

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

**DIRECTORS' AND TRUSTEES' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021



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

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT AND FINANCIAL STATEMENTS

CONTENTS

	Page
Report of the Directors and Trustees	2 – 5
Report of the Independent Examiner	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 – 19

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 envisions a kinder world.

We offer resources for developing a warm heart and a wise mind. We encourage people to become kinder and more compassionate towards themselves as well as towards others based on a deeper understanding of our mind and the world we share with others.

FDCW takes 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."

The training, courses and resources we provide cultivate universal values, mindfulness, compassion and an understanding of the reality of our interconnectedness in every aspect of the world we live in.

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

Our 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.

Our approach uncovers a deeper understanding of our mind, our material world, and how these are interconnected. This understanding leads to a more compassionate and caring attitude towards others. An attitude that can become stable and unwavering.

Achievements and Performance

FDCW made strong progress during 2021 by building on the strategic pivot in early 2020 to delivering courses online.

In 2021, a new online learning platform was launched so that methods for cultivating mindfulness, developing compassion and healing relationships became even more accessible. People need tools for managing their mental and emotional health more than ever. Here is what has been accomplished during 2021: -

Global Impact: -

- ✓ Video message from His Holiness the Dalai Lama for our global Conference
- ✓ Successful 6-day Global Conference with 17 presenters in several languages
- ✓ New partnership with non-profit organization in Israel committed to spreading 16 Guidelines program to people in Israel
- ✓ 16 Guidelines delivered to a group of university students in Kenya
- ✓ Technical upgrades completed so the 16G App remains available on Google Play and App Store
- ✓ Published an Annual Review to share the global impact of our work

Online Training: -

- ✓ Redesigned and improved our 16 Guidelines Facilitator Training and Study Zone for online delivery
- ✓ Successfully piloted this new online Facilitator Training with 25 trainees in Israel
- ✓ More facilitators trained to deliver 16 Guidelines Level 2 courses in English and Spanish
- ✓ More facilitators trained to deliver Unlocking Your Potential course with UYP Meet Ups afterwards

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and Performance (Continued)

Online Courses: -

- ✓ Mindfulness training delivered in early 2021
- ✓ New Neuroscience course which ran twice due to popular demand and another scheduled for 2022
- ✓ New Unlocking Your Potential course developed, piloted and launched
- ✓ Redesigned and updated our 8 week 16 Guidelines Level 1 course

Webinars: -

- ✓ What is Mind Webinar with Geshe Namdak and Ceci Buzon (188 people registrations)
- ✓ Beyond Mindfulness Webinar with Dr Joey Weber (145 registrations)
- ✓ Four online forums for facilitators on Kindness, The Inner Work of Racial Justice, Use of Art in Workshops and Safeguarding and Trauma-Informed Facilitation
- ✓ Online "Coffee Breaks" for direct feedback and strengthening of our facilitator community

Communications Progress: -

Significant improvements were made to the website and in our data collection resulting in:-

- ✓ Resources downloaded 714 times from our website
- ✓ Subscribers increased by 59% (due to the conference and new data collection on downloads)
- ✓ The 16 Guidelines for a Happy Life E-book downloaded 55 times.

Free Resources

- ✓ Created Elder Interviews Resource for conversations on values with the elderly community
- ✓ Created Growing with 16 Guidelines – mindfulness and ethical values with children while gardening (downloaded more than 100 times in just a few weeks).
- ✓ Happy Toolbox for Children downloaded 246 times in either English or Spanish
- ✓ 16 Guidelines Discussion Guide downloaded 137 times in either English or Spanish

Strategy for 2022 to 2024

Our long term strategy is to build on our successful online platform by providing more online webinars, courses and trainings to introduce these tools for wisdom and compassion more widely. We plan a series of webinars with the theme of compassion to attract new audiences. We will host our annual conference each year. We will create and refine free resources that are readily downloadable and practical. We will pursue partnerships with organisations who have similar goals for a kinder more, compassionate world.

Our Volunteers

FDCW relies on its strong team of volunteers. Speakers at our four Facilitator Forums and two webinars offered their time preparing for and presenting for free. During our Compassion and Wisdom in Action Conference the majority of speakers and all translators offered their time for free. One of our trustees offered a considerable amount of her time developing courses and delivering training during the year. Two of our senior trainers offered some of their time to developing new online training for FDCW.

A facilitator kindly offered all her time to deliver a mindfulness course for our community early in the year and a trainer offered her time providing training in Spanish in 16 Guidelines. 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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW

The Statement of Financial Activities showed a net surplus of £5,512 (2020 – net deficit £4,442) for the year and reserves stand at £63,610 (2020 – £58,098).

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 2022 budget.

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 regular funding from the Chair of the Board of its Trustees, Ms Oi Loon Lee.

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 2021 financial statements showed reserves of £63,610 (2020 - £58,098) of which £59,860 (2020 - £53,848) was general, £2,000 (2020 - £2,000) was designated and £1,750 (2020 – £2,250) was restricted. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £55,850 (2020 - £53,397).

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.

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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

REPORT OF THE DIRECTORS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

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.

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 and Marketing Manager report to the Executive Director.

Risk management

The Board of Trustees carried out an extensive and comprehensive Risk Management review at the beginning of 2021. The level of risk in the following areas were reviewed and assessed: Governance, External Risk, Compliance, Financial, Operational and Reputational. 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	1110500
Company Number:	05335841
Directors and Trustees:	W K Ridley S A Mills O L Lee J Briggs G T Lama E M Ström D S Cutts R Brentano (Resigned 17/03/2021)
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, P.O. Box 250, Skelmersdale 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 2021

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.

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

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

W e n d y R i d l e y

Wendy Ridley
Trustee

4th March 2022

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

I report on the accounts of the charitable company for the year ended 31 December 2021.

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 financial statements in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the financial statements 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 financial statements 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 financial statements 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 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 accounts to be reached.



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

4th March 2022

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Income					
Donations	2	73,337	32,741	106,078	91,434
Income from charitable activities	3	8,486	-	8,486	16,618
Total income		<u>81,823</u>	<u>32,741</u>	<u>114,564</u>	<u>108,052</u>
Expenditure					
Cost of raising funds	4	6,943	-	6,943	7,323
Expenditure on charitable activities	4	68,868	33,241	102,109	105,171
Total expenditure		<u>75,811</u>	<u>33,241</u>	<u>109,052</u>	<u>112,494</u>
Net income/(expenditure) and net movement in funds for the		6,012	(500)	5,512	(4,442)
<i>Reconciliation of funds</i>					
Total funds, brought forward		55,848	2,250	58,098	62,540
Total funds, carried forward		<u>61,860</u>	<u>1,750</u>	<u>63,610</u>	<u>58,098</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 19 form part of these financial statements

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible fixed assets	9		4,010		451
Current assets					
Stock	10	-		1,808	
Debtors	11	-		353	
Cash at bank and in hand		71,018		120,550	
		<u>71,018</u>		<u>122,711</u>	
Liabilities					
Creditors falling due with in one year	12	(11,418)		(65,064)	
		<u></u>		<u></u>	
Net current assets			59,600		57,647
Net assets			<u>63,610</u>		<u>58,098</u>
The funds of the charity					
Unrestricted funds:					
General	13		59,860		53,848
Designated	13		2,000		2,000
Restricted funds	13		1,750		2,250
Total charity funds			<u>63,610</u>		<u>58,098</u>

In preparing these financial statements:

For the financial year ended 31 December 2021 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 charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements 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 financial statements, 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.

These financial statements were approved and authorised for issue by the Board of Directors and Trustees on 4th March 2022 and were signed on its behalf by:

Wendy Ridley - Trustee

D. S. Cutts - Trustee

Company Registration No 05335841

The notes on pages 10 to 19 form part of these financial statements

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit 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 financial statements 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 Charity. 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 financial statements.

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 Preparation of accounts on a going concern basis

The Charity's Financial Statements show net surplus of £5,512 (2020 – net deficit £4,442) for the period and free reserves of £55,850 (2020 – £53,397). 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 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.

1.5 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 FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.6 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.

1.7 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 cost, 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 5.

1.8 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.

1.9 Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution is provided in the trustees' report.

1.10 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:

Computer Equipment	- 4 years
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1.11 Stock

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

1.12 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.

1.13 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 FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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.

1.19 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.

1.20 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 FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

2. GRANTS, DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Individual Benefactor #4	60,000	3,357	63,357	10,000
Terrapin	-	-	-	5,000
Other Donations	13,337	1,384	14,721	11,297
Foundation for the Preservation of the Mahayana Tradition, Inc. - Vistare Foundation	-	-	-	39,321
16 Guidelines programme:				
Camellia Foundation	-	-	-	3,000
Communications:				
Camellia Foundation	-	18,000	18,000	18,000
Donated Services	-	10,000	10,000	4,816
	<u>73,337</u>	<u>32,741</u>	<u>106,078</u>	<u>91,434</u>

The grants, donations and legacies income in 2020 totalling £91,434 was attributed £21,928 to restricted funds and £69,506 to 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 £10,000 (2020 – £4,816)

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Training income:				
The a.r.t of Fulfilment Programme	1,314	-	1,314	2,579
16 Guidelines Programme	3,595	-	3,595	11,269
Neuroscience Programme	3,480	-	3,480	-
16 Guidelines Resources distribution:				
Publication Sales	97	-	97	2,770
	<u>8,486</u>	<u>-</u>	<u>8,486</u>	<u>16,618</u>

The income from charitable activities in 2020 totalling £16,618 was attributed to unrestricted funds.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. ANALYSIS OF EXPENDITURE

	Raising Funds	The A.R.T. of Fulfilment Programme	16 Neuroscience Guidelines Programme	Communic- ations	16 Guidelines Resources distribution	2021	2020
	£	£	£	£	£	£	£
Staff costs	4,808	3,205	11,834	3,205	30,539	3,206	56,668
Direct project costs	-	9,878	3,746	1,623	1,565	1,900	21,944
Support costs (Note 5)	1,708	4,649	5,535	1,716	11,407	1,614	26,829
Governance costs (Note 5)	427	1,163	1,385	429	2,854	456	6,917
	<u>6,943</u>	<u>18,895</u>	<u>22,500</u>	<u>6,973</u>	<u>46,365</u>	<u>7,376</u>	<u>112,494</u>

Of the £109,052 expenditure in 2021 (2020 - £112,494), £75,811 was charged to unrestricted funds (2020 - £92,816) and £33,241 to restricted funds (2020 - £19,678).

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 £	2021 £	2020 £
Staff costs	16,269	4,808	21,077	20,110
Premises and computer equipment cost	-	-	-	3,600
Communications	4,157	-	4,157	3,149
Legal and professional	1,338	-	1,338	1,770
Insurance	948	-	948	796
Bank charges & exchange differences	437	-	437	713
Miscellaneous expenses	2,294	-	2,294	1,722
Depreciation	1,386	-	1,386	150
Trustees expenses	-	46	46	72
Independent Examination Fees	-	1,860	1,860	1,800
	<u>26,829</u>	<u>6,714</u>	<u>33,543</u>	<u>33,882</u>

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021	2020
	£	£
Net movement in funds is shown after charging:		
Independent examiners' fees	1,860	1,800
Depreciation on tangible fixed assets	1,386	150
	<u>3,246</u>	<u>1,950</u>

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

	2021	2020
	£	£
STAFF COSTS		
Salaries	73,708	72,768
National Insurance	2,516	2,421
Pension	1,650	1,589
	<u>77,874</u>	<u>76,778</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 (2020 - £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 £32,053 (2020 - £34,114).

8. STAFF NUMBERS

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

	2021	2020
Direct charitable work	2.50	3

The average monthly number of persons employed by the Charity during the year was 3 (2020 - 3).

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

9. FIXED ASSETS

	2021	2020
	£	£
Net book value:		
Computer Equipments	4,010	451
	<u>4,010</u>	<u>451</u>

Movements in the period:

Cost:	Opening Balances	Additions	Disposals	Closing Balances
	£	£	£	£
Computer Equipments	1,840	4,945	-	6,785
	<u>1,840</u>	<u>4,945</u>	<u>-</u>	<u>6,785</u>

Depreciation:	Opening Balances	Charge For Period	Disposals	Closing Balances
	£	£	£	£
Computer Equipments	1,389	1,386	-	2,775
	<u>1,389</u>	<u>1,386</u>	<u>-</u>	<u>2,775</u>

10. STOCK

	2021	2020
	£	£
Books, cards and CD's stock	-	1,808
	<u>-</u>	<u>1,808</u>

11. DEBTORS

	2021	2020
	£	£
Trade Debtors	-	353
	<u>-</u>	<u>353</u>

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

12. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade Creditors	180	300
Other Creditors	386	2,284
Accruals	2,618	1,980
Deferred Income (Note 15)	8,234	60,500
	<u>11,418</u>	<u>65,064</u>

13. ANALYSIS OF CHARITABLE FUNDS

	Balance at 01.01.21 £	Income £	Expenditure £	Balance at 31.12.21 £
Restricted funds:				
Camellia Foundation	2,250	18,000	18,500	1,750
Other Donations	-	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>55,848</u>	<u>81,823</u>	<u>75,811</u>	<u>61,860</u>
Total funds	<u>58,098</u>	<u>114,564</u>	<u>109,052</u>	<u>63,610</u>

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

13. ANALYSIS OF CHARITABLE FUNDS (Cont/d)

Analysis of funds previous year

	Balance at 01.01.20 £	Income £	Expenditure £	Balance at 31.12.20 £
Restricted funds:				
Camellia Foundation	-	21,000	18,750	2,250
Other Donations	-	928	928	-
	<u>-</u>	<u>21,928</u>	<u>19,678</u>	<u>2,250</u>
Unrestricted funds				
Designated funds:				
Redundancy fund	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
	2,000	-	-	2,000
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>

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 #4	Towards 16 Guidelines for Children and 16G App technical upgrade
Other Donations	Towards Christmas lunch, other publications and 16G App technical upgrade
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.

FOUNDATION FOR DEVELOPING COMPASSION AND WISDOM

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds £	Restricted Funds £	2021 Total £
Fixed assets	4,010	-	-	4,010
Net Current assets	55,850	2,000	1,750	59,600
	<u>59,860</u>	<u>2,000</u>	<u>1,750</u>	<u>63,610</u>

Analysis of net assets between funds – previous year

	General Funds	Designated Funds £	Restricted Funds £	2020 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>

15. DEFERRED INCOME

	2021 £	2020 £
Balance brought forward	60,500	5,000
Amount released to income in the year	(60,500)	(5,000)
Amount deferred in the year	8,234	60,500
Balance carried forward	<u>8,234</u>	<u>60,500</u>

The deferred income represents an unrestricted donation of £8,234 from Donation from Potential project for 2022 budget received in advance.

16. RELATED PARTY TRANSACTIONS

During the year the Charity received donations totalling £63,657 (2020 - £10,000) and donations in kind totalling £10,000 (2020 – £4,816) from Trustees. There were no other related parties' transactions during the year (2020: £Nil).