

Company registered number 8384859  
Registered charity number 1153340

**Field of Merit**

**Trustees' Annual Report and Financial Statements**

**for the year ending 5 April 2016**



**Field of Merit**  
**Trustees' Annual Report**  
**for the year ending 5 April 2016**

The trustees present their report and the unaudited financial statements for the year ended 5 April 2016.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### **Objectives and Activities**

The objects of Field of Merit, as stated in the Articles of Association, are:

To advance the Buddhist faith, in particular the Serene Reflection Meditation school of Buddhism (also known as Soto Zen Buddhism) through the provision (though not exclusively) of a retreat centre, which will include residential facilities, for those who wish to practise Serene Reflection Meditation (Soto Zen).

The main activities undertaken by the charity are:

- The provision of accommodation and support for those wishing to undertake a retreat
- Teaching Soto Zen Buddhism and meditation
- Running meditation evenings and day retreats
- Offering spiritual guidance
- Offering traditional Buddhist ceremonies such as weddings, funerals and memorials

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and specifically its supplementary guidance on the advancement of religion for the public benefit, when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### **Achievements and Performance**

#### Background

This project was launched in July 2012 by Rev. Alicia Rowe and Rev. Mugo White, who are monks of the Order of Buddhist Contemplatives. The OBC is an international monastic order of men and women who, together with lay ministers of the Order and our congregations and affiliated meditation groups, are dedicated to practicing the Serene Reflection Meditation tradition of Buddhism, also called Soto Zen. The Order has eleven existing centres in the UK (all but one of which are separate registered charities), four in Europe and nine in the US and Canada.

The project started life with the creation of the Field of Merit website, informing people of the aims and progress of the project and inviting donations. Much consideration was given to the choice of legal structure and on 1 February 2013 Field of Merit was incorporated as a private limited company and received registered charity status on 12 August 2013.

In autumn 2013, in view of the economic situation and the slow growth in funds, the Trustees made the decision to look for a property to rent, rather than waiting to buy, so that the charity could commence activities. This was also done with the hope that such activities will encourage donations.

**Field of Merit**  
**Trustees' Annual Report**  
**for the year ending 5 April 2016**

In February 2014 a two-bedroom property was rented in Wirksworth, Derbyshire in a secluded location on the outskirts of town and very centrally located in the Midlands and easily accessible by road and public transport.

The property was given the name of Sitting Buddha Hermitage, and Rev. Alicia moved there to be the resident monk. A second-hand caravan was purchased to be the main individual retreat accommodation. A guest room in the house was made available as a second option when the caravan was occupied. A summerhouse was converted to a Kanzeon Shrine and made available for individual day retreats for those living in or near the Derbyshire Dales or visiting the area.

#### Current Developments

In January 2015 the landlord gave notice that the Wirksworth property was being removed from the rental market, so nearby rental property was sought and found in the neighbouring village of Cromford. Sitting Buddha Hermitage moved to its new location in March 2015. Since the move, the activities of the charity have expanded to include the offering of weekly introductory classes in meditation and Buddhism, meditation evenings on weekdays, and one-day retreats once a month. The move necessitated the sale of the caravan as there is no room for it at the new property, and individual retreat accommodation is now offered in an annexe room with its own bathroom.

In addition to running classes, meditation evenings and day retreats and providing practical and spiritual support to those who come on retreat, the resident monk is available to offer Buddhist teaching and spiritual guidance and to conduct traditional Buddhist ceremonies such as weddings, funerals and memorials.

The religion of Soto Zen is characterised by the practice of meditation, which helps one to understand one's true nature and to find peace within the circumstances of one's life, and the adherence to a set of moral precepts which foster compassionate and wise action.

A place of retreat provides the opportunity for people to take time out from often very busy lives to meditate, contemplate and reflect and deepen their religious practice. This may take the form of attending weekly meditation evenings and other events or staying for a residential retreat. These opportunities are of great value both to the individuals and to their families, friends and co-workers when they return to their usual daily life refreshed and renewed and more able to act skillfully in the world. This skillful action encompasses a sustainable caring approach to all aspects of the practitioner's life including the natural environment and interactions with other living creatures. There can be significant times in one's life, for example when facing great change, that the chance to spend time on retreat in a supportive environment can be of enormous help in enabling a person to understand and cope with the challenges they are facing in their life. On their return, retreatants will be better equipped to deal with the ongoing demands of their lives, resulting in greater peace and equanimity for the retreatant and those around them.

#### **Beneficiaries of the Charity's Services**

Anyone who wishes to learn about Soto Zen Buddhism and meditation is welcome to attend introductory events at the Hermitage. For those who have taken this up as their spiritual practice there is support provided by the resident monk in the form of meditation evenings, day retreats, residential retreats and spiritual guidance.

**Field of Merit**  
**Trustees' Annual Report**  
**for the year ending 5 April 2016**

## **Financial Review**

It was expected that income from donations would be slow to build and may not cover expenditure for the first year or two, which proved to be the case. Therefore one of the trustees, Rev. Alicia, made interest-free loans to the charity in 2014/2015 totalling £15,000 to be repaid as and when funds allow.

In the financial year covered by this report, the charity applied for a grant from the Inlight Trust (Reg. Charity No. 236782) and was very grateful to receive £5,000 towards expenses. General donations, including £777 Gift Aid, made up the remaining £11,340, which also included a donation of £5,000 from Rev. Alicia, a trustee.

This is the first full financial year since the Hermitage moved to Cromford and there have been no significant purchases. Expenditure of £15,245 is down almost £2,000 on the previous year (largely because of the loss last year on the sale of the caravan) and is covered by the income of £16,340.

At the Balance Sheet date the funds of the charity were £6,213 in deficit due to the initial loans of £15,000 yet to be repaid, and it is hoped that this will be made good in the near future.

### Reserves Policy

At present the trustees seek to keep at least £5,000 in the bank account, and when funds become available they will develop a more comprehensive reserves policy.

## **Plans for the Future**

In the short-term i.e. the next five years, the plan is to offer meditation and retreat facilities at Sitting Buddha Hermitage in Cromford and continue to gather support for the project.

The long-term aim of the charity is to purchase a freehold property in open countryside, with around 5 acres of land, a 2- or 3-bedroom house and outbuildings that can be converted into hermitages, or the potential to site cabins or similar structures to serve as hermitages.

## **Structure, Governance and Management**

### Governing document

The organisation is a charitable company limited by guarantee, incorporated on 1 February 2013 and registered as a charity on 12 August 2013. 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. In the event of the company being wound up members have agreed to contribute a sum not exceeding £10. The number of guarantees at 5 April 2016 was three (2015:3). The trustees are members of the charity but this entitles them only to voting rights.

### Appointment of Trustees

The directors of the company are also trustees for the purpose of charity law. The chief priest, who is appointed by the head of the Order of Buddhist Contemplatives, is always a trustee by virtue of their office. Apart from the first trustees and the chief priest, trustees are appointed for a term of three years. All trustees must either be members of the Order of Buddhist Contemplatives in good standing, or long-term members of the congregation (someone who has taken lay ordination within the Order of Buddhist Contemplatives and has been associated with the Order for at least five years). At least half of the trustees must be senior priests of the Order. The current three trustees are all senior priests of the Order.

**Field of Merit**  
**Trustees' Annual Report**  
**for the year ending 5 April 2016**

Benefits and Payments to Trustees

All trustees give their time voluntarily and received no payments or benefits in their capacity as trustees. Article 7 of the Articles of Association allows for a trustee to receive a benefit from the charity in the capacity of a beneficiary of the charity provided that a majority of the trustees do not benefit in this way. Rev. Alicia Rowe, a trustee, has received board and lodging from the organisation since 25 February 2014 in her capacity as chief priest of Sitting Buddha Hermitage.

Organisational structure

The charity is managed by its board of trustees, currently three in number. Rev. Alicia is responsible for the day-to-day management of Sitting Buddha Hermitage. She keeps in touch with her fellow trustees and consults them on all significant decisions.

Related parties

Field of Merit is one of a number of charities in the UK that have been established by monks and lay practitioners of the Order of Buddhist Contemplatives (OBC). Field of Merit is not linked financially to any other organisation, but is spiritually and administratively linked to the OBC, though this has not led to any related party transactions.

**Statement of Responsibilities of the Trustees**

The trustees (who are also directors of Field of Merit for the purposes of company law) are responsible 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 and statements of recommended practice 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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees, who are directors for the purposes of company law, and trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on page 1.

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

**Field of Merit**  
**Trustees' Annual Report**  
**for the year ending 5 April 2016**

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

..... Rev. M. C. H. A. Rowe (Trustee)

..... Date

**Field of Merit**  
**Statement of Financial Activities**  
**(including Income and Expenditure account)**  
**for the year ended 05 April 2016**

	Unrestricted funds	Restricted funds	2016	2015
Note	£	£	£	£
<b>Income</b>				
Donations	10,319	-	10,319	3,419
Gift Aid	777	-	777	494
Gifts in Kind	243	-	243	446
Bank Interest	1	-	1	5
Grant	5,000	-	5,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>	16,340	-	16,340	4,364
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>				
2				
Charitable activities	15,245	-	15,245	17,223
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	15,245	-	15,245	17,223
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income/(expenditure)</b>	1,095	-	1,095	(12,859)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>	1,095	-	1,095	(12,859)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Reconciliation of funds</b>				
Funds at 05 April 2015	(7,308)	-	(7,308)	5,551
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Funds at 05 April 2016</b>	(£ 6,213)	£ -	(£ 6,213)	(£ 7,308)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**Field of Merit  
Company no. 8384859**

**Balance Sheet  
as at 05 April 2016**

	Note	2016		2015	
		£	£	£	£
<b>Current assets</b>					
Debtors	5	979		3,645	
Cash at bank and in hand		8,442		4,189	
		9,421		7,834	
<b>Creditors: amounts falling due in less than one year</b>	6	(15,634)		(15,142)	
<b>Net current assets</b>			(6,213)		(7,308)
<b>Total assets less current liabilities</b>			(£ 6,213)		(£ 7,308)
<b>Funds of the charity</b>					
Unrestricted funds			(£ 6,213)		(£ 7,308)

For the year in question, the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime (of the Companies Act 2006).

Approved by the Trustees and signed on their behalf by:

.....  
Rev. J. R. H. W. Powell (Trustee)

..... Date

**Field of Merit**  
**Notes to the accounts**  
**for the year ended 05 April 2016**

**1 Accounting policies**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102) as amended by Update Bulletin 1 (2 February 2016)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Field of Merit meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

**b Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. They do not consider that there are any such material restatements required.

**c Preparation of the accounts on a going concern basis**

The charity achieved a surplus in the year but has unrestricted funds in deficit by £6,213 at the balance sheet date. The charity is supported by an interest-free loan from one of the trustees. While there is no fixed date for the repayment of this loan, the trustees are confident that repayment will not be requested by the lender unless the charity is in a position to repay it, and consequently the trustees consider it appropriate to prepare the accounts on the going concern basis.

Other than the above, there are no key judgments which the trustees have made which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

**d Fund accounting**

- Unrestricted funds are available to spend on activities that further any of the purposes of charity.
- Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**e Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

## Field of Merit

### Notes to the accounts for the year ended 05 April 2016

#### **f Donated goods, services and facilities**

- Donated goods, professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.
- On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- Goods donated for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the SoFA. Donated vehicles, plant or furniture are recognised as tangible fixed assets when their fair value exceeds the threshold for capitalisation set by the charity's accounting policy.
- In accordance with the Charities SORP (FRS 102), time given by supporters in voluntary activity for the charity is not recognised in the accounts. More information about the contribution of volunteers is given in the trustees' annual report.

#### **g Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

#### **h Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes an irrecoverable VAT.

#### **i Operating leases**

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

#### **j Tangible fixed assets**

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis. The charity currently has no fixed assets.

#### **k Debtors**

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

#### **l Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## Field of Merit

### Notes to the accounts for the year ended 05 April 2016

#### m 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.

#### n Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### 2 Expenditure on charitable activities

	Unrestricted £	Restricted £	2016 £	2015 £
Charitable activities				
Car and Travel	2,325	-	2,325	2,283
Food and Household	2,050	-	2,050	1,943
Equipment & Maintenance	735	-	735	1,643
Phone and Broadband	417	-	417	295
Office & IT	183	-	183	305
Rent	7,200	-	7,200	7,185
Council Tax	1,099	-	1,099	906
Electricity & Gas	871	-	871	756
Insurance	365	-	365	412
Disposal of Fixed Assets	-	-	-	1,495
<b>Total resources expended</b>	<b>£ 15,245</b>	<b>£ -</b>	<b>£ 15,245</b>	<b>£ 17,223</b>

#### 3 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

**Field of Merit**  
**Notes to the accounts**  
**for the year ended 05 April 2016 (continued)**

**4 Trustees' remuneration and expenses and related party transactions**

Neither the trustees nor any persons connected with them received any remuneration or reimbursed expenses during the year. Article 7 of the Articles of Association allows for a trustee to receive a benefit from the charity in the capacity of a beneficiary of the charity provided that a majority of the trustees do not benefit in this way. Rev. Alicia Rowe, a trustee, has received board and lodging from the organisation since 25 February 2014 in her capacity as chief priest of Sitting Buddha Hermitage.

Rev. Alicia Rowe, a trustee, made a donation to the charity of £5,000 (2015: nil).

**5 Debtors**

	2016 £	2015 £
Rent	-	3,000
Accruals	202	174
Gift Aid	777	471
	£ 979	£ 3,645
	£ 979	£ 3,645

**6 Creditors: amounts falling due in less than one year**

	2016 £	2015 £
Accruals	634	142
Interest-Free Loan	15,000	15,000
	£ 15,634	£ 15,142
	£ 15,634	£ 15,142

One of the trustees, Rev. Alicia Rowe, has made interest-free loans to the charity totalling £15,000. There is no fixed date for repayment.

**7 Funds**

All the charity's funds are unrestricted and are represented by net current assets/liabilities.