

*The Finances  
of the LBC  
in a Nutshell*

london  
buddhist  
centre

## ***The Finances of the LBC in a Nutshell***

### *Summary*

The main aims of the LBC are to create good conditions to deepen Buddhist practice and to make the teachings of the Buddha as widely available as possible. This paper discusses:

- the LBC's main sources of income and expense;
- the costs of those supported by the LBC and the activities of those who are supported;
- our main financial assets i.e. the buildings we own, and liabilities i.e. our debts;
- the gift that Mahananda left the LBC in his will;
- the income generated by the LBC's businesses;
- the finances of the recent building project at the LBC;
- the finances of Vajrasana, our retreat centre in Suffolk;  
and
- our current financial situation.

These are financially challenging times for the LBC. Our reserves policy is to hold two to six months of expenses which would currently mean £120,000 to £360,000. Towards the end of 2009-10 our reserves fell below the minimum level for the first time in the 10 years since we bought Vajrasana. These reserves need to be raised if we

are to continue to invest in and to develop Vajrasana, and if we are to be less vulnerable to changes in the economy. Most of the figures presented in this paper are for financial year 2009-10. This is the last year that the LBC currently has full records for. Although each year is different, the figures presented here can be taken as a reasonably representative picture of the LBC's finances generally.

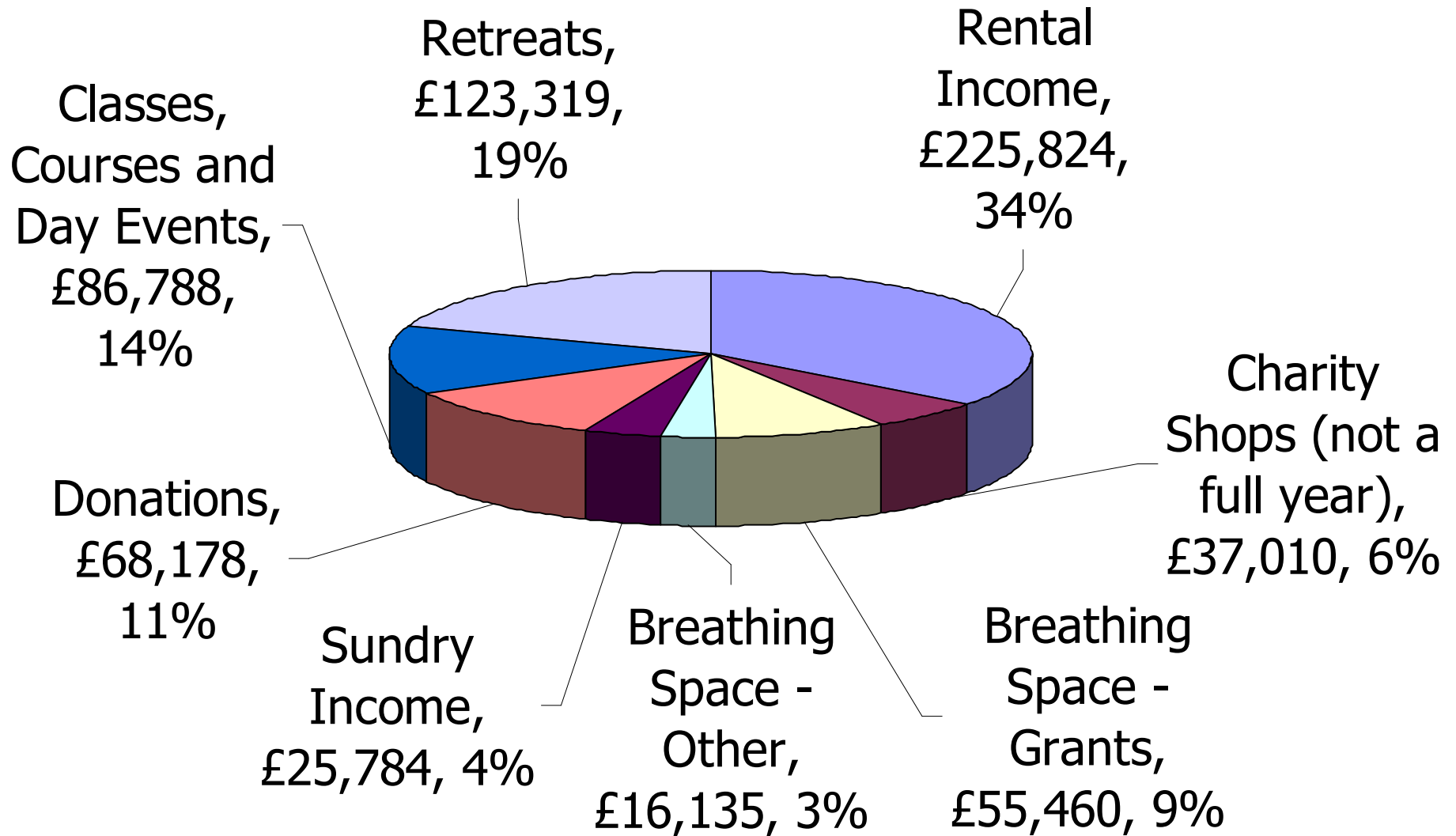
### *Income and Expenses*

The LBC's income and expense for the last financial year (until 31 March 2010) are shown overleaf.

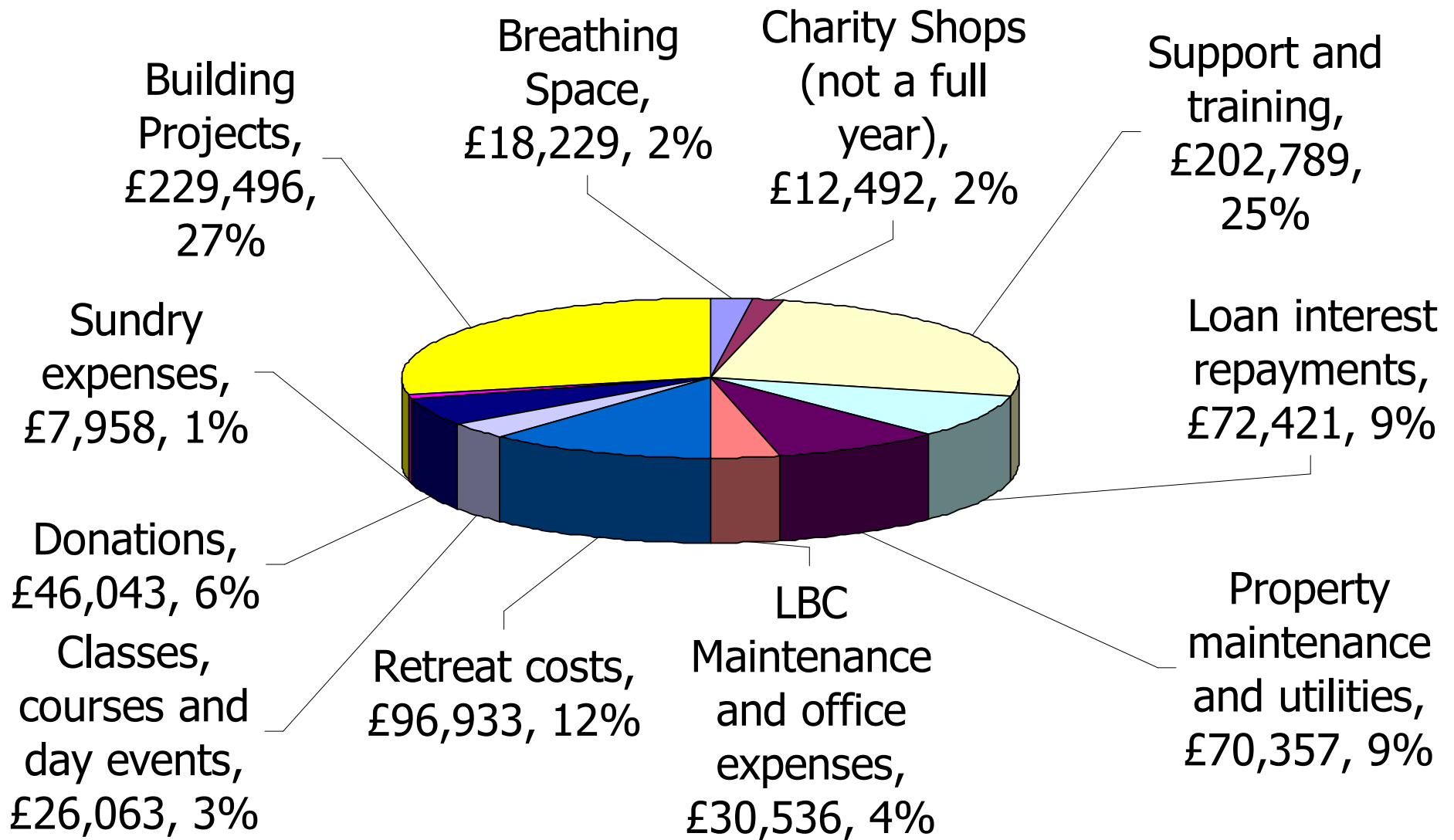
The LBC's largest expense last year, apart from the building project, was 'support and training', at 25% of our overall expenses. We currently support 21 men and women, including those who work in Lama's Pyjamas and Jambala, our charity shops, and at Vajrasana. The average basic support level is currently £676 every month i.e. a 'take home' annual wage of just over £8000. Note that no-one at the LBC is supported purely to teach - our ethos is that all Dharma teaching should be given on a voluntary basis, and most of those supported by the Centre do teach or support the Centre's activities.

The LBC's support and training bill breaks down as overleaf.

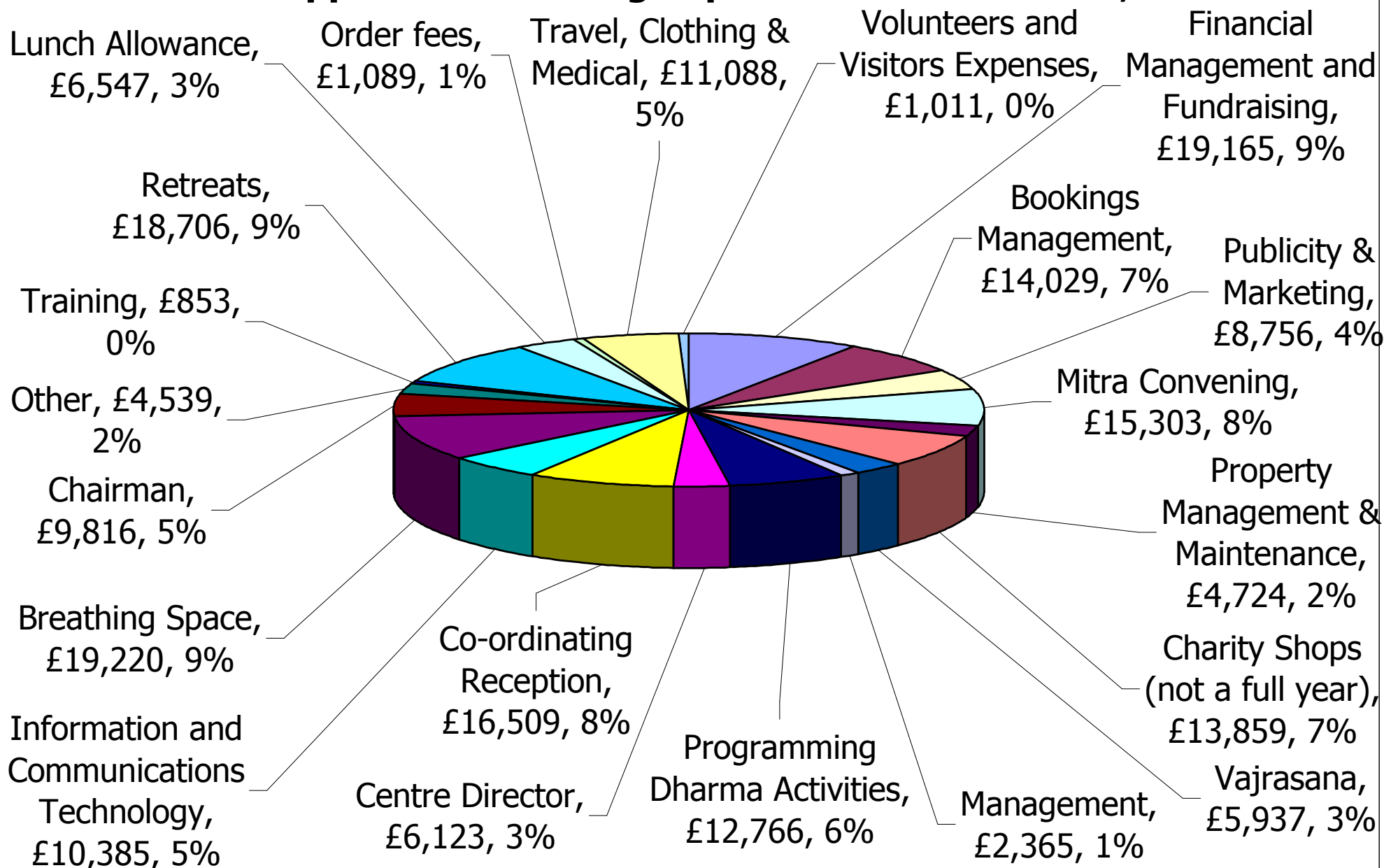
# LBC Income in 2009-10: £638,497



## LBC Expense in 2009-10: £813,316



## LBC Support and Training Expenses 2009-10: £202,789



## ***Assets and Liabilities***

The LBC, as a charity, owns the following community properties:

- 51 Roman Road, which houses Sukhavati community on the first and second floor and Samaggavasa community on floors three to five;
- 241/3/5/7 Globe Road, which currently houses Viramandala community on the first floor;
- 16-18 Approach Road, which houses Samayakula community (I and II);
- 20 Approach Road, which houses Maitrikuta community; and
- 22 Approach Road, which houses Indrajala community.

The LBC has a number of loans secured on these properties, including our mortgage with the ethical bank Triodos and an £80,000 loan with Windhorse Trust. Further information about our mortgage is given at the end of this paper. The LBC also owns a property in King Henry's Road NW3, as discussed below, and 83 Roman Road, which contains Lama's Pyjamas and a privately rented flat.

## ***Mahananda's Bequest***

In 2009, the LBC inherited a property in King Henry's Road, London NW3 from an Order member called Mahananda. It consists of five flats that are rented out to existing and new tenants. The combined annual income from this property is currently around £74,000. Without this income over the last year the LBC would have found itself in financial difficulties.

The property came with a debt of £52,731 which we have paid off – we took out a loan to do this. We have spent £35,000 refurbishing two flats, and these are now rented at a market rate.

### ***The LBC's Businesses***

From October 2008, the LBC invested £60,000 into two of its businesses – the Wild Cherry restaurant and Friends Organic health food shop – in an attempt to enable them to keep trading and become financially viable. The businesses had been making a substantial loss for some time. The LBC Council took the difficult decision to close Friends Organic in September 2009 and the Wild Cherry at the end January 2010. Lama's Pyjama's opened in the space vacated by Friends Organic and is doing well financially, as is Jambala second hand bookshop.

The Larder is due to open in a few weeks in what was the restaurant space. We are renting the space at a commercial rate with a 12-year lease. We negotiated that it would be a vegetarian café with no alcohol sold.

### ***The Building Project at the LBC***

The LBC spent around £2M on upgrading 51 Roman Road. The funds for this project came from the following sources:

- £150,000 from the sangha;
- £21,000 from reclaiming Gift Aid;
- A £25,000 grant and a £260,659 loan from Futurebuilders, a government-backed funding agency;
- £50,000 from City Bridge Trust, a charitable trust in the City of London;
- £50,000 from the 'zero rated approved alterations to

listed buildings' scheme;

- £586,502 from the sale of 86 Lauriston Road;
- £686,658 from the sale of 189 Victoria Park Road; and
- £171,549 from our reserves.

The building project has enabled us to create new on-going sources of income in Breathing Space, a larger bookshop and a new community. We were also able to:

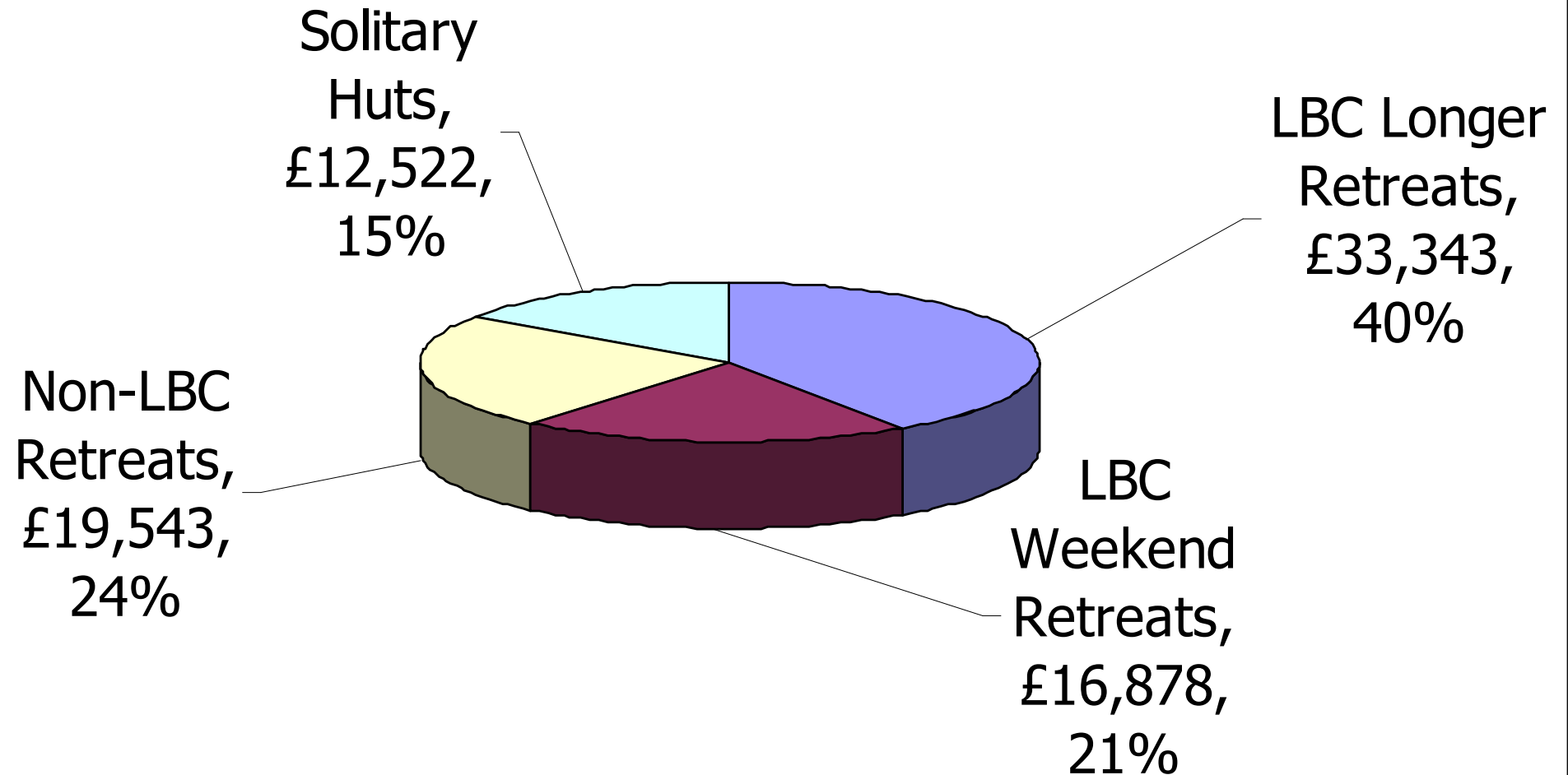
- improve disabled access to the Centre
- create a new, above ground office for the Centre Team
- provide central heating to the upper floors
- improve our plumbing, electrical and ventilation systems
- maintain guttering, windows and stairwells.

The project also means that we will avoid potentially very costly repair and maintenance work to the building in the future. Most important of all it has helped us to create good conditions for practice for years to come.

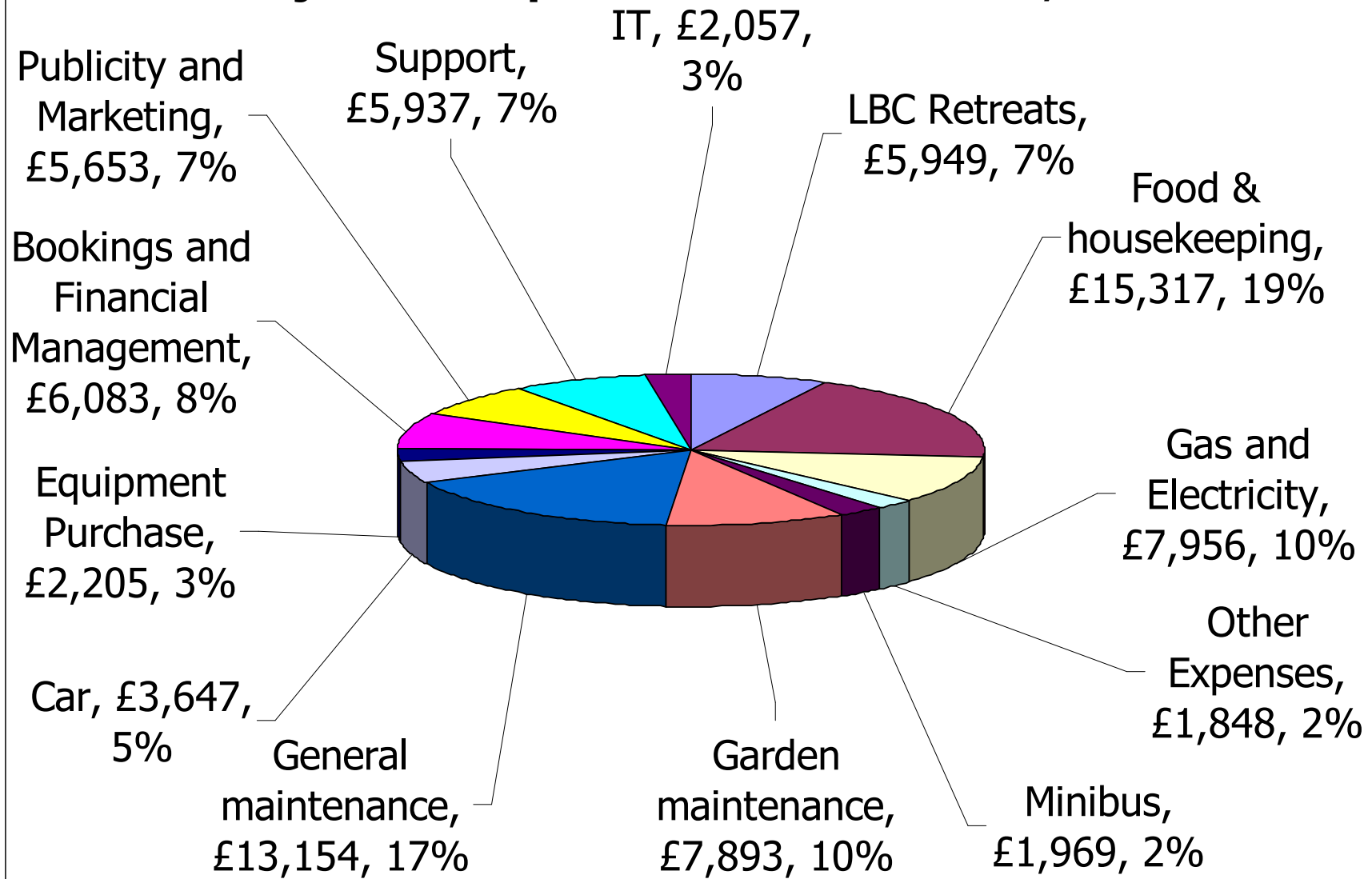
### ***The Finances of Vajrasana***

The income from Vajrasana, our retreat centre in Suffolk, exceeds £0.5M over the ten years since we bought it. Vajrasana income and expenses for 2009-10 are shown overleaf. We subsidise Vajrasana from other income to keep our retreats affordable.

# Vajrasana Income in 2009-10: £82,287



## Vajrasana Expenses in 2009-10: £92,166



## ***Summary of 2009-10 and beyond***

2009-10 was financially challenging for the LBC. The building project cost more than anticipated, which meant our reserves significantly decreased. Our reserves policy is to hold two to six months of expenses which would currently mean £120,000 to £360,000. Towards the end of 2009-10 our reserves fell below the minimum level for the first time in a decade.

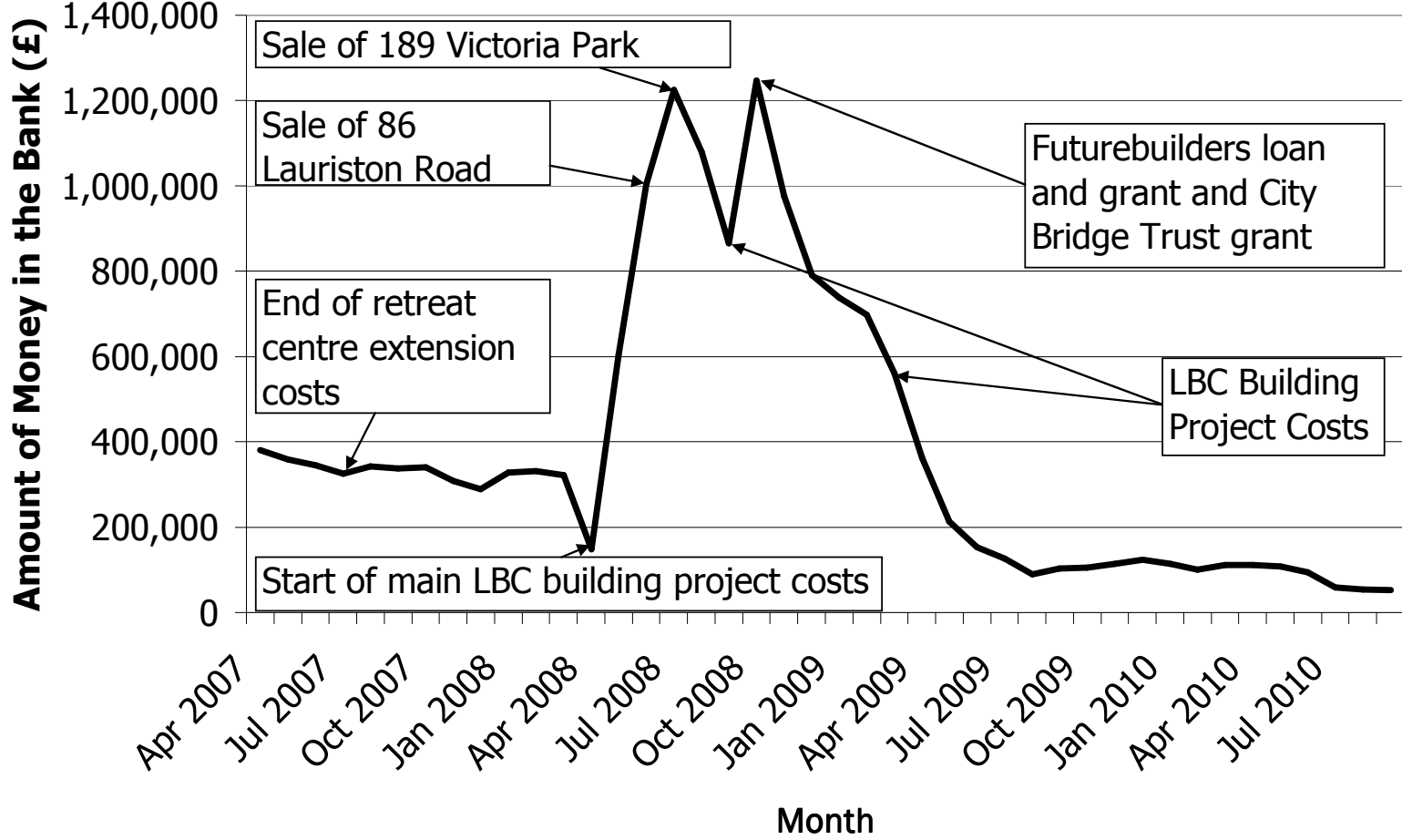
We have had further financial pressures in 2010-11. We spent more than £110,000 converting, renovating and maintaining our property. We also needed to pay £50,000 owed by us to beneficiaries of Mahananda's will and repay a £12,000 loan to Bodywise. We also agreed to lend Bodywise up to an additional £20,000.

We have therefore needed to extend our mortgage by taking out a new £1,065,000 loan over 20 years with Triodos. This has paid off two previous loans with Triodos, in addition to the Bodywise loan and the Futurebuilders loan and also covered the additional costs above.

Interest rates are currently extremely low but we will need to budget for them rising in the future. We also have other uncertainties, particularly our grants for Breathing Space, which look set to fall. Our reserves need to be raised if we are to continue to invest in and to develop Vajrasana, and if we are to be less vulnerable to changes in the economy.

Vajrasana is now ten years old. We currently have no money to spend on it beyond the most basic running costs. We need to improve the existing facilities and develop new facilities, such as a new kitchen and dining room, accommodation for a residential community and a new shrine room and stupa courtyard. We need your help to do this. Any financial support you provide could enable even more people to go on retreat and experience the fruits of living a more fully human life.

### LBC Cashflow 2007-2010



***London Buddhist Centre  
51 Roman Road  
London E2 0HU  
Registered charity no.: 255420***