

# EMPATHY ACTION CIO

Registered Charity Number: 1162224



ANNUAL REPORT

&

ACCOUNTS

FOR THE PERIOD ENDED

31st December 2022

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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
Colin Crisp	5 March 2019	reappointed 28 February 2022
Isabel Hodgson	22 May 2023	
Laura Cook	22 May 2023	

## 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](http://www.empathyaction.org)).

## **Financial review**

The net outcome for the year was a deficit of £5,578 made up of deficit of £6,810 on General Funds and a surplus of £1,231 on Designated Funds.

### *Incoming resources*

Incoming resources decreased by £6,247 over the previous year. While income from simulations, handicrafts and donations all increased over prior year, fundraising was lower reflecting the inclusion of funds for The High Life in 2021. The increases in income reflected significantly more simulation and handicraft activity than in 2021.

### *Resources expended*

Handicraft costs increased reflecting increased activity, and the net profit on handicrafts at £1,971 represents a margin of 58%, upon last year. No donations given were recorded during the year. Expenditure on simulations decreased, despite including some consultancy fees. Office, administration and governance costs were similar to the previous year.

### *Balance sheet*

Fixed assets represents one computer which is now two-thirds depreciated. Total stock of handicrafts decreased from the previous year and there is one significant debtor to the value of £1,750. the bank balance at £19,095 is reduced by £5,279. Designated Funds increased by £1,231, with no recorded expenditure, and General Funds decreased by £6,810.

### *Funds*

The charity has two categories of funds, General and Designated. 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.

### 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

### Approval Statement

This report was approved by the Trustees of the Charity

A handwritten signature in blue ink, appearing to read "P. Williams", written over a dotted line.

P. Williams

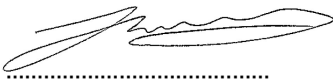
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J. MacLeay

### Charity's Principal Address

15 Serpentine Road  
Sevenoaks  
Kent, TN13 3XR

Date: 29 September 2023

I report on the accounts of the Charity for the year ended 31 December 2022, 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**

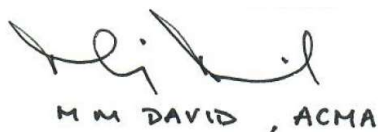
In connection with my examination, no matters have come to my attention:

(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.

A handwritten signature in black ink, appearing to read "M M David". Below the signature, the text "M M DAVID, ACMA" is printed in a small, black, sans-serif font.

Date: 29 September 2023

	Note	General Funds 2022 £	Designated Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>Incoming Resources</b>					
Voluntary Income	2	3,792	431	4,224	16,828
Activities for generating funds	3	12,709	800	13,509	7,152
<b>Total Incoming Resources</b>		<b>16,501</b>	<b>1,231</b>	<b>17,733</b>	<b>23,980</b>
<b>Resources Expended</b>					
Cost of generating funds					
Fundraising trading costs	5	3,572		3,572	2,145
Charitable activities :					
Simulation costs	5	5,288		5,288	6,967
Desperate Journeys	5	146		146	97
Donations	5	-		-	543
Total		5,434	-	5,434	7,606
Office, administration and governance	5	14,322		14,322	14,177
Interest income		17		17	1
<b>Total Net Resources Expended</b>		<b>23,311</b>	<b>-</b>	<b>23,311</b>	<b>23,927</b>
<b>Net Incoming/(Outgoing) Resources for the Year</b>		<b>(6,810)</b>	<b>1,231</b>	<b>(5,578)</b>	<b>53</b>
<b>Net Movement in Funds for the year</b>		<b>(6,810)</b>	<b>1,231</b>	<b>(5,578)</b>	<b>53</b>
<b>Funds at 1st January</b>		<b>20,906</b>	<b>9,020</b>	<b>29,926</b>	<b>29,873</b>
<b>Accumulated Funds at 31st December</b>		<b>14,097</b>	<b>10,251</b>	<b>24,348</b>	<b>29,926</b>



	Note	2022 £	2021 £
<b>Fixed Assets</b>	7	553	1,106
<b>Current Assets</b>			
Stock		2,950	4,294
Prepayments	8	-	-
Debtors	9	1,750	153
Cash at bank and in hand		19,095	24,374
<b>Total Fixed and Current Assets</b>		<b>24,348</b>	<b>29,925</b>
<b>Current Liabilities</b>			
Creditors	10	-	-
<b>Net Assets</b>		<b>24,348</b>	<b>29,926</b>
 <b>Designated Funds</b>	11	10,251	9,020
<b>General Funds</b>	11	14,097	20,906
		<b>24,348</b>	<b>29,926</b>

31st December 2022



Paul Williams



James MacLeay

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) on behalf of the Trustees  
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Date: 29 September 2023

## 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

### **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.

<b>2 Voluntary Income</b>	<b>General Funds 2022 £</b>	<b>Designated Funds 2022 £</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Donations	3,792	421	4,214	3,051
Fundraising	-	10	10	13,777
	<u>3,792</u>	<u>431</u>	<u>4,224</u>	<u>16,828</u>

<b>3 Activities for generating funds</b>	<b>General Funds 2022 £</b>	<b>Designated Funds 2022 £</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Simulations	7,200	800	8,000	2,700
Handicraft sales	5,509		5,509	4,452
	<u>12,709</u>	<u>800</u>	<u>13,509</u>	<u>7,152</u>

#### 4 Trustees' Remuneration and Expenses

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

<b>5 Analysis of resources expended</b>	<b>General Funds 2022 £</b>	<b>Designated Funds 2022 £</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
<b>Cost of Generating Funds</b>				
Handicraft sales	3,538		3,538	2,080
Fundraising	33		33	65
<b>Total</b>	<u>3,572</u>		<u>3,572</u>	<u>2,145</u>
<b>Charitable expenditure</b>				
Donations	-		-	543
Simulations	5,288		5,288	6,967
Desperate Journeys	146		146	97
<b>Total</b>	<u>5,434</u>	<u>-</u>	<u>5,434</u>	<u>7,606</u>
<b>Office, administration and governance</b>	14,322		14,322	14,177
Interest income	17		17	1
<b>Total expenditure</b>	<u>23,311</u>	<u>-</u>	<u>23,311</u>	<u>23,927</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.

	2022	2021
	£	£
Opening Gross book value	1,106	-
Acquisitions	-	1,658
Disposals	-	552
Depreciation	552	-
Closing Net book value	553	1,106

## 8 Prepayments

There were no Prepayments as at year end.

## 9 Debtors

There was one debtor as at year end, Headington School to the value of £1,750.

## 10 Creditors

There were no Creditors as at year end.

11 Funds Analysis	General Funds 2022 £	Designated Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Balance brought forward	20,906	9,020	29,926	29,873
Total incoming resources	16,501	1,231	17,733	23,980
Total resources expended	23,311	-	23,311	23,927
Other recognised (losses)/gains				
Balance at 31 December	14,097	10,251	24,348	29,926

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.

## 12 Related parties

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