

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT
AND ACCOUNTS**

FOR THE PERIOD ENDED 31 DECEMBER 2005



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**Charity No. 1110500
Company No: 5335841**

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
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REPORT AND ACCOUNTS

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UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)

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OFFICERS AND FINANCIAL ADVISORS

Registered Name Universal Compassion & Wisdom for Peace

Directors and Trustees J K Gahan (appointed 18/1/05)
R I Jeffrey (appointed 18/1/05)
V Mackenzie (appointed 18/1/05)
W Ridley (appointed 18/1/05)

Secretary A D Murdoch

Charity Number 1110500

Company Number 5335841

Registered Office 43 Renfrew Road
London SE11 4NA

International Director A D Murdoch

Bankers Duncan Lawrie Limited
Private Bankers
1 Hobart Place
London SW1W 0HU

Independent Accountants Ramon Lee & Partners
Kemp House
152 – 160 City Road
London EC1V 2DW.

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
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REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2005

The Directors and Trustees present their report together with the financial statements for the period ended 31st December 2005.

BACKGROUND AND SCOPE

Universal Compassion & Wisdom for Peace (the word 'Limited' being omitted by licence from the Department of Trade) is registered under the Companies Act 1985 as a company limited by guarantee and not having a capital divided by shares on the 18th January 2005. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice 2000 – Accounting and Reporting by Charities.

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.

AIMS AND OBJECTIVES

The objects of the charity is the advancement of education, in particular by providing or facilitating the provision of learning opportunities, facilities, tools and resources that will enable anyone, anywhere to develop their compassion and wisdom and contribute to peace in the world.

REVIEW OF ACTIVITIES

As this was the first year of UCWP's existence as an organisation, much of it was spent laying foundations for the future. A successful application was made for charitable status (granted in July) and the term 'Essential Education' chosen to represent the main thrust of the charity's work. Domain names were acquired, and a website launched in September. A bank account was opened and corporate stationery designed and printed.

During the year the number of UCWP network members rose to more than 600 people spread across 6 continents. They all received quarterly electronic newsletters, and meetings of network members were organised in London, Zurich and Melbourne. A training weekend also took place in Herefordshire, UK.

UCWP's Inaugural Conference took place in the UK in October 2005. This was a 5-day event which brought together 102 people from 14 different countries, who presented work in progress and discussed the future development of Essential Education tools and programmes. Preparations were subsequently made for an Australasia Pacific Launch Conference in 2006.

The most important piece of resource development work carried out during the year concerned the '16 Guidelines for a Happy Life'. A range of international focus groups were established and background research was undertaken in readiness for the presentation of the Guidelines at a conference in Sydney in April 2006.

The Directors and Trustees are satisfied with the state of the organisation's affairs at the Balance Sheet date.

ORGANISATION AND DECISION MAKING PROCESSES

The governing body of the organisation is the Board of Directors and Trustees, which comprises up to 12

DIRECTORS AND TRUSTEES

The Directors and Trustees in office in the period are set out on page 2. They have no beneficial interest in the company other than as members.

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
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REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2005

INTERNAL CONTROLS

The Directors and Trustees confirm that internal control procedures are in place in order to provide reasonable assurance against material misstatement or loss.

They include:

1. Comprehensive financial policies and procedures
2. Internal audit of cash handling and other financial procedures
3. Comprehensive system of annual budgets, approved by the trustees, and monthly financial reporting of actual against budget
4. Regular forecasting of predicted income and cash flow
5. Regular monitoring of reserves policy
6. Annual review of the organisation's risk register

RESERVES POLICY

The Directors and Trustees have reviewed the reserves of the organisation. This review covered the nature of the income and expenditure streams of the organisation and the need to match variable income with fixed costs.

It is recognised that the organisation needs to have sufficient cash and reserves to absorb short-term fluctuations and larger setbacks in income receipts. The review concluded that the organisation needs to maintain reserves at around the current level and is conscious of that need when agreeing the Budget for 2006.

RISK

During the current year a full risk assessment will be undertaken in order to identify the major risks to which the organisation may be exposed. The Directors are not aware of any areas that require immediate attention.

STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES

Company law requires the Directors and Trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the surplus or deficit of the company for that period. In preparing those accounts, the Directors and Trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) follow applicable accounting standard, subject to any material departures disclosed and explained in the accounts;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors and Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

R I Jeffrey
Trustee



J K Gahan
Trustee



25th April 2006

REPORT OF THE INDEPENDENT ACCOUNTANT TO THE TRUSTEES OF
UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
(A company limited by guarantee)

We report on the financial statements of the organisation to the Members of the organisation for the period ended 31ST December 2005, set out on pages 6 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS, TRUSTEES AND REPORTING ACCOUNTANT

As described on page 4, the organisation's Directors and Trustees are responsible for the preparation of the accounts, and they consider that the organisation is exempt from audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

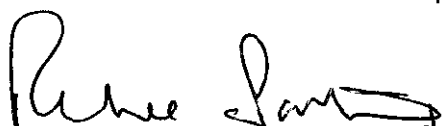
BASIS OF OPINION

Our work was conducted in accordance with the Statements of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the organisation, and making such limited enquiries of the officers of the organisation as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

1. the financial statements are in agreement with the accounting records kept by the organisation under S21 of the Companies Act 1985.
2. having regard only to, and on the basis of, the information contained in those accounting records:
 - the financial statements have been drawn up in a manner consistent with the accounting requirements specified in S249C(6) of the Act; and
 - the organisation satisfied the conditions for exemption from an audit of the financial statements for the year, specified in S249A(4) of the Act as modified by S249A(5) and did not, at any time within that year, fall within any of the categories of the companies not entitled to the exemption specified in S249B(1).



RAMON LEE & PARTNERS
KEMP HOUSE
152 – 160 CITY ROAD
LONDON EC1V 2DW.

25th April 2006

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 DECEMBER 2005

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2005</u> £
Incoming Resources				
Donations		5,713	6,646	12,359
<i>In furtherance of the charity's objects:</i>				
- Grant income		10,000	-	10,000
- Training & conference income		570	9,491	10,061
TOTAL INCOMING RESOURCES		<u>16,283</u>	<u>16,137</u>	<u>32,420</u>
 Charitable expenditure				
<i>In furtherance of charitable activities:</i>				
- Cost of activities	2	9,059	15,226	24,285
- Management and administration	3	1,068	-	1,068
TOTAL RESOURCES EXPENDED		<u>10,127</u>	<u>15,226</u>	<u>25,353</u>
 Net (outgoing) / incoming resources		6,156	911	7,067
NET MOVEMENT IN FUNDS BEFORE TRANSFERS		<u>6,156</u>	<u>911</u>	<u>7,067</u>
 TRANSFER		(85)	85	-
NET MOVEMENT IN FUNDS AFTER TRANSFERS		<u>6,071</u>	<u>996</u>	<u>7,067</u>
 TOTAL FUNDS, brought forward		-	-	-
TOTAL FUNDS, carried forward		<u><u>6,071</u></u>	<u><u>996</u></u>	<u><u>7,067</u></u>

CONTINUING OPERATIONS

All of the Charity's activities were acquired during the above financial period.

TOTAL RECOGNISED GAINS AND LOSSES

The Charity has no recognised gains or losses other than the above movement in funds for the above financial period.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

The notes on pages 8 to 11 form part of these accounts.

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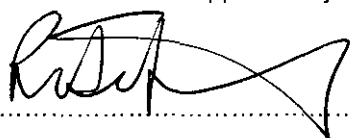
BALANCE SHEET AS AT 31 DECEMBER 2005

	<u>Notes</u>	<u>2005</u>	
		£	£
CURRENT ASSETS			
Cash at bank & in hand		7,655	
		<u>7,655</u>	
CREDITORS: Amounts falling due within one year	6	588	
		<u>588</u>	
NET CURRENT ASSETS			6,071
NET ASSETS			<u><u>6,071</u></u>
Represented by:			
Unrestricted funds	7		6,071
Restricted Funds	8		996
			<u><u>7,067</u></u>

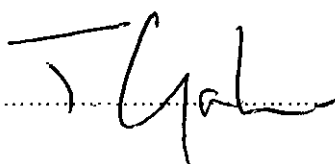
In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249A(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 25 April 2006.



R I Jeffrey



J K Gahan

The notes on pages 8 to 11 form part of these accounts

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
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NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements.

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

(b) Tangible fixed assets for use by the organisation and depreciation.

Tangible fixed assets for use by the organisation are stated at cost less depreciation.

(c) Income.

Donations and grants are accounted for as received by the organisation.

(d) Value Added Tax.

Value Added Tax is not recoverable by the charity, and, as such, is included in the relevant costs in the Statement of Financial Activities.

(e) Management and administration expenditure.

Expenditure on management and administration of the organisation includes all expenditure not directly related to the charitable activity.

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NOTES TO THE ACCOUNTS (Cont'd)

FOR THE PERIOD ENDED 31 DECEMBER 2005

2. CHARITABLE EXPENDITURE – Costs of Activities

	<u>2005</u> £
Project costs	
Staff costs	4,675
Office expenses	1,614
Telephone and internet	175
Training & conference cost	15,845
Travel and subsistence	1,018
Equipment repairs and renewals	521
Sundries	437
	<u><u>24,285</u></u>

3. MANAGEMENT AND ADMINISTRATION

	<u>2005</u> £
Bank charges	183
Reporting accountant's fees	588
Legal and professional fees	297
	<u><u>1,068</u></u>

4. TAXATION

Universal Compassion & Wisdom for Peace is a registered charity and, therefore, is not liable to Income Tax or Corporation Tax on the income derived from its charitable activities.

5. DIRECTORS AND EMPLOYEES

STAFF COSTS

	<u>2005</u> £
Salaries	4,675
National Insurance	-
	<u><u>4,675</u></u>

There were no employees whose annual emoluments were £50,000 or more.

The average weekly full time number of staff employed by the organisation during the period was as follows:

	<u>2005</u>
Direct charitable work	1
Administrative work	0
	<u><u>1</u></u>

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE PERIOD ENDED 31 DECEMBER 2005

6. CREDITORS: Amounts falling due within one year

	<u>2005</u> £
Sundry creditors and accruals	588
	<u>588</u>

7. RESTRICTED FUNDS

	<u>Balance</u> <u>1.1.05</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Transfer</u> £	<u>Balance</u> <u>31.12.05</u> £
	-			-	-
Inaugural conference	-	15,141	15,226	85	-
Information officer	-	996			996
	<u>-</u>	<u>16,137</u>	<u>15,226</u>	<u>85</u>	<u>996</u>

Inaugural conference

Event held in October 2005, funded by a) donations from the participants and b) by some specific donations towards the costs of bursaries and conference materials

Information officer

Donations towards the cost of a second member of staff, in response to an appeal made at the Inaugural Conference in October 2005

8. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	<u>Unrestricted</u> £	<u>Restricted</u> £	<u>Total</u> £
Net current assets	6,071	996	7,067
	<u>6,071</u>	<u>996</u>	<u>7,067</u>

UNIVERSAL COMPASSION & WISDOM FOR PEACE (UCWP)
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE PERIOD ENDED 31 DECEMBER 2005

9. SHARE CAPITAL

The company is limited by guarantee and does not have a share capital divided by shares.

10. RELATED PARTY TRANSACTIONS

For the whole of the period the organisation was under the control of the Directors and Trustees as shown on page2.