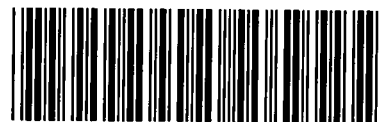


FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

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

FOR THE YEAR ENDED 31 DECEMBER 2019

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**Charity No. 1110500
Company No: 05335841**

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT AND ACCOUNTS

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FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st December 2019, which are also prepared to meet the requirements for a directors' report and Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statements 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 2019).

OUR PURPOSE AND ACTIVITIES

The Foundation for Developing Compassion and Wisdom (FDCW) was established as a global charity based in London in 2005. Since then it has provided secular training, programmes and resources across many sectors of society – schools, universities, hospices, workplaces, healthcare, youth groups and community centres.

FDCW courses have reached thousands of people across the world through a dedicated and growing network of 90 facilitators spread throughout 22 countries.

FDCW creates programmes, training and resources that cultivate and explore universal values such as humility, kindness, courage, compassion, empathy. By seeing our experiences through the lens of these values, we learn to manage our negative emotions better and create the space for wiser choices. The content is inspired by ancient Buddhist wisdom and Western philosophy without religious elements. Courses are presented in a modern way using scientific evidence and current theories in psychology so that they are universally relevant in a modern world.

What makes FDCW courses a unique experience?

FDCW courses put the student at the heart of the learning process. Unlike traditional learning experiences in which the teacher may be perceived as 'the sage on the stage', FDCW facilitators aspire to be 'the guide on the side' - walking the path of learning together with the students.

Whether a course is delivered in person or online, trained facilitators create the conditions for the students' growth and inner wisdom to unfold through creative exploration and heartfelt reflection and sharing in pair and group activities. By bringing qualities of mindfulness to the gradual process of unfolding understanding, learning becomes a whole-hearted experience not a process of simply receiving information.

What is Universal Education?

Universal Education is an approach to education that seeks to provide human beings (children and adults alike) with the keys to unlock and develop the best and most positive aspects of their hearts and minds. This includes helping people to become kinder and more deeply compassionate towards themselves and others through developing greater wisdom of our human reality.

In its content and methodology Universal Education for Compassion and Wisdom (UECW) is both ancient and contemporary. It is rooted in the ancient wisdom of Buddhist philosophy and psychology together with contemporary research from the natural and social sciences and complementary material from other wisdom and spiritual traditions.

This approach offers a practical methodology that enables a person to gain a deeper understanding of themselves, the material world, and the interconnection between the two in order to develop a deeply compassionate attitude with which to relate to others and to address the vicissitudes of life.

Inspiration for a Universal Education

FDCW takes inspiration from its Patron, the Dalai Lama, who is one of the world's leading advocates for the promotion of human values and universal ethics in education and society.

As a result of attending FDCW workshops and courses, participants can build resilience; develop their inner qualities which act as inner resources; improve their relationships; make more conscious choices about how they live and contribute to the world. FDCW's aim is to contribute to creating a more peaceful, compassionate and sustainable world.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and Performance

In 2019, FDCW achieved the following milestones through its programs:-

- ✓ Creation, piloting and launch of a new course called Building Balanced Empathy ("BBE") exploring empathy, vulnerability and resilience
- ✓ Two online facilitator trainings in BBE completed with a third training planned for 2020 due to popular demand
- ✓ 46 facilitators are accredited to facilitate BBE and listed on FDCW's website with more accrediting in 2020
- ✓ Consulted and developed criteria for the Training pathway to accredit facilitators of 16 Guidelines Level 2
- ✓ Developed and delivered an online training course resulting in the number of 16 Guidelines facilitators in Australia and New Zealand increasing from 1 to 8.
- ✓ Updated all 16 Guidelines Level 1 course materials in English and Spanish
- ✓ Updated 16 Guidelines Level 3 facilitator training materials
- ✓ Provision of Building Inner Strength curriculum based on 16 Guidelines for prisoners and young offenders
- ✓ Updated online and hard copy Evaluation forms for all FDCW courses
- ✓ Development begun on next course derived from the a.r.t. program called Unlocking Your Potential
- ✓ Creation of a new free Discussion Guide for exploring universal values called Building Inner Strength
- ✓ Updated all 16G Level 2 course materials in English and Spanish
- ✓ Development of new 12 hour module of the 16G program called 16G for Children and Teens program available in both in both English and Spanish.
- ✓ Delivered in person presentations about FDCW's work at FPMT Regional meetings in North America, South East Asia, Mexico and UK.
- ✓ 16G and BBE workshops held throughout the year in La Reunion, Mauritius, USA, Sri Lanka, France, Canada, UK, Netherlands, Mexico and Mongolia.
- ✓ Throughout the year various Building on the Basics (BoB) groups have run in London, Aberdeenshire, Mongolia, USA, etc.
- ✓ Translated the 16G Level 1 materials into Portuguese
- ✓ Translated the 16G Level 2 materials into Spanish
- ✓ Building Balanced Empathy course materials are being translated into Spanish, Italian, Dutch and French.
- ✓ The 16G book is available in English, Spanish, French, German, Dutch and Italian. It is being translated into Vietnamese, Mongolian and Polish.
- ✓ Consulted on, developed and launched a new Facilitator's Handbook for 16 Guidelines Facilitators

In 2019, FDCW's Communications initiatives achieved:-

- ✓ Developed a hosting pack and marketing materials for the new Building Balanced Empathy course
- ✓ Increased use of program content on social media platforms such as Facebook, Blog and Mandala Blog.
- ✓ Improved the design, functionality and user-friendliness of the Building Inner Strength 16G online study course
- ✓ Re-branded the three main entry points for the 16G program "Building Inner Strength"
- ✓ Increased global Newsletter subscribers by 25%
- ✓ Developed appealing new Hosting Pack for the 16 Guidelines program
- ✓ Creation of new Newsletter format and content for our subscribers
- ✓ Successful transition from Maestro to Zoom, resulting in much improved technology for meetings, forums and trainings

Development

- ✓ Successful adaptation of the a.r.t. of Fulfilment program to create a series of shorter courses
- ✓ Recruitment and induction of two new Trustees with skills in UE programs, business and management
- ✓ All staff trained in SCRUM training for more effective project management
- ✓ Approval of FDCW Environmental Policy
- ✓ Presentation and discussion of Safeguarding issues and Policy at a Forum for all FDCW facilitators
- ✓ Creation, board approval and implementation of FDCW Safeguarding Policy
- ✓ All accredited FDCW facilitators have signed an Ethical Policy in line with the Safeguarding Policy
- ✓ Secured funding for the 2019 budget with surplus funds available for the 2020 budget
- ✓ Convened and presented 6 "live" interactive online Forums for facilitators throughout the year on Marketing Skills, 16 Guidelines for Children (in Spanish), Safeguarding, Building Balanced Empathy, 16 Guidelines and Yoga and Lama Yeshe's Vision for Universal Education.
- ✓ FDCW Board is undertaking a comprehensive review of the organization's policies to upgrade existing and create new policies to ensure that FDCW maintains best ethical, operational, risk management, and fiscal practices

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

Strategy for 2020 & 2021

➤ Programs

By the end of 2021 we aim to achieve the following program goals:

- Delivering our third and final online facilitator training in Building Balanced Empathy (BBE)
- Accrediting new facilitators into the BBE course
- Promoting and delivering BBE online course to participants worldwide
- Launching and promoting our new free Building Inner Strength Discussion Guide worldwide
- Launching 16G for Children and Teens course in English and Spanish
- Training Facilitators in the new 16G for Children and Teens course
- Creating new free, practical resources for worldwide benefit
- Developing, piloting and launching two more courses from the art of Fulfilment program
- Undertaking academic partnerships to evaluate the impact of FDCW programs and trainings
- Upgrading FDCW evaluation tools to integrate participants' feedback and strengthen program design

➤ Training

By the end of 2021 we aim to increase the number of accredited facilitators by:

- Increased use of our online training platform to deliver the highest quality training to an international audience of educators
- Developing new programs and training those who meet the necessary criteria to deliver them
- Providing regular live discussion forums to support peer to peer learning and knowledge-sharing among trainers and facilitators, to gather feedback and program responsiveness
- Developing a new improved, rigorous and in-depth facilitator training in the 16 Guidelines program

➤ Funding

By end of 2021 we wish to strengthen the financial base of FDCW by:

- Generating new income streams by moving courses and trainings online
- Converting the printed 16G book into an E-publication available for sale
- Exploring new funding opportunities with the FDCW Fundraising Committee
- Create a new Shop page for our website
- Provide regular Funding Updates for our funders to retain their ongoing support

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

FINANCIAL REVIEW

The Statement of Financial Activities showed a net surplus of £29,954 (2018 – deficit £39,625) for the year and reserves stand at £62,540 (2018 – £32,586).

The Board is delighted that the budget and funds have been managed in such a way this year so that there are surplus unrestricted funds available for allocation towards the 2020 budget.

The Board in conjunction with the ED have taken measures to streamline the annual budget by creating efficiencies in team management and office systems.

FDCW successfully transitioned from Sage to Quick Books to streamline accounting and reporting.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves policy

It is the policy of the Trustees to maintain free reserves at a level equivalent to at least three months running costs to enable the Charity to meet its obligations in the short term together with funds to cover any unforeseen deficits or revenue shortfalls. The trustees have estimated the reserves needed is £30,000.

Three months running costs are calculated on the basis of projected expenditure, with no allowance made for projected income.

The Directors consider that the Charity's reserves will enhance the services provided and provide financial security for the future.

The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £60,538 (2018 - £32,586). The trustees plan to spend the surplus funds in 2020.

Governing document

Foundation for Developing Compassion and Wisdom (the word 'Limited' being omitted by licence from the Department of Trade) is registered as a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 18th January 2005 and is a registered charity constituted as a Limited Company under the Memorandum and Articles of Association. The charity registration number is 1110500 and the company registration number is 05335841.

Recruitment and appointment of Trustees

As set out in the Articles of Association the Chair of the Trustees is nominated by Foundation for Developing Compassion and Wisdom. The Directors of the organisation are also the charity trustees for the purposes of charity law.

The Trustees have no beneficial interest in the company other than as members. The Trustees are also the directors of the company. All of the Trustees are members of the company and guarantee to contribute £1 in event of winding up.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number: 1110500

Company Number: 05335841

Directors and Trustees

W K Ridley

R Brentano

D L Oldershaw - Resigned 12/12/19

S A Mills

O L Lee

F B Pradelle - Resigned 24/03/19

S L Wainwright - Resigned 24/06/19

J Briggs

G T Lama - Appointed 16/08/2019

E M Ström - Appointed 26/10/2019

Senior Management: Victoria Coleman – Executive Director

Treasurer: K Halford

Registered Office: 93 Tabernacle Street, London, England, EC2A 4BA

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

Bankers: The Co-operative bank PLC, PO Box 250, Skelmerdale WN8 6WT

Independent Examiner: D Terry – Chartered Accountant,
Ramon Lee Ltd, 93 Tabernacle Street, London EC2A 4BA

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of the Foundation for Developing Compassion and Wisdom 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:

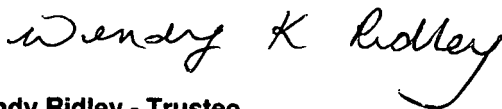
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 are responsible for maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



Wendy Ridley - Trustee

28th September 2020

REPORT OF THE INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

I report on the accounts of the company for the year ended 31 December 2019, which are set out on pages 8 to 18.

Respective responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

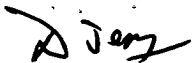
Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**D TERRY – CHARTERED ACCOUNTANT
RAMON LEE LTD
93 TABERNACLE STREET
LONDON EC2A 4BA**

28TH SEPTEMBER 2020

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income					
Grants, donations and legacies	2	101,349	20,862	122,211	114,283
Income from charitable activities	3	11,283	-	11,283	9,651
Total income		<u>112,632</u>	<u>20,862</u>	<u>133,494</u>	<u>123,934</u>
Expenditure					
Cost of raising funds	4	8,197	-	8,197	24,636
Expenditure on charitable activities	4	74,481	20,862	95,343	138,923
Total expenditure		<u>82,678</u>	<u>20,862</u>	<u>103,540</u>	<u>163,559</u>
Net income/(expenditure) and net movement in funds for the year		29,954	-	29,954	(39,625)
<i>Reconciliation of funds</i>					
Total funds, brought forward		32,586	-	32,586	72,211
Total funds, carried forward		<u>62,540</u>	<u>-</u>	<u>62,540</u>	<u>32,586</u>

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The statement of financial activities includes all gains and losses recognised in the above financial years.

The notes on pages 10 to 18 form part of these accounts

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019	2018
		£	£
Fixed assets			
Tangible assets	9	2	2
Current assets			
Stock	10	5,176	4,875
Debtors	11	301	340
Cash at bank & in hand		68,195	134,110
		<u>73,672</u>	<u>139,325</u>
Liabilities			
Creditors falling due within one year	12	11,134	106,741
		<u>11,134</u>	<u>106,741</u>
Net current assets		62,538	32,584
Net assets		<u>62,540</u>	<u>32,586</u>
The funds of the charity:			
Unrestricted funds:			
General	13	60,540	30,586
Designated	13	2,000	2,000
Restricted funds	13		
		<u>62,540</u>	<u>32,586</u>

In preparing these financial statements:

For the financial period ended 31st December 2019 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These accounts were approved and authorised for issue by the Board of Directors and Trustees on 28th September 2020 and were signed on its behalf by:

..... *Wendy K Ridley* Wendy Ridley - Trustee

Company Registration No 05335841

The notes on pages 10 to 18 form part of these accounts

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

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 2019) – (Charity SORP (FRS 102) as amended by Bulletin 1), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Foundation for Developing Compassion and Wisdom meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

1.2 Preparation of accounts on a going concern basis

The Charity's Financial Statements show net surplus of £29,954 (2018 – deficit £39,625) for the period and free reserves of £60,537. The trustees are of the view that these results have secured the immediate future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

1.3 Income recognition

All income is included in the consolidated SOFA when the charity is legally entitled to it, receipt is probable and the amount can be measured with sufficient reliability.

Grant income

Grants are credited to the SOFA when the charity is entitled to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income from charitable activities.

Donations and legacies

Donations are recognised in the period in which they are received. Legacy income is recognised when the charity's entitlement is judged to be probable and where the amount can be reliably measured.

1.4 Volunteers and donated services and facilities

Donated 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. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refers to the trustees' annual report for more information about their contribution.

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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2019

1.5 Expenditure recognition and irrecoverable VAT

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 is classified under the following activity headings:

- (a) Cost of raising funds comprises costs of seeking donations, legacies and grants and their associated support costs.
- (b) Expenditure on charitable activities include expenditure associated with the main objectives of the Charity and include both direct costs and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 5.

1.7 Funds structure

The general fund comprises those monies, which may be used toward meeting the charitable objectives of the company at the discretion of the Management Board.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £250 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	- 4 years
Furniture & fixtures	- 4 years

1.9 Stock

Stock is shown at the lower of cost and net realisable value. Stock consists of books and cards.

1.10 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.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term cash deposits.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2019

1.12 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.

1.13 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.

1.14 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1.15 Taxation

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.16 Judgement and key sources of estimation uncertainty

In the application of the company's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.17 Pension Costs

The charity operates a contributory defined contribution pension scheme, the assets of which are held separately from those of the charity. Pension costs are charged to the SOFA in the period to which they relate.

1.18 Cash flow statement

The charitable company qualifies as a small company and advantage has been taken of the exemption provided by SORP (FRS 102) as amended by Bulletin 1, not to prepare a cash flow statement.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. GRANTS, DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Individual Benefactor #2	-	-	-	8,000
Individual Benefactor #4	-	-	-	50,000
Individual Benefactor #10	-	-	-	7,792
Other individual Donations	1,349	100	1,449	4,460
Foundation for Preservation of the Mahayana Tradition, Inc.	100,000	762	100,762	25,519
16 Guidelines programme:				
Individual Benefactor #14	-	2,000	2,000	-
Donated Services	-	-	-	512
Communications:				
Camellia Foundation	-	18,000	18,000	18,000
	<u>101,349</u>	<u>20,862</u>	<u>122,211</u>	<u>114,283</u>

The grants, donations and legacies income in 2018 totalling £114,283 was attributed to £26,000 restricted funds and £88,283 unrestricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<i>The a.r.t of Fulfilment Programme:</i>				
Training income	1,773	-	1,773	650
16 Guidelines programme:				
Training income	5,057	-	5,057	4,467
16 Guidelines Resources distribution:				
Publication Sales	4,453	-	4,453	4,283
Royalties	-	-	-	251
	<u>11,283</u>	<u>-</u>	<u>11,283</u>	<u>9,651</u>

The income from charitable activities in 2018 totalling £9,651 was attributed to unrestricted funds.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2019

4. ANALYSIS OF EXPENDITURE

	Raising Funds £	The a.r.t of Fulfilment Programme £	16 Guidelines Programme £	Communications £	16 Guidelines Resources distribution £	2019 £	2018 £
Staff costs	5,139	6,852	13,507	23,155	3,426	52,079	87,109
Direct project costs	-	4,251	8,955	803	-	14,009	33,869
Fundraising costs	158	-	-	-	-	158	154
Support costs (Note 5)	2,355	5,087	10,293	10,978	1,570	30,283	34,176
Governance costs (Note 5)	545	1,178	2,383	2,542	363	7,011	8,251
	<u>8,197</u>	<u>17,368</u>	<u>35,138</u>	<u>37,478</u>	<u>5,359</u>	<u>103,540</u>	<u>163,559</u>

Of the £103,540 expenditure in 2019 (2018 - £163,559), £82,678 was charged to unrestricted funds (2018 - £129,267) and £20,862 to restricted funds (2018 - £34,292).

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2019

5. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between charity's five key activity undertaken (see note 4) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis of a proportion of direct costs, allocated to each activity.

	General support	Governance function	2019	2018
	£	£	£	£
Staff costs	17,459	5,139	22,598	21,200
Premises and equipment costs	7,259	-	7,259	9,785
Communications	2,263	-	2,263	3,781
Legal and professional	894	-	894	2,035
Insurance	766	-	766	625
Bank charges & exchange differences	28	-	28	130
Miscellaneous expenses	1,614	-	1,614	2,540
Depreciation	-	-	-	184
Trustees expenses	-	72	72	347
Independent examiner	-	1,800	1,800	1,800
	<u>30,283</u>	<u>7,011</u>	<u>37,294</u>	<u>42,427</u>

6. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2019	2018
	£	£
Independent Examination	1,800	1,800
Depreciation	-	184

7. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

STAFF COSTS

	2019	2018
	£	£
Salaries	70,277	98,844
National Insurance	3,060	5,292
Pension	1,340	1,182
Redundancy	-	2,991
	<u>74,677</u>	<u>108,309</u>

There were no employees whose annual emoluments were £60,000 or more.

None of the Trustees received any remuneration during the year. None of the trustees were reimbursement expenses during the year (2018 - £nil).

During the year one of the trustees donated £2,000 (2018 - £50,000).

The key management personnel of the charity comprise the Executive Director. The total employee benefits of the key management personnel of the charity were £33,942 (2018 - £40,601).

8. STAFF NUMBERS

The average monthly number of staff employed by the charity during the year was as follows:

	2019	2018
Direct charitable work	2.5	3

The average monthly number of persons employed by the Charity during the year was 3 (2018 - 5).

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2019

9. FIXED ASSETS

	2019	2018
	£	£
NET BOOK VALUES		
Equipment	1	1
Furniture & fixtures	1	1
	<u>2</u>	<u>2</u>
MOVEMENTS IN YEAR		
Cost or valuation	Opening Balances	Closing Balances
	£	£
Equipment	4,192	4,192
Furniture & fixtures	575	575
	<u>4,767</u>	<u>4,767</u>
Depreciation	Opening Balances	Charge For Year
	£	£
Equipment	4,191	-
Furniture & fixtures	574	-
	<u>4,765</u>	<u>-</u>

10. STOCK

	2019 £	2018 £
Books, cards and CD's stock	5,176	4,875
	<u>5,176</u>	<u>4,875</u>

11. DEBTORS

	2019 £	2018 £
Trade Debtors	301	340
	<u>301</u>	<u>340</u>

12. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,084	-
Taxation and social security	-	1,608
Other creditors	290	282
Accruals	3,760	4,571
Deferred income (note 15)	5,000	100,280
	<u>11,134</u>	<u>106,741</u>

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2019

13. ANALYSIS OF CHARITABLE FUNDS

	Balance 01.01.19 £	Income £	Expenditure £	Balance 31.12.19 £
Restricted funds:				
Individual Benefactor #15	-	2,000	2,000	-
Foundation for Preservation of the Mahayana Tradition, Inc.	-	762	762	-
Other individual donations	-	100	100	-
Camellia Foundation	-	18,000	18,000	-
	<u>-</u>	<u>20,862</u>	<u>20,862</u>	<u>-</u>
Unrestricted funds:				
Designated funds:				
Redundancy fund	2,000	-	-	2,000
	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
General funds	30,586	112,632	82,678	60,540
	<u>32,586</u>	<u>112,632</u>	<u>82,678</u>	<u>62,540</u>
Total funds	<u>32,586</u>	<u>133,494</u>	<u>103,540</u>	<u>62,540</u>

Analysis of funds previous year

	Balance 01.01.18 £	Income £	Expenditure £	Balance 31.12.18 £
Restricted funds:				
Individual Benefactor #2	-	8,000	8,000	-
Individual Benefactor #10	5,804	-	5,804	-
Individual Benefactor #12	678	-	678	-
Merit Box #1	1,810	-	1,810	-
Camellia Foundation	-	18,000	18,000	-
	<u>8,292</u>	<u>26,000</u>	<u>34,292</u>	<u>-</u>
Unrestricted funds:				
Designated funds:				
Redundancy fund	2,000	-	-	2,000
	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
General funds	61,919	97,934	129,267	30,586
	<u>63,919</u>	<u>97,934</u>	<u>129,267</u>	<u>32,586</u>
Total funds	<u>72,211</u>	<u>123,934</u>	<u>163,559</u>	<u>32,586</u>

Description, nature and purpose of unrestricted funds:

General funds General fund represents funds available to spend at the discretion of the Trustees after allowing for all the designated funds.

Redundancy fund Funds set aside to cover redundancies due to three staff contracts becoming permanent.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2019

13. ANALYSIS OF CHARITABLE FUNDS (continued)

Description, nature and purpose of restricted funds:

Individual Benefactor #2	Rent costs.
Individual Benefactor #10	Art of Fulfilment Programme Level 2 development.
Individual Benefactor #12	Art of Fulfilment Programme training.
Individual Benefactor #15	16 Guidelines for Children
Other individuals	Towards Christmas lunch
FPMT	Towards travel costs
Merit Box #1	16 Guidelines website translation into French and Spanish.
Camellia Foundation	Communications and Marketing department staff costs of £18,000.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General £	Designated £	Restricted £	Total £
Fixed assets	2	-	-	2
Net current assets	60,538	2,000	-	62,538
	<u>60,540</u>	<u>2,000</u>	<u>-</u>	<u>62,540</u>

Analysis of net assets between funds – previous year

	General £	Designated £	Restricted £	Total £
Fixed assets	2	-	-	2
Net current assets	30,584	2,000	-	32,584
	<u>30,586</u>	<u>2,000</u>	<u>-</u>	<u>32,586</u>

15. DEFERRED INCOME

	2019 £	2018 £
Balance brought forward	100,280	-
Amount released to income in the year	(100,280)	-
Amount deferred in the year	5,000	100,280
Balance carried forward	<u>5,000</u>	<u>100,280</u>

The deferred represent a unrestricted donation of £5,000 from Terrapin for 2020 received in advance.

16. SHARE CAPITAL

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

17. RELATED PARTY TRANSACTIONS

No related party transactions took place in the year.

18. POST BALANCE SHEET EVENTS

Since the year end, the Coronavirus (COVID-19) has emerged globally resulting in a significant impact on businesses worldwide. As a result some operations have been restricted, however the charity continues to operates using alternative methods and remote working. The trustees are unable to evaluate the overall financial impact on the charity at present. Hence financial statements do not include any adjustments that might result from the outcome of this uncertainty. The trustees are continuing to monitor, assess and act to the current changing environment in order to position the company to ensure its future success.