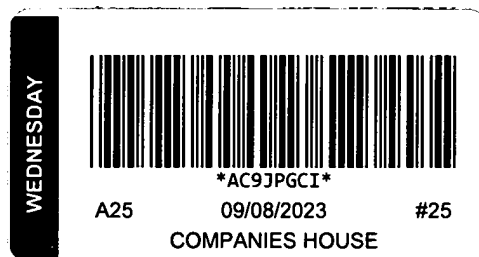


Charity registration number 1110500

Company registration number 05335841 (England and Wales)

**FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

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FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

LEGAL AND ADMINISTRATIVE INFORMATION

Directors and Trustees	J Briggs (Resigned 01/03/2022) D S Cutts G T Lama E M Strom O L Lee (Chair) S A Mills W K Ridley J A Costello (Appointed 3 March 2022)
Senior Management	V Coleman – Executive Director
Treasurer	D S Cutts
Charity number	1110500
Company number	05335841
Registered office	93 Tabernacle Street London England EC2A 4BA
Independent examiner	David Terry FCA Ramon Lee Ltd Chartered Accountants 93 Tabernacle Street London EC2A 4BA
Bankers	The Co-operative bank PLC P.O. Box 250 Delf House, Southway, Skelmersdale WN8 6WT
Website	www.compassionandwisdom.org

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees who are also the directors of the charity for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, provisions of Charities Act 2011, the Companies Act 2006 and "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).

Objectives and activities

The Foundation for Developing Compassion and Wisdom ("FDCW") was established to support people in developing a warm heart and a wise mind. It provides resources to develop kindness and compassion and a deeper understanding of how the mind works.

FDCW provides training, courses and free resources for a happier, more meaningful life taking inspiration from its Patron, the Dalai Lama, who said:-

When it comes to developing our understanding and increasing the positive qualities of our mind, the potential is limitless.

FDCW program content is rooted in the ancient wisdom of Buddhist philosophy and psychology as well as modern psychology and sciences of the mind such as neuroscience.

FDCW courses have reached thousands of people across the world through a dedicated and growing network of more than 100 facilitators spread throughout 25 countries. It also offers a wide range of accessible resources for immediate, practical use in various sectors of society.

Achievements and performance

FDCW continues to make strong and steady progress in sharing its vision and practical methods for a kinder, more compassionate world. During 2022, FDCW convened 6 online events on how to bring compassion into every aspect of our lives. Each event was packed full of advice, inspiration and meditations. The range of speakers brought a breadth of wisdom and perspectives.

In May 2022, a new resource called *Conversations That Matter* was launched. This is designed to spark discussions about values. It was piloted in summer with 5 drop-in online discussion sessions on Humility, Patience, Contentment, Delight and Forgiveness. Groups are using this resource and we have positive feedback from groups in Adelaide and Florida.

People are returning both in person and online for these hour-long sessions and they have a lot to share. We plan on keeping this going for the next six months! – Nicole Zito, Florida

A number of new resources were also created and launched:-

- new 16 Guidelines introductory video
- series of short 3 minute videos called UE Shorts
- new practical 16 Day Challenge
- new Video Library featuring 100+ videos on compassion, resilience, communication etc
- new collection of audio and video meditations on topics like compassion, courage, values etc

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

FDCW reached audiences of more than 50,000 people during 2022 and the numbers are growing due to a review of marketing and comms strategy during summer 2022:-

- Complete re-design of the website
- Clear message and SEO-based Blog strategy
- New testimonials slider featuring participant feedback from courses
- Focused social media strategy using Facebook, YouTube, Blog to boost impressions
- New website section featuring 100+ videos on compassion, values, resilience etc
- New website section featuring both audio and video meditations

In November 2021, FDCW trained 25 new facilitators in partnership with an NGO called Dreamers Home in Israel. During 2022, working with Dreamers has resulted in:-

- 16 Guidelines program now available in Hebrew and Arabic
- Israeli government approving 16 Guidelines program to be taught in schools
- Invitation to teach 16 Guidelines to several schools in the Netanya district in 2023
- Several 16 Guidelines courses for adults taking place throughout cities in Israel during 2022

The 16 Guidelines course enabled Arab women to join in because of the universal, non-religious presentation. The women had a safe space to explore, inquire and express themselves honestly and openly.

– Ofir Levit, 16G Facilitator, Jaffa

In October 2022, FDCW announced a new global partnership with the Foundation for Preservation of Mahayana Tradition ("FPMT") to support the delivery of secular programs throughout 165 Centres and projects worldwide. The FDCW team is engaging directly with FPMT Centre Directors to understand their needs and find solutions that can work. FDCW has gathered success stories that demonstrate impact of its programs that can serve to inspire others.

FDCW partnered with Science and Wisdom Live to convene an event in October on body, mind and consciousness featuring six expert speakers presenting from around the world. FDCW's Executive Director was invited to present FDCW's methods for compassion to representatives of the Council of Europe and Virginie Cornet-Burcher (FDCW facilitator) led a reflection from the 16 Guidelines program on the theme of respect in French.

2022 saw an increase in the use of 16 Guidelines in schools. Schools in India and Mexico have been integrating the Guidelines for some years with a headteacher in India recently becoming a 16 Guidelines facilitator. We are working with facilitators in France, Netherlands, Australia, UK, Israel and Mongolia for introducing the Guidelines into schools there.

Practising 16 Guidelines is proving to be very positive for students as well as teachers and employees.

- Raquel Mason, Principal of Akshay School, Bodhgaya, India

Our strategy over the next 12 months focuses on three key areas:-

- **16G for children and in schools** – support the introduction of 16G into more schools. Work has already begun on evaluating the impact of 16G in schools. An independent evaluation will encourage schools to introduce 16 Guidelines into their curriculum.
- **Understanding Mind and Transforming Emotions** – the success of the six events on Compassion means FDCW will convene six events on Mind, Wisdom and Emotions during 2023. Expert speakers from around the world will share their practical advice and methods on how we can understand our mind more deeply and transform challenging emotions and mental states such as anxiety and depression.
- **Expanding audiences** – we want to continue to steadily build our audiences by:-
 - (a) continuing to explore opportunities with existing and with new partners,
 - (b) focused social media campaigns about our resources, and
 - (c) featuring success stories showing how our methods are making people happier

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Strategy for 2023 to 2025

Our long term strategy is to build and expand our successful online presence by providing more online events, courses and trainings including a series of webinars on understanding the mind and transforming negative emotions. We will create and refine free resources that are readily downloadable and practical. We will pursue partnerships with organisations with similar goals for a kinder more, compassionate world.

Our Volunteers

FDCW relies on a strong team of volunteers. Speakers at our Facilitator Forums offered their time preparing for and presenting for free. During our Big Love Conference all speakers and translators offered their time for free. A consultant offered time during a series of meetings on strategic planning for the FDCW Board. One of FDCW's trustees offered a considerable amount of her time developing courses and delivering training during the year. FDCW very much values the contributions made by its volunteers.

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 £36,415 (2021 – net surplus £5,512) for the year and reserves stand at £100,025 (2021 – £63,610).

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 2023 budget.

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.

As at 31st December 2022 accounts showed reserves of £100,025 (2021 - £63,610) of which £92,244 (2021 - £59,860) was general, £2,000 (2021 - £2,000) was designated and £5,781 (2021 – £1,750) was restricted. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £89,145 (2021 - £55,850).

Principal funding sources

FDCW receives annual funding of the Communications and Marketing Manager's salary from The Camellia Foundation. It receives regular, generous support from the Foundation for Preserving the Mahayana Tradition whose Spiritual Director is Lama Zopa Rinpoche. Lama Zopa Rinpoche is also the Honorary President of FDCW but is not a Board member. FDCW also receives major funding from the Chair of the Board of its trustees, Ms Oi Loon Lee.

Structure, governance and management

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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

None of the Trustees has any beneficial interest in the company other than as a member. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisation structure

FDCW has a board of seven trustees spread across UK, Australia and Malaysia. The Executive Director reports to the Trustees during quarterly meetings. The Operations Manager and the Communications Consultant report to the Executive Director.

Trustee induction and training

Trustees joining FDCW's Board receive training and necessary documentation in order to make them fully aware of FDCW's past and current activities as well as financial and risk management. All Trustees have completed safeguarding training and have signed an Ethical Policy of conduct.

Risk management

The Board of Trustees carried out an extensive and comprehensive Risk Management review at the beginning of 2022. The level of risk in the following areas were reviewed and assessed: Governance, External Risk, Compliance, Financial, Operational and Safeguarding. Areas deemed to be high risk were identified and steps put in place to address and ameliorate these.

Related Parties

Ms Oi Loon Lee is the Chair of the Board of Trustees and has offered generous funding to FDCW over several years. Ms Wendy Ridley is a Trustee on the Board and offers her time for free to develop and deliver courses and training for FDCW. Lama Zopa Rinpoche is the Spiritual Director of the Foundation for the Preservation of the Mahayana Tradition (a non-profit that is affiliated with FDCW) and is also the Honorary President of FDCW but is not a member of the Board of Trustees of FDCW.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Foundation for Developing Compassion and Wisdom for the purpose of company law, are responsible for preparing the Trustees' Report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company Law requires the Trustees to prepare accounts 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 year.

In preparing these accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

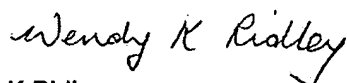
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and 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 accounts may differ from legislation in other jurisdictions.

The Trustees (who are also the directors of the company for the purposes of company law) consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and under the provisions of section 477 of the Companies Act and that an independent examination is needed. The Members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Trustees' report was approved by the Board of Trustees and signed on its behalf by:



W K Ridley
Trustee

Dated: 22 June 2023

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

I report to the Trustees on my examination of the financial statements of Foundation for Developing Compassion and Wisdom (the charitable company) for the year ended 31 December 2022.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my independent examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.



David Terry FCA

Ramon Lee Ltd
Chartered Accountants
93 Tabernacle Street
London
EC2A 4BA

Dated: 22 June 2023

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income from:</u>						
Donations and legacies	3	108,129	-	23,000	131,129	106,078
Income from charitable activities	4	5,421	-	-	5,421	8,486
Total income		113,550	-	23,000	136,550	114,564
<u>Expenditure on:</u>						
Raising funds	5	10,571	-	-	10,571	6,943
Charitable activities	6	70,595	-	18,969	89,564	102,109
Total resources expended		81,166	-	18,969	100,135	109,052
Net income for the year/ Net movement in funds		32,384	-	4,031	36,415	5,512
Fund balances at 1 January 2022		59,860	2,000	1,750	63,610	58,098
Fund balances at 31 December 2022		92,244	2,000	5,781	100,025	63,610

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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

All income and expenditure derive from continuing activities.

The notes on pages 10 to 21 form part of these financial statements.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		3,099		4,010
Current assets					
Cash at bank and in hand		102,538		71,018	
Creditors: amounts falling due within one year	11	(5,612)		(11,418)	
Net current assets			96,926		59,600
Total assets less current liabilities			100,025		63,610
Income funds					
Restricted funds			5,781		1,750
<u>Unrestricted funds</u>					
Designated funds		2,000		2,000	
General unrestricted funds		92,244		59,860	
			94,244		61,860
			100,025		63,610

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

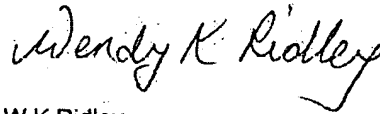
- a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- b) preparing accounts which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year 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 charitable 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.

The financial statements were approved by the Trustees on 22 June 2023 and were signed on its behalf by:



D S Cutts
Trustee



W K Ridley
Trustee

Company registration number 05335841

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Foundation for Developing Compassion and Wisdom is a private company limited by guarantee incorporated in England and Wales. The registered office is 93 Tabernacle Street, London, England, EC2A 4BA.

1.1 Accounting convention

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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

The 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. The principal accounting policies adopted are set out below.

1.2 Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Going concern

The charity's accounts show net surplus of £36,415 (2021 – net surplus £5,512) for the period and free reserves of £89,145 (2021 – £55,850). 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.

1.4 Charitable funds

The general fund comprises those monies, which may be used towards 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.

1.5 Incoming resources

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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

Training income

Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract, in the form of training fees.

1.6 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.

1.7 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:

- Cost of raising funds comprises costs of seeking donations, legacies and grants and their associated support costs.
- 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.

1.8 Allocation of support costs

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance costs, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity. 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 7.

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The cost of minor additions or those costing less than £250 are not capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers

4 Years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Stocks

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

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.13 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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.14 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.

1.15 Cash flow statement

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

1.16 Foreign exchange

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.

1.17 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.

1.18 Creditors

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.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, 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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	2022 £	2021 £
Donations and gifts		
Vistare Foundation	12,602	-
Foundation for the Preservation of the Mahayana Tradition, Inc. - Vistare Foundation	59,482	-
Bodhicitta Trust	8,640	-
Potential project	8,234	-
Individual Benefactor 4	10,000	63,357
Other Donations	5,721	14,721
Camellia Foundation	18,000	18,000
Donated services	8,450	10,000
	<u>131,129</u>	<u>106,078</u>
Analysis by fund		
Unrestricted funds	108,129	73,337
Restricted funds	23,000	32,741
	<u>131,129</u>	<u>106,078</u>

The donations in kind are recognised within income as donations, and corresponding charges included within direct project costs. The values placed on these contributions by the charity are:

- Individual – Direct project costs £8,450 (2021 – £10,000)

4 Income from charitable activities

	2022 £	2021 £
Training income		
The A.R.T of Fulfilment Programme	-	1,314
16 Guidelines Programme	3,969	3,595
Neuroscience Programme	1,000	3,480
16 Guidelines Resources distribution:		
Publication Sales	236	97
Donations in kind	216	-
	<u>5,421</u>	<u>8,486</u>
Analysis by fund		
Unrestricted funds	5,421	8,486

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Raising funds

	2022 £	2021 £
<u>Fundraising and publicity</u>		
Staff costs	6,406	4,808
Share of support costs	3,179	1,708
Share of governance costs	986	427
	<hr/>	<hr/>
Fundraising and publicity	10,571	6,943
	<hr/>	<hr/>
Analysis by fund		
Unrestricted funds	10,571	6,943
	<hr/>	<hr/>

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	The A.R.T. of Fulfilment Programme £	16 Guidelines Programme £	Neuroscience Programme £	Communicat ions £	16 Guideline Resources distribution £	Total 2022 £	Total 2021 £
Staff costs	-	12,758	3,203	23,347	3,204	42,512	51,989
Direct project costs	-	9,791	192	1,529	250	11,762	18,712
	-	22,549	3,395	24,876	3,454	54,274	70,701
Share of support costs (see note 7)	-	11,189	1,685	12,344	1,713	26,931	25,121
Share of governance costs (see note 7)	-	3,473	523	3,831	532	8,359	6,287
	-	37,211	5,603	41,051	5,699	89,564	102,109
Analysis by fund							
Unrestricted funds	-	37,211	5,603	22,082	5,699	70,595	
Restricted funds	-	-	-	18,969	-	18,969	
	-	37,211	5,603	41,051	5,699	89,564	
For the year ended 31 December 2021							
Unrestricted funds	18,895	22,500	4,271	15,826	7,376		68,868
Restricted funds	-	-	2,702	30,539	-		33,241
	18,895	22,500	6,973	46,365	7,376		102,109

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Support 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 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.

	Support costs £	Governance costs £	Total 2022 £	Total 2021 £
Staff costs	18,850	6,782	25,632	21,077
Depreciation	1,544	-	1,544	1,386
Communications	3,874	-	3,874	4,157
Insurance	1,023	-	1,023	948
Bank charges & exchange differences	386	-	386	437
Miscellaneous expenses	3,311	-	3,311	2,294
Legal and professional fees	402	-	402	798
Independent examiner's fees	720	2,100	2,820	2,400
Trustees' expenses	-	-	-	46
Premises and computer equipment costs	-	463	463	-
	<u>30,110</u>	<u>9,345</u>	<u>39,455</u>	<u>33,543</u>
Analysed between				
Fundraising	3,179	986	4,165	2,135
Charitable activities	26,931	8,359	35,290	31,408
	<u>30,110</u>	<u>9,345</u>	<u>39,455</u>	<u>33,543</u>

8 Net Income/(Expenditure) for the year

2022
£

2021
£

Net movement in funds is shown after charging:

Independent Examiner's Fees

Independent Examination	1,320	1,200
Other Services	1,500	1,200
	<u>2,820</u>	<u>2,400</u>

Depreciation of tangible fixed assets	<u>1,544</u>	<u>1,386</u>
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FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Direct Charitable work	3	3
	<u>3</u>	<u>3</u>
	2022 £	2021 £
Wages and salaries	71,640	73,708
Social security costs	1,534	2,516
Pension costs	1,376	1,650
	<u>74,550</u>	<u>77,874</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 (2021 - £Nil).

The key management personnel of the charity comprise the Executive Director. The total employee benefits of the key management personnel of the charity were £31,816 (2021 - £32,053).

10 Tangible fixed assets

	Computers £
Cost	
At 1 January 2022	6,785
Additions	633
	<u>7,418</u>
At 31 December 2022	
Depreciation and impairment	
At 1 January 2022	2,775
Depreciation charged in the year	1,544
	<u>4,319</u>
At 31 December 2022	
Carrying amount	
At 31 December 2022	3,099
	<u>3,099</u>
At 31 December 2021	4,010
	<u>4,010</u>

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Deferred income	12	-	8,234
Trade creditors		-	180
Other creditors		320	386
Accruals		5,292	2,618
		<u>5,612</u>	<u>11,418</u>

12 Deferred income

	2022 £	2021 £
Deferred income	-	8,234
	<u>-</u>	<u>8,234</u>

13 Analysis of charitable Funds

	Balance at 1 January 2022	Income	Expenditure	Balance at 31 December 2022
Restricted funds:				
Individual Benefactor #4	-	5,000	969	4,031
Camellia Foundation	1,750	18,000	18,000	1,750
	<u>1,750</u>	<u>23,000</u>	<u>18,969</u>	<u>5,781</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	59,860	113,550	81,166	92,244
	<u>59,860</u>	<u>113,550</u>	<u>81,166</u>	<u>92,244</u>
Total funds	<u>63,610</u>	<u>136,550</u>	<u>100,135</u>	<u>100,025</u>

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Analysis of charitable Funds

(Continued)

Analysis of funds previous year

	Balance at 1 January 2021	Income	Expenditure	Balance at 31 December 2021
Restricted funds:				
Camellia Foundation	2,250	18,000	18,500	1,750
Other Donation	-	1,384	1,384	-
Individual Benefactor #4	-	3,357	3,357	-
Donated Services	-	10,000	10,000	-
	<u>2,250</u>	<u>32,741</u>	<u>33,241</u>	<u>1,750</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	53,848	81,823	75,811	59,860
	<u>53,848</u>	<u>81,823</u>	<u>75,811</u>	<u>59,860</u>
Total funds	<u>58,098</u>	<u>114,564</u>	<u>109,052</u>	<u>63,610</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 two staff contracts becoming permanent.

Description, nature and purpose of restricted funds:

Camellia Foundation :- Towards communications and marketing department staff costs of £18,000 and towards 16 guidelines book update of £3,000. During the year ended 31/12/2020 £750 was spent on 16 guidelines book update. During the year ended 31/12/2021 £500 was spent on 16 guidelines book update leaving a balance of £1,750.

Individual Benefactor #4 :- Towards strategic planning overview

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Analysis of net assets between funds

	2022	2021
	£	£
Fund balances at 31 December 2022 are represented by:		
Fixed assets	3,099	4,010
Current assets/(liabilities)	96,926	59,600
	<u>100,025</u>	<u>63,610</u>
Analysis of net assets between funds		
Unrestricted funds	92,244	59,860
Designated funds	2,000	2,000
Restricted funds	5,781	1,750
	<u>100,025</u>	<u>63,610</u>

15 Related party transactions

During the year the charity received donations totalling £10,000 (2021 - £63,657) and donations in kind totalling £4,428 (2021 - £10,000) from the Trustees and related organisations. There were no other related party transactions during the year (2021: £Nil).