

DZOGCHEN BEARA TRUST

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2019

DZOGCHEN BEARA TRUST
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FOR THE YEAR ENDED 31 DECEMBER 2019

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DZOGCHEN BEARA TRUST

**TRUSTEES AND OTHER INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | |
|-------------------|--|
| TRUSTEES | Patrick Plunkett Brendan Doyle Anthony MaCay Mary Keating |
| MANAGEMENT TEAM | Malcolm MacClancy Kathryn O'Flaherty Leon Rossiter |
| PRINCIPAL OFFICE | Garranes Allihies County Cork |
| AUDITORS | Crowleys DFK 5 Lapp's Quay Cork |
| SOLICITORS | BDM Boylan Solicitors Clarks Bridge House Hanover Street Cork |
| PRINCIPAL BANKERS | AIB Bank The Square Castletownbere County Cork |

DZOGCHEN BEARA TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Aims and policies

The primary objectives of the Dzogchen Beara Trust are:

To provide a meditation and retreat centre at Garranes, Allihies, West Cork, for the advancement, promotion and preservation of the Buddhist tradition.

To teach and train in the care of the dying, to provide active support for the bereaved and to promote an understanding of death.

To promote where possible closer relations, greater understanding and mutual respect between Buddhism and other great world faiths following the example set by His Holiness the 14th Dalai Lama.

To provide support for the community to practice at the centre.

Dzogchen Beara offers:

A Public Programme of weekend courses and retreats that includes student led weekends offering an introduction to meditation, loving-kindness meditation and compassion practices. Weekend and longer retreats led by eminent Tibetan masters.

Long term and short term personal retreats.

A Welcome Centre, including shop and tearoom and accommodation, which are rented to visitors who attend events and wish to take quiet breaks.

Organisation

Dzogchen Beara Trust was constituted by Trust Deed on 8 August 1992. The Trust's Spiritual Director is responsible for supervising and authorising the spiritual activities of the Trust.

The Spiritual Director nominates all Trustees. The day-to-day operations of Dzogchen Beara are the responsibility of the management team.

Rigpa International, based in France, oversees the Rigpa centres worldwide. Regular financial reports are sent to the International Finance Board for review. The International Finance Board also approves all major capital expenditure projects and provides support to management teams.

Trustee Responsibilities

The Board of Trustees is required to prepare financial statements, which give a true and fair view of the state of the charity's affairs and of its income and expenditure for the year. In preparing the financial statements, the Board of Trustees is required to select suitable accounting policies, to apply them consistently, and to make judgements and estimates that are reasonable and prudent.

The Board of Trustees is responsible for keeping proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the charity. To ensure that proper books and records are kept, the charity has employed appropriately qualified personnel and has maintained appropriate computerised accounting systems. It is 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.

DZOGCHEN BEARA TRUST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Review of activities

Dzogchen Beara operations

The Welcome Centre: the shift into providing tearoom/gift shop is proving to be a very positive move. We will continue to develop the cafe theme and all efforts will be placed into making it a bigger income resource. The Public Programme is increased, we provide a greater amount of Events/Retreats and also continue with the Free Spirit Events.

Spiritual care building

The court proceedings in relation to the professional design team involved in the Spiritual Care Building has been settled since the year end, in favour of Dzogchen Beara Trust.

Temple project Ireland

The Trust obtained updated cost estimate for the temple with a revised figure of €1.8 million (early 2015).

The go ahead to "Start Building" came in June 2015 and the ground works started in November 2015. Beara Buildings Ltd, were awarded the contract. The ground works were completed in April 2016 and we achieved Roof Level late 2016. The new costings going forward were revised up to €3.6 million. This includes Copper Roof and Sacred Decoration.

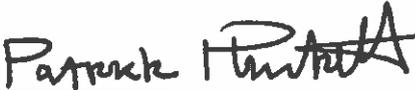
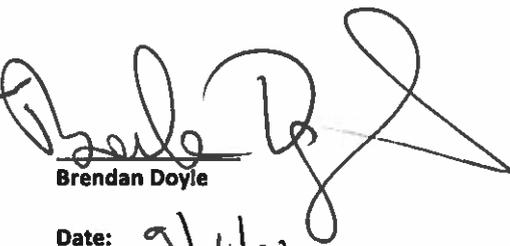
Development

We have continued to upgrade all accommodation in Dzogchen Beara, We will maintain our Cottages, Hostel and Care Centre to the highest level. We have renewed our association with Failte Ireland, with the Welcome Standard for Accommodation, ensuring that we are committed to maintaining high standards and practices throughout our business.

Taxation status

Dzogchen Beara Trust has been granted charitable status under Sections 1094 and 1095 of the Taxes Consolidation Act 1997.

Signed on behalf of the Trustees

| | |
|--|--|
|  <u>Patrick Plunkett</u> |  <u>Brendan Doyle</u> |
| Date: 16 April 2021 | Date: 9/4/21 |

DZOGCHEN BEARA TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

The financial statements are prepared on a historical cost accounting basis with all fixed assets valued at a cost or value at time of donation.

Income from public programme events, courses, accommodation, bookshop activities and donations are recorded upon receipt. Income from long-term retreats is based upon invoiced amount spread over the period of the retreat.

All expenses are accounted for on an accruals basis. The irrecoverable amount of VAT is included in the item of expense to which it relates.

Stock

Stocks are valued at the lower of cost, or net realisable value. Cost represents the invoiced price of the goods, including irrecoverable VAT.

Fixed assets

Fixed Assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided at such rates as will write off the cost of the assets over the period of their expected useful lives. Principal rates of depreciation are as follows:

| | |
|---------------------------|-----------|
| Freehold Land | 0% |
| Freehold Buildings | 0%-2% |
| Motor Vehicles | 20% |
| Fixtures and Fittings | 12.5%-20% |
| Equipment | 20%-25% |
| Assets under Construction | 0% |

Assets under construction, represents the costs incurred in the building of new assets or upgrading existing assets. The total cost, where reflecting fair value, is transferred to the relevant asset category and depreciation charged upon completion of construction.

DZOGCHEN BEARA TRUST**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DOZGCHEN BEARA TRUST FOR THE YEAR ENDED 31 DECEMBER 2019****Opinion**

We have audited the financial statements of Dzogchen Beara Trust ('the Trust') for the year ended 31 December 2019, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements. These financial statements have been prepared under the accounting policies set out therein.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Trust as at 31 December 2019 and of its surplus for the year then ended; and
- have been properly prepared in all material respects in accordance with the accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described below in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. This includes us taking advantage of the exemptions provided by IAASA's Ethical Standard: Section 6 Provisions Available for Audits of Small Entities in the circumstances set out in note 9 to the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CORK ■ DUBLIN

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Partners: James O'Connor FCA (Director) Tony Cooney FCA (Director) Edward Murphy FCA CTA (Director) Colette Nagle FCA (Director) Natalie Kelly (Director) FCA QFA
Vincent Teo FCA Siobhán O'Hea CTA Harry O'Sullivan FCA David Coombes FCA Niall Grant FCA CTA

Crowleys DFK Unlimited Company trading as Crowleys DFK. Registered Office: 16/17 College Green, Dublin D02 V078. Company No: 393878.

A member firm of  DFK International a worldwide association of independent firms.

Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in Ireland (ICAI).

Chartered Accountants Ireland is the operating name of ICAI.



DZOGCHEN BEARA TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DOZGCHEN BEARA TRUST FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditors' 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.

Opinions on other matters

Based solely on the work undertaken in the course of the audit, we report that:

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- in our opinion the accounting records of the Trust were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set on page 3, 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 they 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DOZGCHEN BEARA TRUST FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DOZGCHEN BEARA TRUST FOR THE YEAR ENDED 31
DECEMBER 2019 (continued)**

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the trustees, as a body. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Harry O'Sullivan
for and on behalf of
Crowleys DFK Unlimited Company
Chartered Accountants and Statutory Audit Firm
5 Lapps Quay
Cork

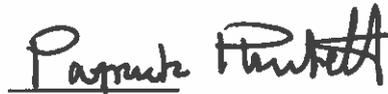
Date: 16 April 2021

DZOGCHEN BEARA TRUST

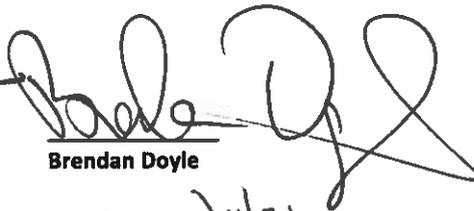
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

| | GENERAL FUNDS | RESTRICTED FUNDS | TOTAL DzB TRUST | TOTAL DzB TRUST |
|--|------------------|------------------|------------------|------------------|
| | 2019 | 2019 | 2019 | 2018 |
| | € | € | € | € |
| Income | | | | |
| Retreats, programme & related activities | 300,027 | - | 300,027 | 254,727 |
| Accommodation | 167,974 | - | 167,974 | 140,933 |
| General donations | 122,709 | 445,393 | 568,102 | 391,540 |
| Subscriptions | 5,001 | - | 5,001 | 2,381 |
| Shop income | 230,521 | 537 | 231,058 | 180,931 |
| Contribution from catering | 67,520 | - | 67,520 | 49,633 |
| Other income | 69,235 | 1 | 69,236 | 59,315 |
| Overstated deposits from prior years | 61,866 | - | 61,866 | - |
| Total income | 1,024,853 | 445,931 | 1,470,784 | 1,079,460 |
| Expenditure | | | | |
| Retreats programme & related activities expenses | 55,920 | 2,585 | 58,505 | 59,627 |
| Fund raising expenses | 2,227 | 416 | 2,643 | 1,362 |
| Staff expenditure | 518,132 | 79,672 | 597,804 | 492,546 |
| Office costs | 24,720 | 2,661 | 27,381 | 24,957 |
| Catering expenses | 87,343 | 553 | 87,896 | 72,088 |
| Rent and insurance | 49,720 | 500 | 50,220 | 49,435 |
| Shop purchases | 70,218 | - | 70,218 | 65,006 |
| Site and accommodation | 107,027 | 4,364 | 111,391 | 128,592 |
| Bank charges and interest | 14,723 | 1,289 | 16,012 | 17,323 |
| Audit fees | 5,996 | - | 5,996 | 5,228 |
| Legal and professional fees | 1,000 | - | 1,000 | 2,854 |
| Depreciation | 38,121 | 88,261 | 126,382 | 131,668 |
| Donations to other organisations | 16,717 | - | 16,717 | 15,709 |
| Total expenditure | 991,864 | 180,301 | 1,172,165 | 1,066,395 |
| Surplus (deficit) income over total expenditure | 32,989 | 265,630 | 298,619 | 13,065 |

Signed on behalf of the Trustees:



Patrick Plunkett



Brendan Doyle

Dated: 16 April 2021

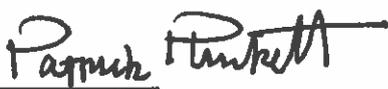
Dated: 9/4/21

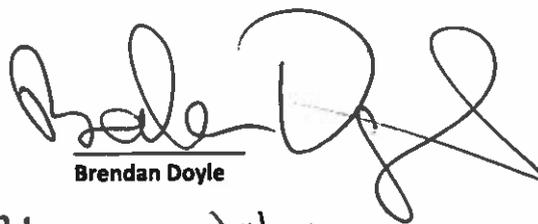
DZOGCHEN BEARA TRUST

BALANCE SHEET AS AT 31 DECEMBER 2019

| | 2019 | 2019 | 2018 | 2018 |
|---|----------------|------------------|----------------|------------------|
| | € | € | € | € |
| Fixed assets (note 1) | | <u>5,880,862</u> | | <u>5,590,054</u> |
| Current assets | | | | |
| Cash | 10,825 | | 8,848 | |
| Bank current accounts | 517,299 | | 537,479 | |
| Deposit accounts | 15,001 | | 15,000 | |
| Debtors and prepayments | 11,613 | | 12,493 | |
| Scholarship fund | 10,450 | | 10,450 | |
| Staff Loan | 2,250 | | 3,350 | |
| Income due from Spiritual Care Centre | 135,751 | | 119,534 | |
| Shop Stock | 32,409 | | 21,856 | |
| | <u>735,598</u> | | <u>729,010</u> | |
| Creditors: amounts falling due within one year | | | | |
| Trade creditors | 23,770 | | 19,788 | |
| Deposit held in advance | 67,333 | | 75,529 | |
| Accruals | 32,867 | | 35,204 | |
| PAYE/PRSI | 9,256 | | 8,500 | |
| VAT (Note 4) | 7,221 | | 4,751 | |
| Long term capital grant income (Note 5) | 14,000 | | 14,350 | |
| Long term retreat funds (Note 2) | 3,870 | | 15,417 | |
| Long term retreat deferred income (Note 3) | 73,737 | | 44,132 | |
| S.C. bursary fund | - | | 5,606 | |
| | <u>232,054</u> | | <u>223,277</u> | |
| Creditors: amounts falling due in more than one year | | | | |
| 3-year interest free loan | - | | 10,000 | |
| | <u>232,054</u> | | <u>233,277</u> | |
| Net current assets | | <u>503,544</u> | | <u>495,733</u> |
| | | <u>6,383,406</u> | | <u>6,085,787</u> |
| Represented by: | | | | |
| General fund Dzogchen Beara (Note 6) | | 662,663 | | 683,497 |
| Spiritual Care development fund (Note 7) | | 3,202,165 | | 3,326,874 |
| Temple Project Ireland fund | | <u>2,519,578</u> | | <u>2,075,416</u> |
| | | <u>6,383,406</u> | | <u>6,085,787</u> |

Signed on behalf of the Trustees:


Patrick Plunkett


Brendan Doyle

Dated: 16 April 2021

Dated: 9/4/21

DZOGCHEN BEARA TRUST

NOTES TO ACCOUNTS YEAR ENDED 31 DECEMBER 2019

1. Schedule of Fixed Assets

| | Freehold land | Freehold buildings | Fixtures & fittings | Equipment | Vehicles | Assets under construction | Total |
|---|----------------------|-------------------------|---------------------------|---------------------|-----------------|------------------------------|-------------------------|
| Cost at 1/1/19 | 32,743 | 5,182,918 | 69,584 | 35,996 | 7,000 | 1,654,214 | 6,982,455 |
| Additions | - | - | - | 905 | - | 416,285 | 417,190 |
| Disposals | - | - | - | - | - | - | - |
| Cost at 31/12/19 | <u>32,743</u> | <u>5,182,918</u> | <u>69,584</u> | <u>36,901</u> | <u>7,000</u> | <u>2,070,499</u> | <u>7,399,645</u> |
| Accumulated depreciation at 1/1/19 | - | 1,290,599 | 65,065 | 29,737 | 7,000 | - | 1,392,401 |
| Depreciation charge for the year | - | 119,804 | 4,519 | 2,059 | - | - | 126,382 |
| Depreciation on disposals | - | - | - | - | - | - | - |
| Accumulated depreciation at 31/12/19 | <u>-</u> | <u>1,410,403</u> | <u>69,584</u> | <u>31,796</u> | <u>7,000</u> | <u>-</u> | <u>1,518,783</u> |
| Net book value at 31/12/19 | <u>32,743</u> | <u>3,772,515</u> | <u>0</u> | <u>5,105</u> | <u>-</u> | <u>2,070,499</u> | <u>5,880,862</u> |
| Net book value at 31/12/18 | <u>32,743</u> | <u>3,892,319</u> | <u>4,519</u> | <u>6,259</u> | <u>-</u> | <u>1,654,214</u> | <u>5,590,054</u> |

2. Long term retreat fund

Represents donations received specifically to support those who wish to participate in long-term retreats.

3. Long term retreat deferred income

The fee for the long-term retreats is invoiced at the beginning of each retreat and amortised over the period of the retreat. Long term retreat deferred income represents the balance of income invoiced for future months.

4. VAT

Dzogchen Beara Welcome Centre registered for VAT with effect from 1 July 2006.

5. Long term capital grant income

Grants are credited to deferred income. Grants towards capital expenditure are released to the statement of financial activity over the expected useful life of the assets. Grants towards revenue expenditure are released to the statement of financial activity as the related expenditure is incurred.

DZOGCHEN BEARA TRUST

NOTES TO ACCOUNTS YEAR ENDED 31 DECEMBER 2019

6. General Funds

The General funds represent the unrestricted funds available to Dzogchen Beara Trust from accumulated surpluses and deficits. The general fund also includes the capital valuation for fixed assets donated, the land and buildings, which constitutes the retreat centre.

| | 2019 | 2018 |
|--|-------------|-------------|
| | € | € |
| General fund Dzogchen Beara | | |
| Opening balance | 683,497 | 860,899 |
| Surplus of income over expenditure | 298,619 | 13,065 |
| Adjustment in movement of restricted funds | - | - |
| Amortisation of reserve (Note 7.1) | 126,382 | 131,669 |
| Movement of restricted funds: Temple project (Note 7.2) | (444,162) | (321,192) |
| Movement of restricted funds: Spiritual Care Centre (Note 7.1) | (1,673) | (943) |
| Closing balance | 662,663 | 683,497 |

7. Restricted funds

The restricted fund, represents donations and grants received for the development of the Specific projects less expenditure made for this purpose. The fund is accounted for as a separate fund within the Trust's books of account.

| | 2019 | 2018 |
|---|-------------|-------------|
| | € | € |
| 7.1 Spiritual care development fund | | |
| Opening balance | 3,326,874 | 3,457,600 |
| Amortisation of reserve (Note 6) | (126,382) | (131,669) |
| Surplus of income over expenditure (Note 6) | 1,673 | 943 |
| Closing balance | 3,202,165 | 3,326,874 |

| | 2019 | 2018 |
|---|-------------|-------------|
| | € | € |
| 7.2 Temple project Ireland | | |
| Opening balance | 2,075,416 | 1,754,224 |
| Surplus of income over expenditure (Note 6) | 444,162 | 321,192 |
| Closing balance | 2,519,578 | 2,075,416 |

8. Post balance sheet events

Since the financial year end, the high court ruled in favour of Dzogchen Beara Trust in relation to the litigation case against the design team of the retreat centre. A settlement of €500,000 for the damages and €375,000 contribution costs was awarded to the retreat centre.

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily. As the retreat centre remains closed during the lockdown period, on-line events and programmes were introduced in 2020. The Buddhist community also continue to support the Dzogchen Beara Trust through donations.

9. IAASA Ethical Standards Section 6 - Provisions available for small entities

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.