

EMPATHY ACTION CIO

Registered Charity Number: 1162224

**ANNUAL REPORT
&
ACCOUNTS**

FOR THE PERIOD ENDED

31st December 2023



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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 22 February 2022 resigned 8 July 2024
Natasha Williams	15 March 2016	reappointed 28February 2022
Colin Crisp	5 March 2019	reappointed 28 February 2022
Laura Cook	22 May 2023	
Isabel Hodgson	22 May 2023	

Empathy Action CIO Report of the Trustees

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.

Our Motivation and Core Values

We are motivated by the teaching of Jesus to love our neighbour as ourselves which underpins our core values of

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).

Empathy Action CIO

Report of the Trustees

Financial review

The net outcome for the year was a surplus of £6,431 made up of surplus of £3,321 on General Funds and a surplus of £3,110 on Designated Funds.

Incoming resources

Incoming resources increased by £15,200 over the previous year. Income from simulations and donations , increased significantly over prior year, handicrafts income was lower and fundraising was nil. The increases in income reflected significantly more simulation activity than in 2022 and donations from Empathy Angels and a

Resources expended

Expenditure on simulations was similar to prior year despite an increase in activity. There was more expenditure on consultancy to deliver Desperate Journeys. Office, administration and governance costs were £2,500 more than the previous year.

Balance sheet

Fixed assets represents one computer which is now fully depreciated. Total stock of handicrafts decreased from the previous year and there is one significant debtor to the value of £1,850. the bank balance at £27,531 is increased by £8,436. Designated Funds increased by £3,110, with no recorded expenditure, and General Funds increased by £3,321.

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

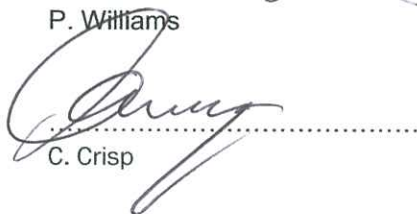
The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Approval Statement

This report was approved by the Trustees of the Charity



P. Williams



C. Crisp

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) on behalf of the Trustees
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(DATE) September 25th 2024

Charity's Principal Address

15 Serpentine Road
Sevenoaks
Kent, TN13 3XR

Empathy Action CIO
Independent Examiner's
Report on the Accounts
For the period ended

I report on the accounts of the Charity for the year ended 31 December 2023, which are set out on pages 9 to 13.

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:

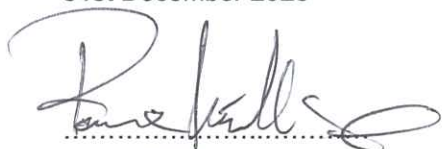
September 25th 2024

Empathy Action CIO

	Note	Total Funds 2022 £	General Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £
Incoming Resources					
Voluntary Income	2	4,224	14,513	1,612	16,125
Activities for generating funds	3	13,509	15,310	1,498	16,808
Total Incoming Resources		17,733	29,823	3,110	32,933
Resources Expended					
Cost of generating funds					
Fundraising trading costs	5	3,572	1,556		1,556
Charitable activities :					
Simulation costs	5	5,288	5,208		5,208
Desperate Journeys	5	146	2,706		2,706
Donations	5	-	-		-
Total		5,434	7,914	-	7,914
Office, administration and governance	5	14,322	17,051		17,051
Interest income		17	19		19
Total Net Resources Expended		23,311	26,502	-	26,502
Net Incoming/(Outgoing) Resources for the Year		(5,578)	3,321	3,110	6,431
Net Movement In Funds for the year		(5,578)	3,321	3,110	6,431
Funds at 1st January		29,926	14,096	10,252	24,348
Accumulated Funds at 31st December		24,348	17,417	13,362	30,779

	Note	2022 £	2023 £
Fixed Assets	7	553	-
Current Assets			
Stock		2,950	1,398
Prepayments	8	-	-
Debtors	9	1,750	1,850
Cash at bank and in hand		19,095	27,531
Total Fixed and Current Assets		24,348	30,779
Current Liabilities			
Creditors	10	-	-
Net Assets		24,348	30,779
 Designated Funds	11	10,251	13,362
 General Funds	11	14,097	17,417
		24,348	30,779

31st December 2023



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September 25th 2024

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.

Empathy Action CIO

2 Voluntary Income	Total Funds 2022 £	General Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £
Donations	4,214	14,513	1,612	16,125
Fundraising	10	-	-	-
	<u>4,224</u>	<u>14,513</u>	<u>1,612</u>	<u>16,125</u>
3 Activities for generating funds	Total Funds 2022 £	General Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £
Simulations	8,000	13,482	1,498	14,980
Handicraft sales	5,509	1,828	-	1,828
	<u>13,509</u>	<u>15,310</u>	<u>1,498</u>	<u>16,808</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	Total Funds 2022 £	General Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £
Cost of Generating Funds				
Handicraft sales	3,538	1,513	-	1,513
Fundraising	33	43	-	43
Total	<u>3,572</u>	<u>1,556</u>		<u>1,556</u>
Charitable expenditure				
Donations	-	-	-	-
Simulations	5,288	5,208	-	5,208
Desperate Journeys	146	2,706	-	2,706
Total	<u>5,434</u>	<u>7,914</u>	<u>-</u>	<u>7,914</u>
Office, administration and governance	14,322	17,051	-	17,051
Interest income	17	19	-	19
Total expenditure	<u>23,311</u>	<u>26,502</u>	<u>-</u>	<u>26,502</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.			

Empathy Action CIO

7 Fixed Assets

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

	2022	2023
	£	£
Opening Gross book value	1,106	553
Acquisitions		
Disposals	0	0
Depreciation	553	553
Closing Net book value	<u>553</u>	<u>0</u>

8 Prepayments

There were no Prepayments as at year end.

9 Debtors

There was one debtor as at year end, West Bromwich Collegiate Academy.

10 Creditors

There were no Creditors as at year end.

11 Funds Analysis

	Total Funds 2022	General Funds 2023	Designated Funds 2023	Total Funds 2023
	£	£	£	£
Balance brought forward	29,926	14,096	10,252	24,348
Total incoming resources	17,733	29,823	3,110	32,933
Total resources expended	23,311	26,502	-	26,502
Other recognised (losses)/gains				
Balance at 31 December	<u>24,348</u>	<u>17,417</u>	<u>13,362</u>	<u>30,779</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

12 Related parties

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

13 Post Balance sheet events