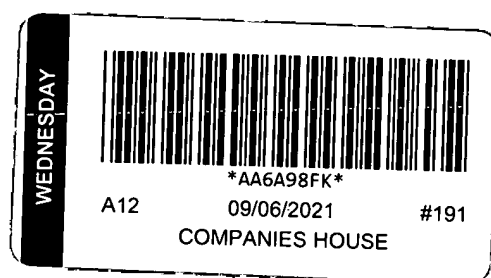


FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

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

FOR THE YEAR ENDED 31 DECEMBER 2020



**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 2020

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st December 2020, 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.

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 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 training 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 2020

Achievements and Performance

As the global pandemic has unfolded, the demand for meditation, compassion and resilience programs has never been greater. FDCW responded in early 2020 by making a wide range of resources and courses available online. 21 "live" courses and trainings were provided throughout the year.

This culminated in a very successful online summit in November to celebrate Universal Education. A series of "live" online presentations were offered by 15 speakers in several languages simultaneously and live-streamed to Facebook. Before the Festival, FDCW Patron, His Holiness the Dalai Lama said:-

I offer my good wishes to you all on the occasion of the Big Love Festival celebrating forty years of effort in the area of Universal Education by the Foundation for Developing Compassion and Wisdom.

The Festival generated a lot of interest and proved an important way to raise FDCW's global profile and awareness of its courses, products and resources.

In 2020, FDCW achieved the following milestones:-

- ✓ Fast response to Covid lock-down by adapting all our programs for online delivery
- ✓ Provided training to facilitators on how to facilitate courses online effectively using Zoom
- ✓ Delivered 20 paid online courses throughout the year, courses were:-
 - 16 Guidelines for Children and Teens (twice)
 - 16 Guidelines for Children and Teens Facilitator Training
 - 16 Guidelines Level 1 (four times)
 - 16 Guidelines Level 2 (three times)
 - Building on the Basics (twice)
 - Building Balanced Empathy (three times)
 - Unlocking Your Potential (twice)
 - Unlocking Your Potential Facilitator Training (twice) and
 - Facing Death, Discovering Life
- ✓ Free online drop in sessions called "Coming Together" to offer support during the pandemic
- ✓ Free Webinars on Neuroscience and on Impermanence and Death
- ✓ New Happy Toolbox for Kids free resource available in English and Spanish
- ✓ Delivered a program remotely to 20 teenage girls in Nepal and received positive feedback
- ✓ Trained 26 Facilitators to deliver the new Unlocking Your Potential course

Marketing Achievements

- ✓ Secured a substantial Google grant for free advertising of FDCW courses and products
- ✓ New Shop webpage for E-books, 16G Self Study Kits, etc
- ✓ Converted 16 Guidelines for Life print book into an E-book
- ✓ New E-book available for purchase in both English and Spanish
- ✓ New Resources webpage (print, audio and video resources) resulting in regular downloads
- ✓ Successful marketing campaigns for each of the 20 online courses throughout 2020
- ✓ New monthly Facilitator Newsletter to inspire and support our worldwide Facilitators
- ✓ Community Newsletters to share news of our paid courses, free resources and events
- ✓ New FDCW YouTube channel
- ✓ By Dec 2020, traffic to FDCW's website increased by 109%
- ✓ By Dec 2020, a record number of FDCW resources were downloaded across many countries
- ✓ Subscribers to our monthly Newsletter increased by 150%

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

Development and Governance

- ✓ Convened the very first online summit called Big Love Festival to celebrate Universal Education programs and resources in November 2020
- ✓ Created and launched a brand new course called Unlocking Your Potential
- ✓ New Commitment to an Inclusion and Diversity and convened a Forum on this subject
- ✓ Delivered 7 online Forums for FDCW Facilitators for continuing professional development
- ✓ Attracted many new donors during the Big Love Festival
- ✓ Created a new efficient system for online course payments, price structure and registrations
- ✓ Board of Trustees continues its comprehensive review of all policies to upgrade existing and create new policies to ensure that FDCW maintains best ethical, operational, risk management, and fiscal practices
- ✓ There was an induction process for new Trustees
- ✓ Trustees are kept up to date with any governance requirements

Strategy for 2021 to 2023

Building on the successes and learning during 2020, our strategy for 2021 to 2023 is focused on three pillars:

- Grow Training
- Build UE Communities
- Generate Income

Grow Training

In 2021, FDCW will launch a new training program delivered in 5 modules. The aim is to provide high-quality, online paid facilitator training. Universal Education puts the student at the heart of the process. The job of the Universal Education facilitator is to create the conditions for the student's inner wisdom and compassion to unfold. We need trained facilitators to share the tools of UE with across the world and effect positive change.

Build UE Communities

People need to feel connected and supported while learning the tools for their inner happiness and developing compassion. Otherwise, there will not be lasting change.

What will we do:

- Create a new UE Connect map to connect those interested in UE locally forming hubs
- Disseminate free resources to targeted audiences
- Increase engagement option through social media channels
- Host an annual online summit celebrating UE courses and tools for compassion

What impact will this make:

- Nurture local UE communities of practice around the world
- increase diversity of our audiences
- build networks attracting new audiences

Generate Income

Historically FDCW has relied on the generosity of a very small number of generous benefactors.

What will we do:

- Increase our range of products
- Focus on attracting regular donors
- Pivot to deliver training and summits online

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

What impact will this make:

- Diversify our funding sources
- Sustainable funding
- Provide strong foundation for long term growth

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 deficit of £4,442 (2019 – surplus £29,954) for the year and reserves stand at £58,098 (2019 – £62,540).

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 of 31st December 2020 accounts showed reserves of £58,098 (2019 - £62,540) of which £53,848 (2019 - £60,540) was general, £2,000 (2019 - £2,000) was designated and £2,250 (2019 – Nil) was restricted. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £53,397 (2019 - £60,538).

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

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

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 (Resigned 17/03/2021)
S A Mills
O L Lee
J Briggs
G T Lama
E M Ström
D S Cutts (Appointed 28/09/2020)

Senior Management: Victoria Coleman – Executive Director

Treasurer: D S Cutts

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

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

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

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:

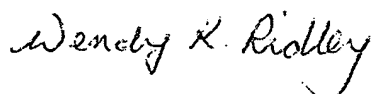
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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

7th June 2021

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 2020.

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.

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**

7th June 2021

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY INCOME AND EXPENDITURE ACCOUNT

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2020 £ | 2019 £ |
|---|-------|----------------------------|--------------------------|----------------|----------------|
| Income | | | | | |
| Donations | 2 | 69,506 | 21,928 | 91,434 | 122,211 |
| Income from charitable activities | 3 | 16,618 | - | 16,618 | 11,283 |
| Total income | | <u>86,124</u> | <u>21,928</u> | <u>108,052</u> | <u>133,494</u> |
| Expenditure | | | | | |
| Cost of raising funds | 4 | 7,323 | - | 7,323 | 8,197 |
| Expenditure on charitable activities | 4 | 85,493 | 19,678 | 105,171 | 95,343 |
| Total expenditure | | <u>92,816</u> | <u>19,678</u> | <u>112,494</u> | <u>103,540</u> |
| Net income/(expenditure) and net movement in funds for the year | | (6,692) | 2,250 | (4,442) | 29,954 |
| <i>Reconciliation of funds</i> | | | | | |
| Total funds, brought forward | | 62,540 | - | 62,540 | 32,586 |
| Total funds, carried forward | | <u>55,848</u> | <u>2,250</u> | <u>58,098</u> | <u>62,540</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 11 to 20 form part of these accounts

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

BALANCE SHEET AS AT 31 DECEMBER 2020

| | Notes | £ | 2020 £ | £ | 2019 £ |
|---------------------------------------|-------|----------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 9 | | 451 | | 2 |
| Current assets | | | | | |
| Stock | 10 | 1,808 | | 5,176 | |
| Debtors | 11 | 353 | | 301 | |
| Cash at bank and in hand | | 120,550 | | 68,195 | |
| | | <u>122,711</u> | | <u>73,672</u> | |
| Liabilities | | | | | |
| Creditors falling due with in one ye: | 12 | (65,064) | | (11,134) | |
| | | <u></u> | | <u></u> | |
| Net current assets | | | 57,647 | | 62,538 |
| Net assets | | | <u>58,098</u> | | <u>62,540</u> |
| The funds of the charity | | | | | |
| Unrestricted funds: | | | | | |
| General | 13 | | 53,848 | | 60,540 |
| Designated | 13 | | 2,000 | | 2,000 |
| Restricted funds | 13 | | 2,250 | | - |
| Total charity funds | | | <u>58,098</u> | | <u>62,540</u> |

In preparing these financial statements:

For the financial period ended 31st December 2020 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 7th June 2021 and were signed on its behalf by:

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

Company Registration No 05335841

The notes on pages 11 to 20 form part of these accounts

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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), 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 deficit of £4,442 (2019 – surplus £29,954) for the period and free reserves of £53,397 (2019 – £60,538). 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 2020

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 2020

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), 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 2020

2. GRANTS, DONATIONS AND LEGACIES

| | Unrestricted Funds £ | Restricted Funds | 2020 £ | 2019 £ |
|--|----------------------------|---------------------|---------------|----------------|
| Individual Benefactor #4 | 10,000 | - | 10,000 | - |
| Terrapin | 5,000 | - | 5,000 | - |
| Other individual Donations | 10,369 | 928 | 11,297 | 1,449 |
| Foundation for the Preservation of the Mahayana Tradition, Inc. - Vistare Foundation | 39,321 | - | 39,321 | 100,762 |
| 16 Guidelines programme: | | | | |
| Camellia Foundation | - | 3,000 | 3,000 | - |
| Individual Benefactor #14 | - | - | - | 2,000 |
| Communications: | | | | |
| Camellia Foundation | - | 18,000 | 18,000 | 18,000 |
| Donated Services | 4,816 | - | 4,816 | - |
| | <u>69,506</u> | <u>21,928</u> | <u>91,434</u> | <u>122,211</u> |

The grants, donations and legacies income in 2019 totalling £122,211 was attributed to £20,862 restricted funds and £101,349 unrestricted funds.

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 £4,816 (2019 – Nil)

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds | 2020 £ | 2019 £ |
|--|----------------------------|---------------------|---------------|---------------|
| Training income | | | | |
| The a.r.t of Fulfilment Programme | 2,579 | - | 2,579 | 1,773 |
| 16 Guidelines programme | 11,269 | - | 11,269 | 5,057 |
| 16 Guidelines Resources distribution: | | | | |
| Publication Sales | 2,770 | - | 2,770 | 4,453 |
| | <u>16,618</u> | <u>-</u> | <u>16,618</u> | <u>11,283</u> |

The income from charitable activities in 2019 totalling £11,283 was attributed to unrestricted funds.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2020

4. ANALYSIS OF EXPENDITURE

| | Raising Funds | The a.r.t. of Fulfilment Programme | 16 Guidelines Programme | Communications | 16 Guidelines Resources distribution | 2020 | 2019 |
|---------------------------|---------------|------------------------------------|-------------------------|----------------|--------------------------------------|----------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Staff costs | 5,117 | 6,823 | 11,821 | 29,496 | 3,411 | 56,668 | 52,079 |
| Direct project costs | - | 3,757 | 17,267 | 920 | - | 21,944 | 14,009 |
| Fundraising costs | - | - | - | - | - | - | 158 |
| Support costs (Note 5) | 1,755 | 3,629 | 9,978 | 10,433 | 1,170 | 26,965 | 30,283 |
| Governance costs (Note 5) | 450 | 931 | 2,559 | 2,676 | 300 | 6,917 | 7,011 |
| | <u>7,323</u> | <u>15,140</u> | <u>41,624</u> | <u>43,525</u> | <u>4,881</u> | <u>112,494</u> | <u>103,540</u> |

Of the £112,494 expenditure in 2020 (2019 - £103,540), £92,816 was charged to unrestricted funds (2019 - £82,678) and £19,678 to restricted funds (2019 - £20,862).

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 | 2020 | 2019 |
|-------------------------------------|-----------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Staff costs | 14,993 | 5,117 | 20,110 | 22,598 |
| Premises and equipment costs | 3,600 | - | 3,600 | 7,259 |
| Communications | 3,149 | - | 3,149 | 2,263 |
| Legal and professional | 1,770 | - | 1,770 | 894 |
| Insurance | 796 | - | 796 | 766 |
| Bank charges & exchange differences | 713 | - | 713 | 28 |
| Miscellaneous expenses | 1,722 | - | 1,722 | 1,614 |
| Depreciation | 150 | - | 150 | - |
| Trustees expenses | 72 | - | 72 | 72 |
| Independent examiner | - | 1,800 | 1,800 | 1,800 |
| | <u>26,965</u> | <u>6,917</u> | <u>33,882</u> | <u>37,294</u> |

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. NET INCOME/(EXPENDITURE) FOR THE YEAR

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Net movement in funds is shown after charging: | | |
| Independent examiners' fee | 1,800 | 1,800 |
| Depreciation on tangible fixed assets | 150 | - |
| | <u>1,950</u> | <u>1,800</u> |

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

| | 2020 £ | 2019 £ |
|--------------------|---------------|---------------|
| STAFF COSTS | | |
| Salaries | 72,768 | 70,277 |
| National Insurance | 2,421 | 3,060 |
| Pension | 1,589 | 1,340 |
| | <u>76,778</u> | <u>74,677</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 (2019 - £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 £34,114 (2019 - £33,942).

8. STAFF NUMBERS

The average number of full- time equivalent employees was as follows:

| | 2020 | 2019 |
|------------------------|------|------|
| Direct charitable work | 3 | 2.5 |

The average monthly number of persons employed by the Charity during the year was 3 (2019 – 3).

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. FIXED ASSETS

| | 2020 | 2019 |
|------------------------|-------------|-------------|
| | £ | £ |
| Net book value: | | |
| Equipment | 451 | 1 |
| Furniture & Fixtures | - | 1 |
| | <u>451</u> | <u>2</u> |

Movements in the period:

| Cost: | Opening Balances | Additions | Disposals | Closing Balances |
|----------------------|-----------------------------|------------------|------------------|-----------------------------|
| | £ | £ | £ | £ |
| Equipment | 4,192 | 600 | 2,952 | 1,840 |
| Furniture & Fixtures | 575 | - | 575 | - |
| | <u>4,767</u> | <u>600</u> | <u>3,527</u> | <u>1,840</u> |

| Depreciation: | Opening Balances | Charge For Period | Disposals | Closing Balances |
|----------------------|-----------------------------|------------------------------|------------------|-----------------------------|
| | £ | £ | £ | £ |
| Equipment | 4,191 | 150 | 2,952 | 1,389 |
| Furniture & Fixtures | 574 | - | 574 | - |
| | <u>4,765</u> | <u>150</u> | <u>3,526</u> | <u>1,389</u> |

10. STOCK

| | 2020 | 2019 |
|-----------------------------|--------------|--------------|
| | £ | £ |
| Books, cards and CD's stock | 1,808 | 5,176 |
| | <u>1,808</u> | <u>5,176</u> |

11. DEBTORS

| | 2020 | 2019 |
|---------------|-------------|-------------|
| | £ | £ |
| Trade Debtors | 353 | 301 |
| | <u>353</u> | <u>301</u> |

12. CREDITORS: Amounts falling due within one year

| | 2020 | 2019 |
|-----------------|---------------|---------------|
| | £ | £ |
| Trade Creditors | 300 | 2,084 |
| Other Creditors | 2,284 | 290 |
| Accruals | 1,980 | 3,760 |
| Deferred Income | 60,500 | 5,000 |
| | <u>65,064</u> | <u>11,134</u> |

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. ANALYSIS OF CHARITABLE FUNDS

| | Balance at 01.01.20 | Income | Expenditure | Balance at 31.12.20 |
|----------------------------|------------------------|----------------|----------------|------------------------|
| | £ | £ | £ | £ |
| Restricted funds: | | | | |
| Other individual donations | - | 928 | 928 | - |
| Camellia Foundation | - | 21,000 | 18,750 | 2,250 |
| | <u>-</u> | <u>21,928</u> | <u>19,678</u> | <u>2,250</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 | 60,540 | 86,124 | 92,816 | 53,848 |
| | <u>62,540</u> | <u>86,124</u> | <u>92,816</u> | <u>55,848</u> |
| Total funds | <u>62,540</u> | <u>108,052</u> | <u>112,494</u> | <u>58,098</u> |

Analysis of funds previous year

| | Balance at 01.01.19 | Income | Expenditure | Balance at 31.12.20 |
|--|------------------------|----------------|----------------|------------------------|
| | £ | £ | £ | £ |
| 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> |

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. ANALYSIS OF CHARITABLE FUNDS (continued)

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. |

Description, nature and purpose of restricted funds:

| | |
|---------------------------|---|
| Individual Benefactor #15 | 16 Guidelines for Children |
| Other individuals | Towards Christmas lunch and towards other publications |
| FPMT | Towards travel costs |
| Camellia Foundation | Towards communications and marketing department staff costs of £18,000 and towards 16 guidelines book update of £3,000. |

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | General | Designated £ | Restricted £ | Total £ |
|--------------------|---------------|-----------------|-----------------|---------------|
| Fixed assets | 451 | - | - | 451 |
| Net Current assets | 53,397 | 2,000 | 2,250 | 57,647 |
| | <u>53,848</u> | <u>2,000</u> | <u>2,250</u> | <u>58,098</u> |

Analysis of net assets between funds – previous year

| | 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> |

15. DEFERRED INCOME

| | 2020 £ | 2019 £ |
|---------------------------------------|---------------|--------------|
| Balance brought forward | 5,000 | 100,280 |
| Amount released to income in the year | (5,000) | (100,280) |
| Amount deferred in the year | 60,500 | 5,000 |
| Balance carried forward | <u>60,500</u> | <u>5,000</u> |

The deferred represent an unrestricted donation of £60,000 from one of the trustees and £500 from Gisella Barche for 2021 received in advance.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2020

16. SHARE CAPITAL

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

17. RELATED PARTY TRANSACTIONS

During the year the Charity received donations totalling £10,000 (2019 - £Nil) and donations in kind totalling £4,816 (2019 – Nil) from Trustees. There were no other related parties transactions during the year (2019: £nil).