VIPASSANA TRUST TRUSTEES' ANNUAL REPORT

VIPASSANA TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2008

COMPANY NUMBER:- 2246810

REGISTERED CHARITY NUMBER:- 327798

R J FRANCIS AND CO. Chartered Accountants & Registered Auditors Franklin House Commercial Road Hereford HR1 2AZ

<u>VIPASSANA TRUST</u>

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31ST MAY 2008

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COMPANY INFORMATION

Status

The organisation is a charitable company limited by guarantee incorporated on 15 October 1987.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

President Suzanne Bridgewater

Secretary Alex Reveley

Treasurer Karen Chapman*

Other Trustees

Adrian Turner Richard Starkey**

Simon Binks Loy Lobo (previous secretary)**

Michael Abbott Piers Messum** Neil Ellis** Cecibel Egan Dimple Ellis** Udo Marquardt Tom Reveley Theresa Pritchard** Ollie Tanner Arvin Barkhordarian** Karen Fielding * Christine Burgess** Eleanor Kercher * Gideon Sawyer** Jeremy Churchill** Heidi Green *

Juliet Blamey *

Veronika Pena de la Jara *

Gunit Puri *

Company Number 2246810

Registered Office Dhamma Dipa

Harewood End Hereford HR2 8JS

Auditors RJ Francis & Co

Franklin House 3 Commercial Road Hereford HR1 2AZ

Bankers HSBC

88 High Street

Hanham

Bristol BS15 3EJ

Registered Charity 327798

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 2008.

AIMS

The 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.

FINANCIAL STATEMENT

The incoming resources for the year amounted to £428,760, costs were £259,171, leaving a net surplus of £169,589.

ACTIVITIES

The Trust's activities are based at Dhamma Dipa, a residential meditation centre at Harewood End, Herefordshire, with courses at rented sites in East Anglia, and previously in Burgess Hill, West Sussex. Excluding 1-day courses, the number of full-time participants (and number of courses) this year are summarised below. (10-day courses are the standard introduction to the technique for new students; 'old' students may participate in these courses as well as in others that are shorter or longer.)

	Dhamma Dipa	East Anglia
10-day	1331 (17)	159 (3)
Other courses	312 (6)	1 (17)

A Vipassana course for an adult is a rewarding but often demanding experience; it is not a relaxation cure. For this reason, 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 benefiting from their commitment of time and effort.

ORGANISATION

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

The main source of funding for the Trust is through voluntary donations given by students at the end of courses. 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).

We also receive Dana by way of monthly, quarterly and annual bankers orders and one-off donations. Old students are kept informed of projected and incurred costs for building and other projects, and are invited to donate towards these if they wish. The law allowing tax to be reclaimed via Gift Aid increased our income by £54,375 this year. We also receive funding by way of student loans of varying amounts and duration.

All but two of the support workers at the centre and serving on courses are volunteers to whom no remuneration is paid.

No charges are made for attending courses, either by way of fees or accommodation expenses, and Dana is accepted only from students who have successfully completed a 10-day course.

OUTREACH WORK

The majority of those who apply for courses do so as a result of personal recommendation from people who have already completed a course. From time to time articles about Vipassana appear in the national and local press and volunteers organise library displays, public talks, film screenings and other events that make Vipassana more widely known.

The finance committee administers an outreach fund account, for which donations can be accepted from anyone sympathetic to the aims of the Trust, including those who have not completed a 10-day course. Funds from this account are used exclusively for outreach activities, which are mainly publicity related, while general funds from Dana are strictly and exclusively applied to making places on courses available and activities which support this.

RECENT ACHIEVEMENTS AND FUTURE STRATEGY

For some years the Trust has been unable to meet the demand for places on courses. We are therefore involved in a long-term project to develop the site at Harewood End. This year we started building work to develop a new kitchen/dining/office block and more single accommodation, which will bring Dhamma Dipa's residential capacity up to 128 students.

TRUSTEES' ANNUAL REPORT (Continued)

The East Anglia branch of the Trust has continued to run courses and to work towards a second centre being developed in the region.

The new European Long-Course Centre (ELCC) will be located adjacent to Dhamma Dipa and called Dhamma Padhāna. Legally, the ELCC is now constituted as a branch of the UK Vipassana Trust. The two centres will share some facilities. Full planning permission has been granted to develop the site for the new centre.

RESERVES POLICY

The Trustees operate a policy of retaining sufficient funds to meet the anticipated running costs of the organisation.

FINANCIAL MANAGEMENT & RISK REVIEW

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

A £350,000 mortgage has been arranged with HSBC to help fund the new building project. However no funds have yet been drawn down.

DIRECTORS AND TRUSTEES AND THEIR INTERESTS

The directors are as shown on the page of these accounts showing all company information. Please see Note 14 to these accounts concerning loans made by directors to the charity.

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

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

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

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 1985. 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.

AUDITOR

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

Registered office: Dhamma Dipa Harewood End Hereford HR2 8JS Signed by order of the trustees

A Reveley Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIPASSANA TRUST

We have audited the financial statements of Vipassana Trust for the year ended 31st May 2008 on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

The responsibilities of the Trustees (who also act as Directors of Vipassana Trust for the purposes of Company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statements of responsibilities of the Trustees on pages 3 to 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Trustees Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable Company has not kept proper accounting records, if we have now received all the information and explanations we require for our audit, or if information specified by law regarding remuneration of the Trustees and other transactions is not disclosed.

We read the Trustees Annual Report and consider the implication for our report if we become aware of any apparent misstatement within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards of Accounting (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluation the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable Company's affairs as at 31st May 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly agreed in accordance with the Companies Act 1985; and
- The information given in the Trustees Annual Report is consistent with the financial statements.

Franklin House Commercial Road Hereford HR1 2A7 R J Francis and Co Chartered Accountants & Registered Auditors

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

FOR THE YEAR ENDED 31ST MAY 2008

	Unrestricted Funds		Restricted Funds	Total Funds 2008	Total Funds 2007	
	Note	£	£	£	£	
INCOME RESOURCES						
Voluntary income Investment income Other Income	2 3	346,969 17,625 154	61,600 2,412 -	408,569 20,037 154	328,711 19,665 -	
TOTAL INCOME RESOURCES		364,748	64,012	428,760	348,376	
RESOURCES EXPENDED						
Costs of charitable activities Governance costs	4 5	248,259 10,912	- -	248,259 10,912	905,680 7,255	
TOTAL RESOURCES EXPENDED		259,171	-	259,171	912,935	
NET INCOMING / (OUTGOING) RESOURCES FOR THE YEA	<u>R</u> 6	105,577	64,012	169,589	(564,559)	
RECONCILIATION OF FUND Total funds brought forward	<u>S</u>	952,695	31,448	984,143	1,548,702	
TOTAL FUNDS CARRIED FORWARD		1,058,272	95,460	1,153,732	984,143	

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.

BALANCE SHEET

31ST MAY 2008

1	Note	£	<u>2008</u> £	£	<u>2007</u> £
FIXED ASSETS					
Tangible Assets	8		1,172,817		670,381
CURRENT ASSETS					
Debtors Cash at Bank and in hand	9	73,528 117,090		32,940 472,913	
		190,618		505,853	
<u>CREDITORS</u> : Amounts falling due within one year	10	28,628		8,699	
NET CURRENT ASSETS			161,990		497,154
TOTAL ASSETS LESS CURRENT LIABILITIES			1,334,807		1,167,535
CREDITORS: Amounts falling due after more than one year	11		(181,075)		(183,392)
NET CURRENT ASSETS			1,153,732		984,143
<u>FUNDS</u>					
Restricted Income Funds	12		95,460		31,448
Unrestricted Income Funds	13		1,058,272		952,695
TOTAL FUNDS			1,153,732		984,143

These financial statements have been prepared in accordance with the special provisions for small Companies under Part VII of the Companies Act 1985.

The financial statements were appro	ved and signed on behalf of the board on 4 th October 2008.
	Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2008

1. <u>ACCOUNTING POLICIES</u>

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985.

b) Cash Flow Statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) 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 - 25% Reducing Balance
Motor Vehicles - 25% Straight Line

2 VOLUNTARY INCOME

2.	VOLUNTARY INCOME				
		Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
	Non Course Dana Course Dana, Dhamma Dipa Course Dana, East Anglia European Long Course	89,026 185,099 22,940	11,281 - -	100,307 185,099 22,940	84,204 176,036 20,334
	Centre Dana	-	45,848	45,848	120
	Gift Aid	49,904	4,471	54,375	48,017
		346,969	61,600	408,569	328,711
3.	INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
	Bank Interest Receivable	17,625	2,412	20,037	19,665
4.	COST OF CHARITABLE AC	<u>TIVITIES</u>	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
	Cost of Charitable Activities		248,259	248,259	905,680

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2008

5.	GOVERNANCE COSTS	Unrestricted Funds		Total Funds
		runus £	2008	
	Audit Fees	2,579	2,579	-
	Legal and Professional Fees	8,333	8,333	•
		10,912	10,912	7,255
				
6.	NET INCOMING / (OUTGOING) RESOURCES	FOR THE YEAR	<u> </u>	
	This is stated after charging:		2008	
	Auditor's Remuneration Depreciation		2,579 43,627	2,556
7.	STAFF COSTS AND EMOLUMENTS			-
	Total staff costs were as follows:		2008	
	Wages and Salaries		11,520	£) 11,163
	Social Security Costs		842	
			12,362	11,939
				

Particulars of employees:

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

2008 2007 **No.** No. 1 1

No employee received emoluments of more than £60,000 during the year (2007 – Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2008

8. TANGIBLE FIXED ASSETS

9.

10.

11.

TANGIBLE FIXED ASS	Land & Buildings £	ELCC Land & Buildings £	Plant & Equipment £	Motor Vehicles £	Total £
<u>Cost</u> At 1 st June 2007 Additions	1,476,873 514,027	- 32,036	89,049 -	7,091 -	1,573,013 546,063
At 31 st May 2008	1,990,900	32,036	89,049	7,091	2,119,076
<u>Depreciation</u> At 1 st June 2007 Charge for the Year	826,873 38,089	-	73,986 3,765	1,773 1,773	902,632 43,627
At 31 st May 2008	864,962		77,751	3,546	946,259
Net Book Value At 31 st May 2008	1,125,938	32,036	11,298	3,545	£1,172,817
At 31 st May 2007	650,000	-	15,063	5,318	£670,381
DEBTORS Gift Aid Outstanding Prepayments				2008 £ 42,760 5,276	2007 £ 28,591 4,349
VAT Recoverable				25,492 73,528	32,940
CREDITORS: Amounts	s falling due withi	n one year		2008 £	2007 £
Trade Creditors Taxation and Social Se Accruals	ecurity			24,004 153 4,471	5,517 179 3,003
				28,628	8,699
CREDITORS: Amounts	s falling due after	more than one	year	2008	2007
Student Loans				£ 181,075	£ 183,392

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2008

12.	COST OF CHARITABLE ACTIVITIES	Balance as at 1 st June 2007 £	Incoming Resources £	Balance 31 st May 2008 £
	European Long Course Fund East Anglia	120 6,960	50,589 7,261	50,709 14,221
	Subtotal	7,080	57,850	64,930
	Outreach Dana New Building Fund Eastern European Fund Scotland Fund Kenya Fund Grand Pagoda Fund Dhamma Tapovana Fund Bulgaria Fund	2,117 3,336 16,960 244 1,213 313 85 100 24,368	302 2,460 1,001 251 153 562 1,301 132 6,162	2,419 5,796 17,961 495 1,366 875 1,386 232 30,530
13.	ANALYSIS OF NET ASSETS BETWEEN FUN	<u>NDS</u>	Net Current Assets / (Liabilities)	Total £
	Restricted Funds Unrestricted Income Funds		95,460 1,058,272	95,460 1,058,272
	Total Funds		1,153,732	1,153,732

14. <u>RELATED PARTY TRANSACTIONS</u>

Certain Trustees have made loans to the Charity. As at 31st May 2008 these totalled £Nil (2007 - £20,000) and this amount is included in creditors in these accounts. These loans are interest free and there are no formal terms of repayment.

No one individual has ultimate control over the Company.

15. <u>COMPANY LIMITED BY GUARANTEE</u>

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2008

16. ELCC RESTRICTED FUNDS

The Trustees wish to highlight that of the balance of available funds shown on page 12 to the accounts, totalling £50,709, a total of £32,036 was committed to capital expenditure, as shown at Note 8 to the accounts. In respect of the main Trust's available funds, the Trustees would also highlight the significant amount spent on capital expenditure during the year, totalling £514,027, as shown at Note 8 to the accounts.

17. RESTRICTED INCOME AND UNRESTRICTED INCOME FUNDS – BALANCES BROUGHT FORWARD

The Trustees have altered the treatment of certain funds this year, specifically treating Non Course Dana for the East Anglia Centre and all Dana income for the European Long Course Centre as restricted funds. As a consequence, it has been necessary to adjust the balances brought forward for restricted and unrestricted funds at 1st June 2007. The balance shown for the East Anglia Centre in restricted funds at 1st June 2007 represents our best estimate, in consultation with the Trustees, as to the correct brought forward figure.

VIPASSANA TRUST DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MAY 2008

		FOR II	<u>IE YEAR ENI</u>		AY 2008			
	Note	Main Trust	East Anglia Designated	East Anglia Restricted	ELCC Restricted	Other Restricted Funds	2008 Total	2007 Total
<u>Income</u>			_					
Non Course Dana		89,026	_	6,824	_	4,457	100,307	84,204
			_	0,024	_		,	
Course Dana, Dhamma Dipa		185,099		-	-	-	185,099	176,036
Course Dana, East Anglia		-	22,940	-	-	-	22,940	20,334
European Long Course								
Centre Dana		_	_	_	45,848	_	45,848	120
		40.076	7 600					
Gift Aid		42,276	7,628	-	4,108	363	54,375	48,017
		316,401	30,568	6,824	49,956	4,820	408,569	328,711
Bank Deposit Interest		17,625	, _	437	633	1,342	20,037	19,665
		154		101	000	1,012	154	10,000
Wayleaves		134	-	-	-	-	134	-
		334,180	30,568	7,261	50,589	6,162	428,760	348,376
General Running Costs								
<u>Direct Course Expenses</u>								
Food		49,661	3,911	-	-	-	53,572	49,442
Sussex Expenses		2,463	_	_	_	_	2,463	2,018
Household Sundries		9,852	_	_	_	_	9,852	5,533
			10.640					
Miscellaneous Expenses		3,925	18,642	-	-	-	22,567	17,906
Other Costs								
Wages		12,362	_	_	_	_	12,362	11,939
Heat and Light		28,396	_	_	_	_	28,396	15,765
			_	_	_	_		
Water Rates and Services		11,164	-	-	-	-	11,164	7,583
Insurance		3,633	-	-	-	-	3,633	3,884
Maintenance		16,614	611	_	_	_	17,225	30,530
Post and Stationery		9,797	335	_	_	_	10,132	13,827
			000					
Outreach Expenses		1,045		-	-	-	1,045	560
Telephone		4,604	314	-	-	-	4,918	3,942
Motor and Travel		6,156	-	-	-	_	6,156	6,821
Audit and Accountancy		2,579	_	_	_	_	2,579	2,556
			101					
Bank and Card Charges		1,834	481	-	-	-	2,315	2,215
Managerial Allowances		3,912	-	-	-	-	3,912	2,340
Garden		2,592	-	_	-	-	2,592	5,116
Legal and Professional		8,333	_	_	_	_	8,333	4,698
		0,000					0,000	1,000
Initial Site Development								07.000
Costs		-	-	-	-	-	-	27,638
Dana to Other Centres		12,328	-	_	_	-	12,328	_
		191,250	24,294				215,544	214,313
Change in Current Assets		142,930	6,274	7,261	50,589	6,162	213,216	134,062
Non Cash Items								
Depreciation Freehold		38,089					38,089	26,811
		36,069	-	-	-	-	36,069	
De-valuation of Freehold		-	-	-	-	-	-	665,016
Depreciation Fixtures &								
Fittings		5,538	_	_	_	_	5,538	6,794
i ittiiigo		0,000					0,000	0,701
		40.007					40.007	000.004
		43,627	-	-	-		43,627	698,621
Tatal Oaata		004.077	04.004				0050 474	0040.004
Total Costs		234,877	24,294	-	-	-	£259,171	£912,934
Net Gain/ (Loss) in the Veer		99,303	6,274	7 261	50,589	6,162	£160 500	£(564,559)
Net Gain/ (Loss) in the Year		99,303	0,274	7,261	50,589	0,102	£ 109,589	£(304,359)
- · · - · - · - · - · - · - · - · - · -							0000	
Balance of Funds B/F		952,695	-	6,960	120	24,368	£984,143	-
Balance of Funds C/F	16	1,051,998	6,274	14,221	50,709	30,530£	1,153,732	£984,143

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.