

EMPATHY ACTION CIO

Registered Charity Number: 1162224



ANNUAL REPORT & ACCOUNTS

FOR THE PERIOD ENDED

31st December 2021

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Principal address:
15 Serpentine Road
Sevenoaks
Kent, TN13 3XR

Trustees

Date of appointment

Paul Williams	16 June 2015	reappointed 28 February 2022
Mike Fawcett	15 March 2016	reappointed 28 February 2022
James MacLeay	15 March 2016	reappointed 28 February 2022
Natasha Williams	15 March 2016	reappointed 28 February 2022
Victoria Mason	5 March 2019	resigned 5 March 2022
Colin Crisp	5 March 2019	reappointed 28 February 2022

Report of the Trustees

Our Structure, Governance and Management

Empathy Action is a Charitable Incorporated Organisation. The only voting members are its charity trustees, who are appointed by the existing trustees. The charity was registered on June 16th, 2015. Empathy Action is managed by its founder Director Ben Solanky and run by its full-time and part-time volunteers who receive no financial remuneration except for expenses properly incurred in the course of their voluntary activity that fall within the guidelines laid down in its expenses policy.

Our Objectives

Empathy Action aims to promote the prevention and relief of poverty and to advance education by: providing experiential learning opportunities which enable participants to develop their understanding of poverty, and encourage compassionate action; undertaking research into factors that contribute to poverty and ways to mitigate these; and assisting in the provision of education, training, and healthcare projects to enable individuals to generate a sustainable income.

Our Mission

We believe that everyone is able to engage in the battle against poverty and injustice and that we each make a crucial difference. Our mission is to inspire and empower people to work together to improve the lives of others in need. We are motivated by the teaching of Jesus to love our neighbour as ourselves.

Our Core Values

CONVICTION: we believe that honouring others above oneself, caring for each other and acting with courage, can change this broken world we live in.

COMPASSION: we believe that God lovingly created all people in His image, to live equally and with dignity.

COMMUNITY: we believe that acts of collaboration are like ripples, spreading outward, far-reaching and with transformative power.

Our activities

Empathy Action focuses on deepening people's awareness of, and empathy with, global deprivation and finding strategic ways of helping those in need. It achieves this primarily through its experiential activities; igniting a desire to help, which it believes will fuel compassionate action. Alongside this, Empathy Action is identifying communities in need of assistance, working closely with them to establish viable livelihood development schemes, including the production and distribution of handicrafts. This targeted approach has the twofold objective of bringing about positive transformation of such groups whilst providing Empathy Action's partners with opportunities to become part of the solution through, for example, the donation of skills or financial resources or the sale of handicrafts. Empathy Action's experiential activities include simulations of the life experiences of disadvantaged and marginalised groups around the world. These simulations are activities that allow participants to walk in the shoes of those living in extreme poverty and refugees. These aim to help the public better understand the needs of people facing such situations by offering a small glimpse into the reality faced by millions worldwide. The experiences are used to stimulate discussion about how participants can contribute in their personal and professional lives to poverty relief initiatives and respond to humanitarian need through volunteering, or donating goods, skills or financial resources.

The measures put in place to contain the Covid 19 pandemic disrupted many of our programmes which require access to schools and face to face contact with pupils. Empathy Action sought innovative and creative ways to implement our mission in the crisis. These included the development of 'The High Life', a climate justice simulation that is available for schools and other groups to use by downloading the material from our website (www.empathyaction.org).

Financial review

The net outcome for the year was a surplus of £53, made up of a loss of £451 on General Funds and a gain of £504 on Designated Funds.

Incoming resources

Incoming resources increased by £8,540 over the previous year with a significant increase in income from fundraising, including specific income relating to The High Life.

Resources expended

Handicraft costs were significantly lower than previous year, and the net profit on handicrafts at £2,372 represents a margin of 53%. Donations given were lower than last year but expenditure on simulations increased, reflecting the costs of developing The High Life. Office, administration and governance costs increased by £2,094, reflecting principally the cost of materials for building the new storage facility.

Balance sheet

Fixed assets represents one computer purchased during the year. Total stock of handicrafts decreased slightly from the previous year and the bank balance at £24,374 is reduced by £2,060. Designated Funds increased by £504 and General Funds decreased by £451. Restricted Funds income from Pickwell was fully expended in the year.

Funds

The charity has three categories of funds, General, Designated and Restricted. Designated Funds consist of the Livelihood Development Fund, to which 10% of the income from simulations, fundraising and donations is transferred to fund projects to alleviate poverty and suffering. Restricted Funds comprise those funds for which the donors have specified a purpose.

Public Benefit

The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Approval Statement

This report was approved by the Trustees of the Charity



P. Williams



J. MacLeay

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) on behalf of the Trustees
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Charity's Principal Address

15 Serpentine Road
Sevenoaks
Kent, TN13 3XR

Date: 17.10.22

I report on the accounts of the Charity for the year ended 31 December 2021, which are set out on pages 6 to 10.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement


In connection with my examination, no matters have come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 130 of the 2011 Act; and
- to prepare accounts that accord with the accounting records and comply with the accounting requirements of the 2011 Act.

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


M M DAVID , ACMA

Date: 17.10.22

Empathy Action CIO
Statement of Financial Activities
For the period ended
31st December 2021



	Note	General Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Incoming Resources						
Voluntary Income	2	12,373	455	4,000	16,828	4,547
Activities for generating funds	3	6,882	270	-	7,152	10,893
Total Incoming Resources		19,255	725	4,000	23,980	15,440
Resources Expended						
Cost of generating funds						
Fundraising trading costs	5	2,145	-	-	2,145	5,613
Charitable activities :						
THL Simulaton costs	5	2,930	-	4,000	6,930	-
TPT Simulation costs	5	36	-	-	36	1,666
DJ Simulation costs	5	97	-	-	97	-
Donations	5	323	221	-	543	3,517
Total		3,386	221	4,000	7,606	5,183
Office, administration and governance	5	14,177	-	-	14,177	12,083
Interest income		1	-	-	1	11
Total Net Resources Expended		19,706	221	4,000	23,927	22,869
Net Incoming/(Outgoing) Resources for the Year		(451)	504	-	53	(7,429)
Net Movement in Funds for the year		(451)	504	-	53	(7,429)
Funds at 1st January		21,357	8,516	-	29,873	37,302
Accumulated Funds at 31st December		20,906	9,020	-	29,926	29,873

Empathy Action CIO
Balance Sheet as at
31st December 2021



	Note	31 December 2021 £	31 December 2020 £
Fixed Assets	7	1,106	-
Current Assets			
Stock		4,294	4,650
Prepayments	8	-	-
Debtors	9	153	289
Cash at bank and in hand		24,374	26,434
Total Fixed and Current Assets		29,926	31,373
Current Liabilities			
Creditors	10	-	1,500
Net Assets		29,926	29,873
 Designated Funds	11	 9,020	 8,516
General Funds	11	20,906	21,357
Restricted Funds	11	-	-
		29,926	29,873

31st December 2021

Paul Williams

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) on behalf of the Trustees

James MacLeay

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Date: 17.10.22

1 Accounting Policies

Basis of Preparation of Accounts

The accounts of the charity have been prepared on the basis of historic cost in accordance with the Statement of Recommended Practice (SORP 2005) and with Accounting Standards and Charities Act applicable to smaller charities. The CIO was formed on 16 June 2015.

Fund Structure

General Funds comprise those funds which the Trustees have not designated for any specific purpose.

Designated Funds relate to The Livelihood Development Fund, which has been established by setting aside 10% of the income from simulations, donations and fundraising for funding projects designed to alleviate poverty and suffering.

Restricted Funds comprise those funds for which the donors have specified a purpose.

Incoming Resources

All income is recognised in the Statement of Financial Activities (SOFA) when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for repayment of income tax has been or will be made such income is grossed up for the tax recoverable. The following accounting policies are applied to different categories of income:

Grants and Donations Receivable

Grants and donations are recognised in the SOFA when conditions for receipt have been complied with.

Charitable Activities

Charitable expenditure is charged to the Statement of Financial Activities for the period to which it relates.

Gifts in kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity.

Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Donated services & facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Tangible fixed assets for use

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or a reasonable value on receipt.

Stocks and work in progress

These are valued at the lower of cost or market value.

Reserves policy

To hold sufficient reserves for the foreseeable future.

2 Voluntary Income	General Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Donations	2,746	305	-	3,051	3,208
Fundraising	9,627	150	4,000	13,777	1,339
	<u>12,373</u>	<u>455</u>	<u>4,000</u>	<u>16,828</u>	<u>4,547</u>

3 Activities for generating funds	General Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Simulations	2,430	270	-	2,700	5,500
Handicraft sales	4,452	-	-	4,452	5,393
	<u>6,882</u>	<u>270</u>	<u>-</u>	<u>7,152</u>	<u>10,893</u>

4 Trustees' Remuneration and Expenses

Trustees received no remuneration during the year. Trustee expenses were reimbursed for appropriate travel and other expenditure.

5 Analysis of resources expended	General Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Cost of Generating Funds					
Handicraft sales	2,080			2,080	5,441
Fundraising	65			65	172
Total	<u>2,145</u>	<u>-</u>	<u>-</u>	<u>2,145</u>	<u>5,613</u>
Charitable expenditure					
Donations given	323	221	-	543	3,517
THL Simulations	2,930	-	4,000	6,930	
TPT Simulations	36	-	-	36	1,666
DJ Simulations	97			97	-
Total	<u>3,386</u>	<u>221</u>	<u>4,000</u>	<u>7,606</u>	<u>5,183</u>
Office, administration and governance	14,177	-	-	14,177	12,083
Interest income	1	-	-	1	11
Total expenditure	<u>19,707</u>	<u>221</u>	<u>4,000</u>	<u>23,927</u>	<u>22,869</u>

6 Staff costs and numbers

The CIO is supported by volunteers and has no employees. There is therefore no individual remunerated over £60,000.

7 Fixed Assets

Fixed assets consist of computers and communication equipment which is depreciated over an expected useful life of 3 years.

	31 December 2021	31 December 2020
	£	£
Opening Gross book value	-	-
Acquisitions	1,658	-
Disposals	552	-
Depreciation	-	-
Closing Net book value	<u>1,106</u>	<u>-</u>

8 Prepayments

There were no Prepayments as at year end.

9 Debtors

There were no significant debtors as at year end.

10 Creditors

There were no Creditors as at year end.

11 Funds Analysis	General Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Balance brought forward	21,357	8,516	-	29,873	37,302
Total incoming resources	19,255	725	4,000	23,980	15,440
Total resources expended	19,706	221	4,000	23,927	22,879
Other recognised (losses)/gains	1	-	-	1	11
Balance at 31 December	<u>20,906</u>	<u>9,020</u>	<u>-</u>	<u>29,926</u>	<u>29,873</u>

Designated Funds relate to the Livelihood Development Fund. This has been established by setting aside part of the income from simulations, donations and fundraising for funding projects designed to alleviate poverty and suffering. Restricted funds costs of a grant from the Pickwell Foundation for the development of a climate justice simulation.

12 Related parties

No trustee has received any remuneration or benefit from the charity.

13 Post Balance sheet events

None.