	Dhamma Padhāna Buildings £	Plant & Equipment £	Motor Vehicles £	Total £
<u>Cost</u>					
At 1 st June 2020	3,387,818	4,237,273	17,185	13,342	7,655,618
Additions	42,415	16,608	3,406	-	62,429
Disposals	-	-	-	-	-
At 31 st May 2021	3,430,233	4,253,881	20,591	13,342	7,718,047
<u>Depreciation</u>					
At 1 st June 2020	1,591,378	543,106	14,319	13,342	2,162,145
Charge for the Year	70,731	87,849	2,115	-	160,695
On Disposals	-	-	-	-	-
At 31 st May 2021	1,662,109	630,955	16,434	13,342	2,322,840
<u>Net Book Value</u>					
At 31 st May 2021	1,768,124	3,622,926	4,157	-	£5,395,207
At 31 st May 2020	1,796,440	3,694,167	2,866	-	£5,493,473

10. INVESTMENTS

	2021	2020
Subsidiary Interest At Cost	£100	£100
	—	—

Representing 100% of Ordinary Shares held for Vipassana Construction and Services Limited.

VIPASSANA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2021

11. <u>DEBTORS</u>	2021	2020
	£	£
Gift Aid Outstanding	6,878	13,012
Prepayments	5,672	15,095
RHI Subsidy	8,911	15,213
Other Debtors	30,480	214,125
Amounts owed by Subsidiary Undertaking	23,789	336
	<u>£75,730</u>	<u>£257,781</u>

Other debtors includes a loan of £25,000 from the North of England branch. It is confirmed that there are no fixed repayment terms for this loan, nor for the amounts owed by the Subsidiary Undertaking totalling £23,789.

12. <u>CREDITORS: Amounts falling due within one year</u>	2021	2020
	£	£
Trade Creditors	16,844	15,180
Bank Loans	49,736	28,597
Loans from students and other centres	180,499	251,582
Taxation and Social Security	1,177	1,182
Accruals	20,479	20,231
Other Creditors	1,916	9,331
	<u>£270,651</u>	<u>£326,103</u>

13. <u>CREDITORS: Amounts falling due after more than one year</u>	2021	2020
	£	£
Bank Loan		
Due within 1 - 2 years	130,076	64,179
Due within 2 - 5 years	213,498	68,552
Due after 5 years	340,282	343,546
	<u>683,856</u>	<u>476,277</u>
Loans from students and other centres:		
Due within 1 - 2 years	284,434	179,033
Due within 2 - 5 years	88,913	404,891
Due after 5 years	2,138,895	2,027,385
	<u>2,512,242</u>	<u>2,611,309</u>
	<u>£3,196,098</u>	<u>£3,087,586</u>

The Company bank loans are secured by the following charges:-

A legal charge in respect of the Freehold Property Dhamma Dīpa, Harewood End, Hereford, HR2 8NG.
A debenture including a fixed charge over all present freehold and leasehold property.

VIPASSANA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2021

14.	<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	2021 £	2020 £
	Provision for future payment of reciprocal gifts	£54,052	£165,879

Reciprocal gifts represent Dana given by centres across Europe to support the building of the European Long Course Centre. Loans were provided by local students to their respective European Trusts. This figure was then donated to Dhamma Padhāna, on the understanding that Dhamma Padhāna would make a reciprocal donation of the same amount back to each Trust, to facilitate repayment of these loans.

Whilst technically the only contract is between the student and their local Trust, Vipassana Trust has scheduled potential repayment dates of these reciprocal gifts, with some reciprocal gifts already having been repaid in full. The Trust recognises its commitment to repay these sums, hence the full provision for these figures in the Financial Statements.

15.	<u>RESTRICTED FUNDS</u>	Balance as at 1st June 2020 £	Incoming / (Outgoing) Resources £	Transfer of Funds £	Balance 31st May 2021 £
	Dhamma Padhāna	1,531,949	(9,122)	-	1,522,827
	Subtotal	1,531,949	(9,122)	-	1,522,827
	Outreach Fund	6,749	-	-	6,749
	Kenya Fund	180	-	-	180
	Grand Pagoda Fund (India)	2,016	31	-	2,047
	Dhamma Tapovana Fund (India)	149	259	-	408
	New Building Fund	1,763	5,244	-	7,007
	Vipassana Research Institute	628	204	-	832
		11,485	5,738	-	17,223
		1,543,434	(3,384)	-	1,540,050

NOTES EXPLAINING NATURE OF FUNDS

Outreach Fund: for promoting the spread of Dhamma in the UK.

New Building Fund: for the new building projects at Dhamma Dīpa

Funds donated to Vipassana Trust on behalf of affiliated overseas organisations:

- Vipassana Research Institute (In India)
- Grand Pagoda Fund (India)
- Dhamma Tapovana Fund (India)
- Kenya Fund

VIPASSANA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2021

16. UNRESTRICTED FUNDS

	Balance as at 1 st June 2020	Incoming / (Outgoing) Resources	Transfer of Funds	Balance 31st May 2021
	£	£	£	£
Unrestricted Funds	1,585,613	(2,048)	-	1,583,565
<u>Designated Funds</u>				
East Anglia Fund	2,068	919	-	2,987
North of England	47,820	4,823	-	52,643
Scotland	3,389	1,378	-	4,767
	<u>1,638,890</u>	<u>5,072</u>	<u>-</u>	<u>1,643,962</u>

When Dana is given at the end of courses not held at Dhamma Dīpa or Dana is given to further Dhamma in certain geographical areas within the UK, it is made clear that such funds are of a 'designated' nature. That is the Trustees will apply such funds to that area or to other areas within the UK in line with the general objectives of the Trust. Designated funds are allocated by the trustees for specific purposes. Any decision to designate funds requires express approval of the Trust.

With the exception of funds given to Dhamma Padhāna, the East Anglia Fund and certain overseas Trusts. It is the Trust's policy only to accept funds as 'restricted' in special circumstances and that, as far as possible, all Dana is given to assist with the spread of Dhamma throughout the UK in line with the Trust's overall objectives.

17. RELATED PARTY TRANSACTIONS

There were no loans from Trustees to the charity still repayable at the year end (2020 £Nil).

Vipassana Trust holds a participating interest in Vipassana Construction and Services Limited. All transactions between the two Companies are at a strictly agreed commercial rate. Included in the other creditors figure at Note 12 in the accounts are amounts due to Vipassana Construction and Services Limited totalling £9,090 (2020 - £8,669).

18. COMPANY LIMITED BY GUARANTEE

Under the terms of the Company's Memorandum and Articles every member of the Company undertakes to contribute to the assets of the Company if it is wound up during the time that they are a member, or within one year afterwards for payment of debts and liabilities of the Company contracted before they ceased to be a member, up to a maximum of £100.

19. CAPITAL COMMITMENTS

Authorised by the board and contracted for:

- Solar PV Installation Cost of £43.7k, less grant receivable, net cost £28.8k.
- Biomass Server costing £4.9k.

Authorised but not contracted for:

- Heat remediation project with budgeted remaining expenditure of approximately £0k.
- Various Building Improvement projects with budgets totalling £21.8k.

20. CONTINGENT LIABILITIES

Since the completion of the Pagoda in July 2017, a defect with parts of the roof has become apparent, which will require replacement. The Trust, through its subsidiary Vipassana Construction and Services Limited (VCSL), has sought legal advice and, while VCSL will do its best to resolve this dispute without resort to litigation, it is possible that such litigation, with attendant fees, will be required with no guarantee of a successful outcome and recovery of those costs.

VIPASSANA TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MAY 2021

	Dhamma Dīpa	Dhamma Padhāna	East Anglia Fund	Other Restricted Funds	2021 Total	2020 Total
Income						
Dana	182,364	123,772	2,765	5,587	314,488	644,544
Gift Aid	30,163	15,317	432	160	46,072	74,489
Dana from other centres	-	27,349	-	-	27,349	104,567
	<u>212,527</u>	<u>166,438</u>	<u>3,197</u>	<u>5,747</u>	<u>387,909</u>	<u>823,600</u>
Covid Grants	24,610	16,407	-	-	41,017	-
Bank Interest Received	6	8	-	-	14	122
Wayleaves	-	-	-	-	-	154
Feed in Tariff Income	4,982	-	-	-	4,982	4,328
Legacies	56,240	-	-	-	56,240	150,000
RHI Subsidy	28,108	12,901	-	-	41,009	41,863
Sundry Income	-	73	-	-	73	95
Foreign Exchange Gains	-	126,457	-	-	126,457	-
JRS Furlough Receipts	9,637	-	-	-	9,637	-
	<u>336,110</u>	<u>322,284</u>	<u>3,197</u>	<u>5,747</u>	<u>667,338</u>	<u>1,020,162</u>
Expenditure						
- Donations to Dhamma Sukhakāri	15,000	-	2,200	-	17,200	46,434
Other Course Expenses	2,616	1,075	-	-	3,691	14,281
Kitchen	38,221	44,126	-	-	82,347	167,593
Household	17,712	18,995	-	-	36,707	22,807
Maintenance	61,305	50,007	-	-	111,312	175,531
Publicity & Newsletter	-	-	-	-	-	1,650
Office Costs	58,389	26,716	-	-	85,105	83,276
Utilities, Rates and Insurance	48,926	42,217	-	-	91,143	114,420
Motor Expenses	2,685	1,467	-	-	4,152	3,887
Financial Costs	1,402	1,749	78	9	3,238	5,700
Mortgage Interest and Loan Interest	14,288	55,772	-	-	70,060	59,116
Foreign Exchange Losses	-	-	-	-	-	51,474
	<u>260,544</u>	<u>242,124</u>	<u>2,278</u>	<u>(9)</u>	<u>504,955</u>	<u>746,169</u>
Change in Current Assets	75,566	80,160	919	5,738	162,383	273,993
Depreciation	71,413	89,282	-	-	160,695	160,240
Total Costs	<u>331,957</u>	<u>331,406</u>	<u>2,278</u>	<u>(91)</u>	<u>665,650</u>	<u>906,409</u>
Net (Loss) / Gain Year	<u>4,153</u>	<u>(9,122)</u>	<u>919</u>	<u>5,738</u>	<u>1,688</u>	<u>113,753</u>
Balance of funds brought forward	1,636,822	1,531,949	2,068	11,485	3,182,324	3,068,571
Transfer of funds	-	-	-	-	-	-
	<u>1,636,822</u>	<u>1,531,949</u>	<u>2,068</u>	<u>11,485</u>	<u>3,182,324</u>	<u>3,068,571</u>
Balance of funds carried forward	<u>1,640,975</u>	<u>1,522,827</u>	<u>2,987</u>	<u>17,223</u>	<u>3,184,012</u>	<u>3,182,324</u>

Note that the above are balances of revenue reserves (Income less expenditure) and do not reflect capital expenditure. To arrive at the figure for funds available for projects capital expenditure should be deducted. Please refer to notes 19.