

KARUNA ACTION

England & Wales · Charity number 1185570

Details

Status Registered

Legal form CIO

Registered 2019-09-30

Register [View on the Charity Commission register](#)

Contact

Address Karuna Action
11 Wellington Street
Aldershot
Hampshire
GU11 1DX

Phone 01252333233

Email office@karunaaction.org

Website www.karunaaction.org

Activities

Objects: (A) TO RELIEVE PERSONS WHO ARE IN CONDITIONS OF NEED OR HARDSHIP OR WHO ARE AGED OR SICK AND TO RELIEVE THE DISTRESS CAUSED THEREBY, INCLUDING (THOUGH NOT BY WAY OF LIMITATION) PROVIDING OR ASSISTING IN THE PROVISION OF PRIMARY HEALTH CARE AND THE PROMOTION OF GOOD HEALTH, IN SUCH PARTS OF THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT;(B) TO ADVANCE EDUCATION IN SUCH PARTS OF THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT;(C) TO RELIEVE UNEMPLOYMENT AND TO ADVANCE THE PROVISION OF VOCATIONAL TRAINING FOR YOUNG PEOPLE AND OTHERS IN NECESSITOUS CIRCUMSTANCES IN SUCH PARTS OF THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT;(D) TO PROMOTE AND FULFIL SUCH OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY IN SUCH PARTS OF THE WORLD WHERE THE TRUST MAY BE OPERATING AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.

Activities: POVERTY RELIEF IN DEVELOPING COUNTRIES AND THE UK THROUGH SELF-HELP, MEDICAL, EDUCATIONAL AND TRAINING PROJECTS.

Classification

- **How:** Provides Other Finance, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Albania
- Congo (Democratic Republic)
- India
- Mongolia
- Nepal
- Peru
- Russia
- Spain
- Sri Lanka
- Uganda
- Zambia
- Zimbabwe
- Hampshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£359,054	£360,072	-	-
2024-12-31	£370,040	£366,500	-	-
2023-12-31	£386,500	£396,000	-	-
2022-12-31	£427,000	£434,000	-	-
2021-12-31	£426,000	£455,000	-	-
2020-12-31	£383,000	£322,000	-	-

Trustees

Name	Role	Appointed
Catherine Mary Harris	Chair	2023-09-25
Cathrin Raine		2019-09-30
Clare Louise Brown		2019-09-30
George Leonard Dowdell		2019-09-30
Matthew Thomas Davis		2023-09-25

Accounts

KARUNA ACTION

Trustees Report and Financial Statements

1st January to 31st December 2025



The Karuna Action Team walking the Camino De Santiago

Karuna Action, 11 Wellington Street, Aldershot, Hampshire, GU11 1DX

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Registered charity number: 1185570

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CHAIR'S REPORT

This has been an up and down year - spiritually, emotionally and financially – but I am pleased to report that we have ended the year in a far more positive manner and for this we thank God. The coffee shop continues to go from strength to strength which has enabled more funds to be available for our overseas and local projects. It is a thriving hub in the centre of our local community, and we seek to develop further our links within the community, and we feel we can be a place of influence in the coming months. We continue to welcome students with additional needs from Farnborough Technical College to learn barista skills, helping them gain valuable community work experience and life skills. Not only have they learnt hospitality skills, but we have seen them grow in confidence and maturity. Some of these youngsters have since found paid employment which is very encouraging. The coffee shop is a safe place for the community in Aldershot and is often a hive of activity.

During the year we promoted Ryan to the role of Shop Manager so that his is a salaried position. We want to give our staff opportunities for personal and professional development. Ryan is doing well and this move has enabled and released Simon(director) in particular to have a more strategic role within the charity.

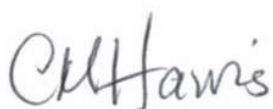
Our donor base is shrinking, so we are seeking alternative funding through grants for our projects and partnering with the Council on community cohesion and 'Roots in the Community' initiatives. This year we have not had any overseas visits/visitors but the overseas projects are still important to us and we continue to be in partnership with them.

This year, Simon organised a trip walking part of the Camino for some of our staff, volunteers and friends. This was a sponsored walk and brought in much-needed funds as well as deepened friendships and collaboration within the team.

As with many charities, it has been a tough year financially, but through God's faithfulness, we have come out on top. Our reserves are in a much better position so that we can more readily respond to needs both locally and internationally.

I would like to thank all the staff at Karuna for all their hard work and dedication in ensuring that Karuna's vision to support people in need is fulfilled. Sadly we said goodbye to two long-standing trustees, Paul and Martin, at the end of December. They have diligently served Karuna for a number of years. We thank them for their wisdom, spiritual insight and dedication. We wish them well in the future. I would also like to thank our willing band of volunteers who keep the coffee shop going alongside Ryan and Aggie (our paid members of staff). Jessica continues to work with integrity and passion, and Louise continues to be a huge asset in the office supporting Simon and Jessica in administering the charity. We are blessed to have such a dedicated team both paid and unpaid who buy into our vision.

We look forward to the coming year with excitement and anticipation of God's blessing in all that we do.



Katy Harris
Chair of Trustees – Karuna Action

TRUSTEES REPORT

The trustees present their report and the financial statements for the year from 1st January to 31st December 2025.

LEGAL DETAILS

Trustees

Anna Bland

Clare Brown

Matthew Davis

George Dowdell

Martin Hannington

Catherine Harris (Chair)

Cathrin Raine

Paul Walsh

Resigned December 2025

Resigned December 2025

Directors

Simon Hannington

Jessica Cathcart

Address

11 Wellington Street

Aldershot

Hampshire

GU11 1DX

Bankers

Cooperative Bank PLC

PO Box 250

Delph House, Southway

Skelmersdale, WM8 6WT

Independent Examiners Ltd

The Grain Store

Hills Barn

Appledram Lane South

Chichester

PO20 7EG

Email

office@karunaaction.org

OBJECTIVES AND ACTIVITIES

Our purpose is to stand with people affected by hardship, poverty and injustice anywhere. We exist to see poverty ended through compassion, to build dignity and sustainable communities, and to share the message of the gospel in ways that connect. Motivated by our faith and the call to “remember the poor” (Galatians 2:10), we respond to need through practical action, long-term partnerships and community-led solutions. Our activities for the public benefit include:

Activities

Education and Youth

Income

Generation

Health Care

Orphans/Widows

Emergency Relief

Community Action

Raising

Awareness

Aims

- To ensure that children can receive a good education to secondary level or higher education in some cases.
- To give families the opportunity of setting up a small business to provide for or supplement family income.
- To provide healthcare for those without easy access or the financial ability.
- To care for children who do not have anyone else to care for them.
- Relief for those affected by war, drought, and natural disasters.
- To work with local communities in the Aldershot area and the United Kingdom generally.
- To run a community coffee shop for the benefit of the local community and to generate funds to further the work of the charity.
- To train asylum seekers and young people in barista skills in the coffee shop so that they may get employment in the community.
- To raise awareness to the public of the effects of poverty around the world and to encourage people to get involved.

PUBLIC BENEFIT

In determining our programmes, we must regard both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. The trustees ensure that our programmes are in line with our charitable objects and aims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The name of the charity is KARUNA ACTION. The charity was formerly governed by the Declaration of Trust dated 21st October 1998 and registered with the Charity Commission as charity number 1072613. On the 30th of September 2019, the charity registered with The Charity Commission as a C.I.O. (Charitable Incorporated Organisation) number 1185570. The charity name and objects remain unchanged.

New trustees are appointed by a resolution of the Trustees at a meeting of the Trustees at which there is a majority of the Trustees present. New Trustees meet with the Chair of the Trustees and are given copies of the accounts for the last 3 years, minutes of Trustee meetings, a copy of the governing trust deed and a copy of the relevant Charity Commission booklet. The Trustees meet formally quarterly, though these meetings can be supplemented by Focus Groups on aspects of the charity, each consisting of a few trustees. All trustees are entitled to attend these Focus Groups. In addition, the directors make extensive use of email facilities to keep trustees up to date on projects and developments.

Trustees are responsible for the oversight of strategic decisions made by the directors. The Trustees support the directors in making decisions on donations to partners and overseeing the expenditure of the charity. Our Trustees are unpaid, and details of any Trustee expenses are disclosed in the notes to the accounts. The Directors are responsible for the operational running of the charity, making grants, controlling expenditure, and monitoring the effectiveness of projects. The Directors meet regularly with the Chair of the Trustees and other Trustees as appropriate.

REVIEW OF THE PERIOD

Our income for the year January to December 2025 was around £359,000. Most of this income originates from individuals and churches in the United Kingdom. Total resources expended were approximately £360,000

The main work of Karuna Action continues to be the relief of poverty throughout the world and community development in the United Kingdom. Most fundraising activities have been through the distribution of newsletters and appeals, and also through directly engaging with members of the public at the Karuna Coffee House.

The Trustees consider Karuna Action as a going concern and are committed to the charity's development.

ACHIEVEMENTS AND PERFORMANCE

Financial accounts do not directly measure the impact of the charity on lives. The main projects have a direct impact on the lives of thousands of children, adults, and families. Praise God for the effect of the following projects on the lives of people:

Education and Young People:

- Helping students obtain a good education in Albania, DR Congo, India, Sri Lanka, Uganda, and Mongolia.
- Sponsorship of university and college students in Mongolia, Sri Lanka, and Uganda.
- Community development through healthcare, education, and income generation.

Health Care:

- Clinics in Sri Lanka, Uganda and Zambia.

Orphans/Widows:

- We are responsible for most of the funding for a Children's Home in Albania.
- Supporting homes for children in India, Sri Lanka, and Uganda.
- Supporting Widows in Sri Lanka.

Emergency Relief and Miscellaneous:

- Although this is not the main purpose, we sometimes raise funds to help when one of our overseas partners has a particular need. Through this fund, we raised support for flood-affected communities in Sri Lanka

Community Action

- Involvement in resourcing a local food hub to distribute food supplies.
- We are actively involved with various community initiatives in Aldershot.

Raising Awareness

- We have continued to make the needs of our partners known to our existing supporters, and also through directly engaging with members of the public at the Karuna Coffee House.

Karuna Coffee Shop

We sell Karuna Coffee through the Karuna Coffee House. The main reasons for trading are:

- To support the local community through work experience and provide opportunities to SEN & NEET young people, refugees, and asylum seekers.
- As a means of income generation for the work of Karuna Action. In the year, sales of coffee and refreshments in the coffee shop generated a profit of £32,000.

VOLUNTEER SUPPORT

Karuna Action benefitted from the support of volunteers who undertook various tasks in the governance, administration, and operation of the coffee shop.

FUTURE PLANS

Most of our expenditure overseas is committed to existing projects, the plan for 2025 was to maintain those projects. In 2026 we plan to expand the work and scope of Karuna Action by looking for further opportunities and fundraising to meet the growing needs of our partners and our initiatives.

We plan to expand our support base by the following methods:

- Through natural growth, people hearing about Karuna Action through their involvement in the community.
- Making people aware of the needs caused by poverty through campaigning and advocacy.
- Seek funding for our local initiative taking place in the Coffee House with young people.

FUNDS IN DEFICIT

There were no funds with deficits at the end of the financial year.

RELATED CHARITIES

None.

GRANTS

In 2025 we received a grant of around £9,000 from Rushmoor Borough Council to train asylum seekers and refugees in barista skills in the coffee shop so that they may get employment in the community. There were no grants from central government in this financial year.

DONATION POLICIES

Donations are made to churches, organisations, and individuals with whom we have a relationship based on trust and mutual respect. Most donations are made as a part of a regular commitment, but they are dependent on donations received into the appropriate restricted fund.

INVESTMENT POWERS

The CIO foundation document authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

REVIEW AND MANAGEMENT OF RISKS

The Trustees review the major risks to which the charity is exposed. A risk register has been established and is updated periodically. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

RESERVES

We have non-binding commitments to many of our operational projects, largely matched by regular commitments from donors, limiting the requirement to keep reserves. Usable reserves at the 31st December are around £16,000. This is the general fund balance less the current value of the fixed assets.

RESPONSIBILITY OF THE TRUSTEES

The trustees are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Charity law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the CIO and of the surplus or deficit of the CIO for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make reasonable and prudent judgements and estimates.
- Prepare the financial statement on a going concern basis unless it is inappropriate to presume that the trust will continue to operate.

The trustees are also responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the CIO and to ensure that the financial statements comply with applicable law and regulations.
- Safeguarding the charity's assets.
- Taking reasonable steps for the prevention and detection of fraud.
- Taking all the steps that they ought to have taken in order to make themselves aware of any relevant examination information and to establish that the charity's examiners are aware of that information.

This report was approved by the Trustees and signed on their behalf.

Signature:



Date: 28th February 2026
Name: C Harris, Chair to the trustees

INDEPENDENT EXAMINERS REPORT

I report to the trustees on my examination of the accounts of Karuna Action for the period 1st January 2025 to 31st December 2025.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

Responsibilities and basis of report

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a member of the Chartered Institute of Management Accountants.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Signed:


.....

G W Schulz FCMA

Independent Examiners Ltd
The Grain Store, Hills Barns
Appledram Lane South
Chichester
PO20 7EG

17 April 2026

STATEMENT OF FINANCIAL ACTIVITIES

For the Period 1st January 2025 to 31st December 2025

	Notes	Unrestricted Funds £	Restricted Funds £	January to December 2025 £	January to December 2024 £
Income from:					
Donations and legacies	3	59,613	174,098	233,711	255,179
Fundraising Activities	3	360	-	360	-
Charitable Activities	3	124,983	-	124,983	114,861
Investments	3	-	-	-	-
Other	3/6	-	-	-	-
Total		184,956	174,098	359,054	370,040
Expenditure on:					
Fundraising Expenditure	2	262	274	536	505
Charitable Activities	2	178,662	180,874	359,536	365,823
Total		178,924	181,148	360,072	366,328
Net Income/(Expenditure)		6,032	(7,050)	(1,018)	3,712
Total funds brought forward		24,216	40,116	64,332	60,620
Transfers between funds	12	-	-	-	-
Total funds carried forward		30,248	33,066	63,314	64,332

There were no recognised gains or losses for the accounting period other than those included in the Statement of Financial Activities.

The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET**As at 31st December 2025**

		Unrestricted funds	Restricted funds	As at 31st December 2025	As at 31st December 2024
	Notes	£	£	£	£
Tangible Fixed Assets	8	14,431	-	14,431	15,793
Current Assets:					
Debtors owing within one year	9	1,240	1,732	2,972	12,327
Cash at Bank and In Hand	10	16,344	31,381	47,725	36,141
Stock in hand	10A	3,399	-	3,399	3,944
Total Current Assets		20,983	33,113	54,096	52,412
Current Liabilities					
Creditors due within one year	11	5,166	47	5,213	3,873
Total Current Liabilities		5,166	47	5,213	3,873
Net Current Assets		15,817	33,066	48,883	48,539
Total Assets less Current Liabilities		30,248	33,066	63,314	64,332
The funds of the charity					
Unrestricted Funds	12	30,248	-	30,248	24,216
Restricted Funds	12	-	33,066	33,066	40,116
Total charity funds		30,248	33,066	63,314	64,332

Approved by the Trustees and signed on their behalf.**Signature:****Date: 28th February 2026****Name: C Harris, Chair to the trustees****The notes on pages 10 to 14 form part of these financial statements.**

NOTES TO THE FINANCIAL STATEMENTS

Note 1 ACCOUNTING POLICIES

a) Accounting Convention

These accounts 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. The accounts have been prepared in accordance with: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

b) Fund Accounting

The balances in the Unrestricted Funds are available for use at the discretion of the Trustees in the furtherance of the charitable objectives and represent the usable reserves of the charity.

Restricted funds are subject to specific conditions imposed by the donors. At the period end, any fund deficits are eliminated by a transfer from unrestricted funds unless the Trustees are of the opinion that such deficits will be eliminated by future committed giving.

Expenditure within restricted funds includes direct project development and core costs associated with project development and support allocated according to income received.

Expendable Endowment Funds are those funds which are given to generate income for specific purposes but if the income is insufficient the income from the expendable fund can be used.

c) Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources and
- the trustees are more certain than not that they will receive the resources and
- the monetary value can be measured with sufficient reliability.

Incoming Resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources. The CIO has not received any government grants during the accounting period.

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA during the same period as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

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 and 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.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the period.

d) Resources Expended

All expenditure is accounted for on an accruals basis unless indicated otherwise and includes VAT where relevant.

- **"Fundraising expenditure"** consists of expenditure incurred in motivating supporters to give to the ministry of Karuna Action
- **"Directly attributed Costs"** consist of expenditure where the charitable activity is directly incurred by Karuna Action.
- **"Reallocation of core costs"** consist of shared costs which contribute directly to more than one fund or charitable activity are apportioned on a basis consistent with the use of resources. For all funds core costs are apportioned in relation to the income received by these funds.

e) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation of tangible fixed assets is calculated to write off the cost over their estimated useful lives as follows:

- Electronic equipment (mostly computers) – 33⅓% per year, straight line.
- Other equipment – 25% per year, straight line.
- Second-hand equipment may be depreciated fully in the year in which they are received.
- Vehicles are depreciated over a period decided by trustees (presently 15% reducing balance).
- Improvements to property are depreciated over the remaining period of the lease.

f) Transfers between funds

Where restricted funds have a deficit at the end of the accounting period, transfers are made from unrestricted funds to make good such deficits with the approval of the trustees.

g) Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balance sheet items denominated in foreign currencies are translated at the rate of exchange prevailing at the period end.

h) Pension Contributions

The C.I.O. participates in a defined contribution pension scheme and the pension charge represents the amount payable by the C.I.O. to the fund in respect of the period.

i) Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Note 2 - Expenditure by type of fund	Unrestricted funds	Restricted Funds	January to December 2025	January to December 2024
	£	£	£	£
Fundraising Expenditure	262	274	536	505
Charitable Activities:				
Directly attributable Costs				
Project Expenditure	-	123,982	123,982	132,898
Coffee Shop cost of Sales	93,676	1,581	95,257	86,284
Community Action	-	72	72	100
Subtotal	93,676	125,635	219,311	219,282
Core costs				
Personnel expenditure	88,840	6,982	95,822	94,746
Premises expenditure	27,920		27,920	32,409
Office expenditure	10,450		10,450	11,277
Governance	2,264		2,264	2,415
Reallocation of Core costs	(48,258)	48,258	-	-
Subtotal	81,216	55,240	136,456	140,847
Other costs				
Raising Awareness	-	-	-	-
Depreciation	3,769	-	3,769	5,694
TOTAL EXPENDITURE	178,923	181,149	360,072	366,328

Note 2A - Analysis of Expenditure by Activity		Support for Overseas Partner Projects	Community Supprt U.K.	Raising Awareness	January to December 2025	January to December 2024
		£	£	£	£	£
Fundraising Expenditure	C*	274	210	52	536	505
Charitable Activities:						
Directly attributable Costs						
Project Expenditure	O*	123,982	-	-	123,982	132,898
Coffee Shop cost of Sales	C*	1,581	65,573	28,103	95,257	86,284
Community Action	C*	72	-	-	72	100
Subtotal		125,635	65,573	28,103	219,311	219,282
Core costs						
Personnel expenditure	P*	49,921	38,497	7,403	95,822	94,746
Premises expenditure	F*	9,214	18,706	-	27,920	32,409
Office expenditure	G*	4,354	5,443	653	10,450	11,277
Governance	G*	943	1,179	142	2,264	2,415
Subtotal		64,432	63,826	8,198	136,456	140,847
Other costs						
Raising Awareness	C*	-	-	-	-	-
Depreciation	G*	1,570	1,963	236	3,769	5,694
TOTAL EXPENDITURE		191,912	131,571	36,589	360,072	366,328

Basis of Spit between headings	C*	Use of Coffee shop and Community Action
	F*	Use of Floor Area
	G*	Split according to Income

O* Overseas Projects

P* Use of Personnel costs

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note		Unrestricted funds £	Restricted funds £	January to December 2025 £	January to December 2024 £
3	Income				
	Donations and legacies				
	Donations Received	59,613	165,038	224,651	246,500
	Donations from Charities		9,060	9,060	8,679
	Legacies			-	-
	Subtotal	59,613	174,098	233,711	255,179
	Charitable Activities				
	Sales in coffee shop	124,983	-	124,983	114,861
	Other				
	Fundraising Activities	360	-	360	-
	TOTAL INCOME	184,956	174,098	359,054	370,040
4	Staff Costs and Trustees Remuneration				
	Gross Salaries			137,715	129,801
	Employers National Insurance			5,367	6,636
	Employers Pension Contributions (see note 5)			1,476	1,157
				144,558	137,594
	The average number of employees during the accounting period was:			5.0	5.0
	No employee received remuneration of more than £60,000 per annum			Nil	Nil
	Trustees Remuneration			Nil	Nil
	Trustees re-imbursement of expenses			Nil	Nil
	Gifts to long-term trustees on resignation			102	Nil
	Related Parties				
	One related party to Trustee M Hannington: Son - Gross remuneration for role of Director:				
	In 2025, this figure takes into account that the employer national insurance allowance was split accurately between employees whereas in 2024 it was not. This accounts for the apparent reduction in the gross cost to the CIO.			39,824	41,551
	Outstanding balances at reporting date			Nil	Nil
	Key Management Personnel				
	The key management personnel comprise the Trustees and the Directors. The Trustees are not remunerated. The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel of the CIO were:			80,612	84,043
	In 2025, this figure takes into account that the employer national insurance allowance was split accurately between employees whereas in 2024 it was not. This accounts for the apparent reduction in the gross cost to the CIO.				
5	Pension contributions by employer				
	The trust operates a defined contribution pension scheme, with SMART PENSIONS, available for all employees. The assets of the fund are held separately from those of the C.I.O. in an independently administered fund. There were no unpaid contributions at the balance sheet date. (Currently 4 employees are in the scheme).			1,476	1,157
6	Movement in total funds for the year				
	This is stated after charging:				
	Gain on disposal of fixed assets			-	-
	Loss on disposal of fixed assets			-	-
	Depreciation of fixed assets			3,769	5,694
	Estimated Independent Examination fee (accrual)			1,800	2,000
7	Leases				
	As at 31 December 2025 the charity had annual commitments under non-cancellable operating leases between one and five years as follows: Coffee machine (lease now finished)			848	5,086

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note	Note	Unrestricted funds £	Restricted funds £	Total Funds £
8	Tangible Fixed Assets			
	Equipment Cost			
	Balances brought forward at 1st January 2025	67,929	-	67,929
	Additions	2,407	-	2,407
	Disposals	(599)	-	(599)
	Balances carried forward at 31st December 2025	69,737	-	69,737
	Accumulated Depreciation			
	Balances brought forward at 1st January 2025	(52,136)	-	(52,136)
	Disposals	599	-	599
	Charge for year	(3,769)	-	(3,769)
	Balances carried forward at 31st December 2025	(55,306)	-	(55,306)
	Net Book Value			
	Balances carried forward at 31st December 2025	14,431	-	14,431

All fixed assets are used for raising funds and charitable activities

	Unrestricted funds £	Restricted funds £	As at 31st December 2025 £	As at 31st December 2024 £
9				
Debtors owing within one year				
Income Tax Recoverable	320	1,732	2,052	8,622
Pre-payments	920	-	920	3,705
Total	1,240	1,732	2,972	12,327
10				
Cash at Bank and In Hand				
Current Account	16,344	31,381	47,725	35,973
Revolut	-	-	-	168
Total	16,344	31,381	47,725	36,141
10A				
Stock in hand				
Stock of Coffee etc for sale	3,399	-	3,399	3,944
Total	3,399	-	3,399	3,944
11				
Creditors due within one year				
Credit cards o/s	2,209	47	2,256	971
Accruals	2,957	-	2,957	2,902
Total	5,166	47	5,213	3,873

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12	Movement of Unrestricted and Restricted funds	Balances brought forward at 1st January 2025	Total Incoming Resources	Total Resources Expended	Transfers between Funds	As at 31st December 2025
		£	£	£	£	£
	Community Support (general)	24,216	184,956	(178,924)	0	30,248
	Total Unrestricted Funds	24,216	184,956	(178,924)	0	30,248
	Bethshalom	425	300	(660)	0	65
	Calvary Grace Care	0	162	(50)	0	112
	Child Promotion School	3,625	21,000	(22,460)	0	2,165
	Childrens home General	467	2,874	(1,916)	0	1,425
	Christmas Fund	2,165	2,646	(4,315)	0	496
	Clinic General	331	2,340	(2,093)	0	578
	Clinic Zambia	914	5,882	(6,196)	0	600
	Community Action	185	196	(320)	0	61
	Education General	1,249	9,492	(8,130)	0	2,611
	Education Jinja	863	4,404	(4,753)	0	514
	Education Sponsorship	2,924	20,765	(21,170)	0	2,519
	Emergency Relief	1,211	7,588	(6,509)	0	2,290
	Income Generation	295	885	(843)	0	337
	Jubilee Society Mongolia	8,421	150	(5,096)	0	3,475
	Living Waters Russia	180	0	(180)	0	0
	New Beginnings Children's home	15,834	79,292	(85,251)	0	9,875
	New Generation Delhi	329	2,320	(2,053)	0	596
	Paula support	448	0	(448)	0	0
	Raising Awareness	250	4635	(4,885)	0	0
	Rushmoor Volunteer	0	9167	(3,820)	0	5,347
	Total Restricted Funds	40,116	174,098	(181,148)	0	33,066
	Total Funds	64,332	359,054	(360,072)	0	63,314

Accounts



KARUNA ACTION

Trustees Report and Financial Statements

1st January to 31st December 2024

Registered Charity: 1185570



Karuna Action, 11 Wellington Street, Aldershot, Hampshire, GU11 1DX
T: +44 (0) 1252 333233 office@karunaaction.org www.karunaaction.org
Registered charity number: 1185570

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CHAIR'S REPORT

This year saw the coffee shop continuing to go from strength to strength which has enabled more funds to be available for our overseas and local projects. The coffee shop is a safe place for the community in Aldershot and is often a hive of activity. Recently we have taken on students with additional needs from Farnborough Technical College to learn barista skills giving them an opportunity to work in the community and also develop skills useful for them in adult life. Both Ryan and Aggi have been brilliant trainers! The safe environment of the Coffee House has enabled all to flourish.

In July we had a visit from Joel who is the director of the school in Uganda which has further strengthened our relationship with him and the school. It was good to hear first-hand what issues they were facing as well as the successes. In September Simon visited our partners in Sri Lanka and was able to sort out some of the issues we have encountered. Simon was encouraged in particular with our project in Columbo who readily embraced our new way of working moving away from sponsorship based to more project based. It was good to renew and deepen our relationships. As with many charities it has been a tough year financially but through God's faithfulness we have come out on top. We still aim to build up some of our reserves so that we are in a position to respond to needs more readily.

I would like to thank all the staff at Karuna for all their hard work and dedication in ensuring that Karuna's vision to support people in poverty is fulfilled. I would also like to thank our willing band of volunteers who keep the coffee shop going alongside Ryan and Aggie (our paid members of staff). Louise has been a huge asset in the office supporting Simon and Jessica in administering the charity. We are blessed to have such a strong team both paid and unpaid who buy into our vision. We look forward to the coming year with excitement and anticipation of God's blessing in all that we do.



Katy Harris
Chair of Trustees – Karuna Action

TRUSTEES REPORT

The trustees present their report and the financial statements for the year from 1st January to 31st December 2024.

LEGAL DETAILS

Trustees

Anna Bland
Clare Brown
Matthew Davis
George Dowdell
Martin Hannington
Catherine Harris (Chair)
Cathrin Raine
Paul Walsh

Directors

Simon Hannington
Jessica Davies

Address

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Bankers

Cooperative Bank PLC
PO Box 250
Delph House, Southway
Skelmersdale, WM8 6WT

Independent Examiners Ltd

Unit 2 The Broadbridge Centre
Delling Lane
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West Sussex
PO18 8NF

Email

office@karunaaction.org

OBJECTIVES AND ACTIVITIES

Our Objective is to be a voice of justice for the oppressed, ending poverty through compassion in sustainable communities and to bring the message of the gospel to a new generation. Our faith calls us to “remember the poor” (Galatians 2:10) and we aim to do this through the relief of poverty and suffering throughout the world. The main activities and aims for the public benefit are:

<u>Activities</u>	<u>Aims</u>
Education and Youth	• To ensure that children can receive a good education to secondary level or higher education in some cases.
Income Generation	• To give families the opportunity of setting up a small business to provide for or supplement family income.
Health Care	• To provide healthcare for those without easy access or the financial ability.
Orphans/Widows	• To care for children who do not have anyone else to care for them.
Emergency Relief	• Relief for those affected by war, drought, and natural disasters.
Community Action	• To work with local communities in the Aldershot area and the United Kingdom generally. • To run a community coffee shop for the benefit of the local community and to generate funds to further the work of the charity.
Raising Awareness	• To raise awareness to the public of the effects of poverty around the world and to encourage people to get involved.

PUBLIC BENEFIT

In determining our programmes, we must regard both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. The trustees ensure that our programmes are in line with our charitable objects and aims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The name of the charity is KARUNA ACTION. It was formerly known as KINGSCARE, the name being changed in February 2012. The charity was formerly governed by the Declaration of Trust dated 21st October 1998 and registered with the Charity Commission as charity number 1072613. On the 30th of September 2019, the charity registered with The Charity Commission as a C.I.O. (Charitable Incorporated Organisation) number 1185570. The charity name and objects remain unchanged.

New trustees are appointed by a resolution of the Trustees at a meeting of the Trustees at which there is a majority of the Trustees present. New Trustees meet with the chairman of the Trustees and are given copies of the accounts for the last 3 years, minutes of Trustee meetings, a copy of the governing trust deed and a copy of the relevant Charity Commission booklet. The Trustees meet formally once or twice a year, though these meetings can be supplemented by Focus Groups on aspects of the charity each consisting a few trustees. All trustees are entitled to attend these Focus Groups. In addition, the directors make extensive use of email facilities to keep trustees up to date on projects and developments.

Trustees are responsible for strategic decisions considering the advice of the directors. The Trustees along with the directors are responsible for making major decisions on donations to partners and overseeing the expenditure of the charity. Our Trustees are unpaid, and details of any Trustee expenses are disclosed in the notes to the accounts. The Directors are responsible for day-to-day operations, making minor changes to grants, controlling expenditure, and monitoring the effectiveness of projects. The Directors meet regularly with the chairman of the Trustees and other Trustees as appropriate.

REVIEW OF THE PERIOD

Our income for the year January to December 2024 was around £370,000. Most of this income originates from individuals and churches in the United Kingdom. Total resources expended were approximately £366,500.

The main ministry of Karuna Action continues to be the relief of poverty throughout the world and the United Kingdom through the support of our partners who are Christian churches or organisations in Albania, India, Mongolia, Russia, Sri Lanka, Uganda, and Zambia. Most fundraising activities have been through the distribution of leaflets and newsletters.

The Trustees consider Karuna Action as a going concern and are committed to the charity's growth and development.

ACHIEVEMENTS AND PERFORMANCE

Financial accounts do not directly measure the impact of the charity upon human lives. The main projects have a direct impact on the lives of thousands of children, adults, and families. Praise God for the effect of the following projects on the lives of people:

Education and Youth:

- Helping a number of children to get a good education in India, Sri Lanka, Uganda, and Mongolia.
- Sponsorship of university and college students in Mongolia, Sri Lanka, and Uganda.
- Further provision of costs for the building and equipping of a school in Kampala, Uganda.
- Community development through healthcare, education, and income generation.

Health Care:

- Clinics in Sri Lanka, Uganda and Zambia.

Orphans/Widows:

- We are responsible for most of the funding for a Children's Home in Albania.
- Supporting homes for children in India, Sri Lanka, and Uganda.
- Supporting Widows in Sri Lanka.

Emergency Relief and Miscellaneous:

- Although this is not the main purpose we sometimes raise funds to help when one of our overseas partners have a particular need.

Community Action

- Involvement in setting up and resourcing a local food hub to distribute food supplies.
- We are involved with the local community in Aldershot.

Raising Awareness

- We have continued to make the needs of our partners known to our existing supporters.

Karuna Coffee Shop

We sell Karuna Coffee by the bean and cup in the coffee shop. The main reasons for selling coffee are;

- To support independent growers in Brazil, Colombia, Mexico, and Rwanda.
- To raise awareness by attending events and discussing issues of poverty and injustice throughout the world.
- To support the local community through work experience and providing opportunities to young people.
- As a means of income generation for the work of Karuna Action. In the year sales of coffee and the coffee shop generated a profit of about £28,000.

VOLUNTEER SUPPORT

Karuna Action benefitted from the support of volunteers who undertook various tasks in the governance, administration, and operation of the coffee shop.

FUTURE PLANS

Most of our expenditure overseas is committed to existing projects and the plan for 2024 was to maintain those projects. In 2025 we plan to expand the work and scope of Karuna Action by looking for further opportunities and fundraising to meet the expanding needs of our partners and their initiatives.

We plan to expand our support base by the following methods:

- Through natural growth as people hear about Karuna Action through the involvement in the community.
- Making people aware of the needs caused by poverty through campaigning and advocacy.

FUNDS IN DEFICIT

There were no funds with deficits at the end of the financial year.

RELATED CHARITIES

None.

GOVERNMENT GRANTS

There were no government grants in this financial year.

DONATION POLICIES

Donations are made to churches, organisations, and individuals where we have a relationship based on trust and mutual respect. Most donations are made as a part of a regular commitment, but they are dependent on donations received into the appropriate restricted fund.

INVESTMENT POWERS

The CIO foundation document authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

REVIEW AND MANAGEMENT OF RISKS

The Trustees review the major risks to which the charity is exposed. A risk register has been established and is updated periodically. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

RESERVES

We have non-binding commitments to many of our operational projects, largely matched by regular commitments from donors, limiting the requirement to keep reserves. Usable reserves at the 31st December are £8,423. This is the general fund balance less the current value of the fixed assets.

RESPONSIBILITY OF THE TRUSTEES

The trustees are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Charity law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the CIO and of the surplus or deficit of the CIO for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make reasonable and prudent judgements and estimates.
- Prepare the financial statement on a going concern basis unless it is inappropriate to presume that the trust will continue to operate.

The trustees are also responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the CIO and to ensure that the financial statements comply with applicable law and regulations.
- Safeguarding the charity's assets.
- Taking reasonable steps for the prevention and detection of fraud.
- Taking all the steps that they ought to have taken in order to make themselves aware of any relevant examination information and to establish that the charity's examiners are aware of that information.

This report was approved by the Trustees and signed on their behalf.

Signature:



Date: 29th February 2025
Name: C Harris, Chair to the trustees

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report to the trustees on my examination of the accounts of Karuna Action for the period 1st January 2024 to 31st December 2024.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

Responsibilities and basis of report

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified Fellow member of the Association of Charity Independent Examiners.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Signed:



.....FCIE

Independent Examiners Ltd
Unit 2 The Broadbridge
Business Centre
Bosham
West Sussex
PO18 8NF

16 April 2025

STATEMENT OF FINANCIAL ACTIVITIES

For the Period 1st January 2024 to 31st December 2024

	Notes	Unrestricted Funds £	Restricted Funds £	January to December 2024 £	January to December 2023 £
Income from:					
Donations and legacies	3	71,499	183,680	255,179	281,446
Fundraising Activities	3	-	-	-	-
Charitable Activities	3	114,861	-	114,861	105,071
Investments	3	-	-	-	-
Other	3/6	-	-	-	-
Total		186,360	183,680	370,040	386,517
Expenditure on:					
Fundraising Expenditure	2	33	472	505	628
Charitable Activities	2	187,144	178,679	365,823	395,411
Total		187,177	179,151	366,328	396,039
Net Income/(Expenditure)		(817)	4,529	3,712	(9,522)
Total funds brought forward		25,033	35,587	60,620	70,142
Transfers between funds	12	-	-	-	-
Total funds carried forward		24,216	40,116	64,332	60,620

There were no recognised gains or losses for the accounting period other than those included in the Statement of Financial Activities.

The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET**As at 31st December 2024**

	Notes	Unrestricted funds £	Restricted funds £	As at 31st December 2024 £	As at 31st December 2023 £
Tangible Fixed Assets	8	15,793	-	15,793	17,682
Current Assets:					
Debtors owing within one year	9	4,725	7,602	12,327	17,799
Cash at Bank and In Hand	10	3,580	32,561	36,141	26,970
Stock in hand	10A	3,944	-	3,944	2,769
Total Current Assets		12,249	40,163	52,412	47,538
Current Liabilities					
Creditors due within one year	11	3,826	47	3,873	4,600
Total Current Liabilities		3,826	47	3,873	4,600
Net Current Assets		8,423	40,116	48,539	42,938
Total Assets less Current Liabilities		24,216	40,116	64,332	60,620
The funds of the charity					
Unrestricted Funds	12	24,216	-	24,216	25,033
Restricted Funds	12	-	40,116	40,116	35,587
Total charity funds		24,216	40,116	64,332	60,620

Approved by the Trustees and signed on their behalf.**Signature:****Date:** 29th February 2025**Name:** C Harris, Chair to the trustees**The notes on pages 10 to 14 form part of these financial statements.**

NOTES TO THE FINANCIAL STATEMENTS

Note 1 ACCOUNTING POLICIES

a) Accounting Convention

These accounts 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. The accounts have been prepared in accordance with: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

b) Fund Accounting

The balances in the Unrestricted Funds are available for use at the discretion of the Trustees in the furtherance of the charitable objectives and represent the usable reserves of the charity.

Restricted funds are subject to specific conditions imposed by the donors. At the period end, any fund deficits are eliminated by a transfer from unrestricted funds unless the Trustees are of the opinion that such deficits will be eliminated by future committed giving.

Expenditure within restricted funds includes direct project development and core costs associated with project development and support allocated according to income received.

Expendable Endowment Funds are those funds which are given to generate income for specific purposes but if the income is insufficient the income from the expendable fund can be used.

c) Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources and
- the trustees are more certain than not that they will receive the resources and
- the monetary value can be measured with sufficient reliability.

Incoming Resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources. The CIO has not received any government grants during the accounting period.

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA during the same period as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

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 and 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.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the period.

d) Resources Expended

All expenditure is accounted for on an accruals basis unless indicated otherwise and includes VAT where relevant.

- "Fundraising expenditure" consists of expenditure incurred in motivating supporters to give to the ministry of Karuna Action
- "Directly attributed Costs" consist of expenditure where the charitable activity is directly incurred by Karuna Action.
- "Reallocation of core costs" consist of shared costs which contribute directly to more than one fund or charitable activity are apportioned on a basis consistent with the use of resources. For all funds core costs are apportioned in relation to the income received by these funds.

e) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation of tangible fixed assets is calculated to write off the cost over their estimated useful lives as follows:

- Electronic equipment (mostly computers) – 33⅓% per year, straight line.
- Other equipment – 25% per year, straight line.
- Second-hand equipment may be depreciated fully in the year in which they are received.
- Vehicles are depreciated over a period decided by trustees (presently 15% reducing balance).
- Improvements to property are depreciated over the remaining period of the lease.

f) Transfers between funds

Where restricted funds have a deficit at the end of the accounting period, transfers are made from unrestricted funds to make good such deficits with the approval of the trustees.

g) Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balance sheet items denominated in foreign currencies are translated at the rate of exchange prevailing at the period end.

h) Pension Contributions

The C.I.O. participates in a defined contribution pension scheme and the pension charge represents the amount payable by the C.I.O. to the fund in respect of the period.

i) Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Note 2 - Expenditure by type of fund	Unrestricted funds	Restricted Funds	January to December 2024	January to December 2023
	£	£	£	£
Fundraising Expenditure	33	472	505	628
Charitable Activities:				
Directly attributable Costs				
Project Expenditure	239	132,659	132,898	162,543
Coffee Shop cost of Sales	86,284	-	86,284	81,402
Community Action	-	100	100	44
Subtotal	86,523	132,759	219,282	243,989
Core costs				
Personnel expenditure	94,746	-	94,746	98,308
Premises expenditure	32,409	-	32,409	27,006
Office expenditure	11,277	-	11,277	12,042
Governance	2,415	-	2,415	2,986
Reallocation of Core costs	(45,920)	45,920	-	-
Subtotal	94,927	45,920	140,847	140,342
Other costs				
Raising Awareness	-	-	-	-
Depreciation	5,694	-	5,694	11,080
TOTAL EXPENDITURE	187,177	179,151	366,328	396,039

Note 2A - Analysis of Expenditure by Activity

		Support for Overseas Partner Projects	Community Action in U.K.	Raising Awareness of Poverty	January to December 2024	January to December 2023
		£	£	£	£	£
Fundraising Expenditure	C*	472	26	7	505	628
Charitable Activities:						
Directly attributable Costs						
Project Expenditure	O*	132,898	-	-	132,898	162,543
Coffee Shop cost of Sales	C*	-	60,399	25,885	86,284	81,402
Community Action	C*	100	-	-	100	44
Subtotal		132,998	60,399	25,885	219,282	243,989
Core costs						
Personnel expenditure	P*	44,215	42,636	7,896	94,746	98,308
Premises expenditure	F*	9,723	22,686	-	32,409	27,006
Office expenditure	G*	4,699	5,873	705	11,277	12,042
Governance	G*	1,006	1,258	151	2,415	2,986
Subtotal		59,643	72,453	8,751	140,847	140,342
Other costs						
Raising Awareness	C*	-	-	-	-	-
Depreciation	G*	2,373	2,966	356	5,694	11,080
TOTAL EXPENDITURE		195,485	135,844	34,999	366,328	396,039

Basis of Split between headings	C*	Use of Coffee shop and Community Action
	F*	Use of Floor Area
	G*	Split according to Income
	O*	Overseas Projects
	P*	Use of Personnel costs

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note		Unrestricted funds	Restricted funds	January to December 2024	January to December 2023
3	Income	£	£	£	£
	Donations and legacies				
	Donations Received	71,499	175,001	246,500	270,685
	Donations from Charities	-	8,679	8,679	8,700
	Legacies	-	-	-	2,061
	Subtotal	71,499	183,680	255,179	281,446
	Charitable Activities				
	Sales in coffee shop	114,861	-	114,861	105,071
	Other				
	Fundraising Activities	-	-	-	-
	Investments (interest on Bank Account)	-	-	-	-
	Other (Gain on disposal of fixed assets)	-	-	-	-
	TOTAL INCOME	186,360	183,680	370,040	386,517
4	Staff Costs and Trustees Remuneration				
	Gross Salaries			129,801	121,178
	Employers National Insurance			6,636	3,834
	Employers Pension Contributions (see note 5)			1,157	1,126
				137,594	126,138
	The average number of employees during the accounting period was:			5.0	5.0
	No employee received remuneration of more than £60,000 per annum			Nil	Nil
	Trustees Remuneration			Nil	Nil
	Trustees re-imbursement of expenses			Nil	Nil
	Related Parties				
	One related party to Trustee M Hannington:				
	1 Son - Gross remuneration for role of Director			41,551	35,824
	Daughter in law (2023 only) - Gross remuneration for role of Director.			Nil	16,532
	- Employer pension contributions paid on her behalf			Nil	402
	Outstanding balances at reporting date			Nil	Nil
	Key Management Personnel				
	The key management personnel comprise the Trustees and the Directors. The Trustees are not remunerated. The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel of the CIO were:			84,043	78,384
5	Pension contributions by employer				
	The trust operates a defined contribution pension scheme, with SMART PENSIONS, available for all employees. The assets of the fund are held separately from those of the C.I.O. in an independently administered fund. There were no unpaid contributions at the balance sheet date. (Currently 2 employees are in the scheme).			1,157	1,126
6	Movement in total funds for the year				
	This is stated after charging:				
	Gain on disposal of fixed assets			-	-
	Loss on disposal of fixed assets			-	247
	Depreciation of fixed assets			5,694	10,833
	Estimated Independent Examination fee (accrual)			2,000	1,800
7	Leases				
	As at 31 December 2024 the charity had annual commitments under non-cancellable operating leases between one and five years as follows:				
	Coffee machine			5,086	5,263

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note	Note	Unrestricted funds £	Restricted funds £	Total Funds £
8 Tangible Fixed Assets				
Equipment Cost				
Balances brought forward at 1st January 2024		64,124	-	64,124
Additions		3,805	-	3,805
Disposals		-	-	-
Balances carried forward at 31st December 2024		67,929	-	67,929
Accumulated Depreciation				
Balances brought forward at 1st January 2024		(46,442)	-	(46,442)
Disposals		-	-	-
Charge for year	6	(5,694)	-	(5,694)
Balances carried forward at 31st December 2024		(52,136)	-	(52,136)
Net Book Value				
Balances carried forward at 31st December 2024		15,793	-	15,793

All fixed assets are used for raising funds and charitable activities

	Unrestricted funds £	Restricted funds £	As at 31st December 2024 £	As at 31st December 2023 £
9 Debtors owing within one year				
Income Tax Recoverable	1,020	7,602	8,622	13,958
Sundry Debtors owing	-	-	-	195
Pre-payments	3,705	-	3,705	3,646
Total	4,725	7,602	12,327	17,799
10 Cash at Bank and In Hand				
Current Account	3,412	32,561	35,973	26,970
Revolut	168	-	168	-
Cash	-	-	-	-
Total	3,580	32,561	36,141	26,970
10A Stock in hand				
Stock of Coffee etc for sale	3,943	-	3,943	2,769
Total	3,943	-	3,943	2,769
11 Creditors due within one year				
Sundry Creditors	-	-	-	-
Credit cards o/s	924	47	971	1,663
Accruals	2,902	-	2,902	2,937
Total	3,826	47	3,873	4,600

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12	Movement of Unrestricted and Restricted funds	Balances brought forward at 1st January 2024	Total Incoming Resources	Total Resources Expended	Transfers between Funds	As at 31st December 2024
		£	£	£	£	£
	General fund	25,033	186,360	(187,177)	0	24,216
	Total Unrestricted Funds	25,033	186,360	(187,177)	0	24,216
	Bethshalom	88	2,135	(1,798)	0	425
	Calvary Grace Care	43	0	(43)	0	0
	Child Promotion School	6,292	23,886	(26,553)	0	3,625
	Childrens home General	379	3,000	(2,912)	0	467
	Christmas Fund	428	4,183	(2,446)	0	2,165
	Clinic General	83	1,590	(1,342)	0	331
	Clinic Zambia	302	4,386	(3,774)	0	914
	Community Action	330	1,098	(1,243)	0	185
	Education General	476	11,379	(10,606)	0	1,249
	Education Jinja	319	5,596	(5,052)	0	863
	Education Sponsorship	1,125	22,049	(20,250)	0	2,924
	Emergency Relief	498	5,780	(5,067)	0	1,211
	Income Generation	110	1,210	(1,025)	0	295
	Jubilee Society Mongolia	14,921	88	(6,588)	0	8,421
	Living Waters Russia	318	2,442	(2,580)	0	180
	New Beginnings Children's home	9,029	88,661	(81,856)	0	15,834
	New Generation Delhi	181	2,524	(2,376)	0	329
	Paula support	455	3,623	(3,630)	0	448
	Raising Awareness	210	50	(10)	0	250
	Total Restricted Funds	35,587	183,680	(179,151)	0	40,116
	Total Funds	60,620	370,040	(366,328)	0	64,332

KARUNA ACTION

England & Wales - Charity number 1185570

Accounts



KARUNA ACTION

Trustees Report and Financial Statements

1st January to 31st December 2023

Registered Charity: 1185570



Karuna Action, 11 Wellington Street, Aldershot, Hampshire, GU11 1DX
T: +44 (0) 1252 333233 office@karunaaction.org www.karunaaction.org
Registered charity number: 1185570

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CHAIR'S REPORT

This year saw the coffee shop going from strength to strength which has enabled more funds to be available for our overseas and local projects. The coffee shop is a safe place for the community in Aldershot and is often a hive of activity.

Over the year, we split the trustees into two distinct groups: one to focus on the financial side of running the charity; and one to be more focused on the projects we support. This has worked well and has enabled us to be more informed as Trustees. The decision was also made to make Jessica a co-director of the charity in honour of her enormous contribution to the work of the charity. In September we had a change of Chair, and this seemed to be a good opportunity for us to review our work and consider the immediate future and reflect on how our core activities are in line with the principles and vision of the charity.

In September there was a visit to our project in Uganda which strengthened our relationship with them. Further visits are in the planning phase both to Uganda and other projects overseas in the coming year.

I would like to thank all the staff at Karuna for all their hard work and dedication in ensuring that Karuna's vision to support people in poverty is fulfilled. I would also like to thank our willing band of volunteers who keep the coffee shop going alongside Ryan and Aggie (our paid members of staff). Louise has been a huge asset in the office supporting Simon and Jessica in administering the charity. We are blessed to have such a strong team both paid and unpaid who buy into our vision.

We look forward to the coming year with excitement and anticipation of God's blessing in all that we do.



Katy Harris
Chair of Trustees – Karuna Action

TRUSTEES REPORT

The trustees present their report and the financial statements for the year from 1st January to 31st December 2023.

LEGAL DETAILS

Trustees

Anna Bland
Clare Brown
Matthew Davis
George Dowdell
Martin Hannington
Catherine Harris (Chair)
Cathrin Raine
Paul Walsh

Directors

Simon Hannington
Jessica Davies

Address

11 Wellington Street
Aldershot
Hampshire
GU11 1DX

Bankers

Cooperative Bank PLC
PO Box 250
Delph House, Southway
Skelmersdale, WM8 6WT

Independent Examiners Ltd

Unit 2 The Broadbridge Centre
Delling Lane
Bosham
West Sussex
PO18 8NF

Email

office@karunaaction.org

OBJECTIVES AND ACTIVITIES

Our Objective is to be a voice of justice for the oppressed, ending poverty through compassion in sustainable communities and to bring the message of the gospel to a new generation. Our faith calls us to “remember the poor” (Galatians 2:10) and we aim to do this through the relief of poverty and suffering throughout the world. The main activities and aims for the public benefit are:

Activities

Aims

- | | |
|---------------------|---|
| Education and Youth | • To ensure that children are able to receive a good education to secondary level or higher education in some cases. |
| Income Generation | • To give families the opportunity of setting up a small business to provide for or supplement family income. |
| Health Care | • To provide healthcare for those without easy access or the financial ability. |
| Orphans/Widows | • To care for children who do not have anyone else to care for them. |
| Emergency Relief | • Relief for those affected by war, drought and natural disasters. |
| Community Action | • To work with local communities in the Aldershot area and the United Kingdom generally. |
| | • To run a community coffee shop for the benefit of the local community and to generate funds to further the work of the charity. |
| Raising Awareness | • To raise awareness to the public of the effects of poverty around the world and to encourage people to get involved. |

PUBLIC BENEFIT

In determining our programmes, we have to regard both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. The trustees ensure that our programmes are in line with our charitable objects and aims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The name of the charity is KARUNA ACTION. It was formerly known as KINGSCARE, the name being changed in February 2012. The charity was formerly governed by the Declaration of Trust dated 21st October 1998 and registered with the Charity Commission as charity number 1072613. On the 30th of September 2019, the charity registered with The Charity Commission as a C.I.O. (Charitable Incorporated Organisation) number 1185570. The charity name and objects remain unchanged.

New trustees are appointed by a resolution of the Trustees at a meeting of the Trustees at which there is a majority of the Trustees present. New Trustees meet with the chairman of the Trustees and are given copies of the accounts for the last 3 years, minutes of Trustee meetings, a copy of the governing trust deed and a copy of the relevant Charity Commission booklet. The Trustees meet formally once or twice a year, though these meetings can be supplemented by Focus Groups on particular aspects of the charity each consisting a few trustees. All trustees are entitled to attend these Focus Groups. In addition, the directors make extensive use of email facilities to keep trustees up to date on projects and developments.

Trustees are responsible for strategic decisions taking into account the advice of the directors. The Trustees along with the directors are responsible for making major decisions on donations to partners and overseeing the expenditure of the charity. Our Trustees are unpaid, and details of any Trustee expenses are disclosed in the notes to the accounts. The Directors are responsible for day-to-day operations, making minor changes to grants, controlling expenditure and monitoring the effectiveness of projects. The Directors meet regularly with the chairman of the Trustees and other Trustees as appropriate.

REVIEW OF THE PERIOD

Our income for the year January to December 2023 was around £386,500. Most of this income originates from individuals and churches in the United Kingdom. Total resources expended were approximately £396,000.

The main ministry of Karuna Action continues to be the relief of poverty throughout the world and the United Kingdom through the support of our partners who are Christian churches or organisations in Albania, India, Mongolia, Russia, Sri Lanka, Peru, Uganda, Zambia and the Democratic Republic of the Congo. Most fundraising activities have been through the distribution of leaflets and newsletters. A few supporters can initiate small fund-raising events on a voluntary basis and pass on the proceeds to Karuna Action.

The Trustees consider Karuna Action as a going concern and are committed to the charity's growth and development.

ACHIEVEMENTS AND PERFORMANCE

Financial accounts do not directly measure the impact of the charity upon human lives. The main projects have a direct impact on the lives of thousands of children, adults and families. Praise God for the effect of the following projects on the lives of people:

Education and Youth:

- Helping a number of children to get a good education in India, Sri Lanka, Uganda, Peru, Mongolia and DRC.
- Sponsorship of university and college students in Mongolia, Sri Lanka and Uganda.
- Further provision of costs for the building and equipping of a school in Kampala, Uganda.
- Community development through healthcare, education, and income generation in Delhi, India.

Health Care:

- Clinics in Sri Lanka, Uganda and Zambia.

Orphans/Widows:

- We are responsible for the majority of funding for a Children's Home in Albania.
- Supporting homes for children in India, Sri Lanka, and Uganda.
- Supporting Widows in Sri Lanka.

Emergency Relief and Miscellaneous:

- Earthquake relief in Turkey.

Community Action

- Involvement in setting up and resourcing a local food hub to distribute food supplies.
- We are involved with the local community in Aldershot.

Raising Awareness

- We have continued to make the needs of our partners known to our existing supporters.

Karuna Coffee Shop

We sell Karuna Coffee by the bean and cup in the coffee shop. The main reasons for selling coffee are;

- To support independent growers in Brazil, Ethiopia, Honduras, Mexico and Rwanda.
- To raise awareness by attending events and discussing issues of poverty and injustice throughout the world.
- To support the local community through work experience and providing opportunities to young people.
- As a means of income generation for the work of Karuna Action. In the year sales of coffee and the coffee shop generated a profit of about £27,200.

VOLUNTEER SUPPORT

Karuna Action benefitted from the support of volunteers who undertook various tasks in the governance, administration, and operation of the coffee shop.

FUTURE PLANS

Most of our expenditure overseas is committed to existing projects and the plan for 2023 was to maintain those projects. In 2024 we plan to expand the work and scope of Karuna Action by looking for further opportunities and fundraising to meet the expanding needs of our partners and their initiatives.

We plan to expand our support base by the following methods:

- Through natural growth as people hear about Karuna Action through the involvement in the community.
- Making people aware of the needs caused by poverty through campaigning and advocacy.

FUNDS IN DEFICIT

There were no funds with deficits at the end of the financial year.

RELATED CHARITIES

None.

GOVERNMENT GRANTS

There were no government grants in this financial year.

DONATION POLICIES

Donations are made to churches, organisations and individuals where we have a relationship based on trust and mutual respect. Most donations are made as a part of a regular commitment, but they are dependent on donations received into the appropriate restricted fund.

INVESTMENT POWERS

The CIO foundation document authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

REVIEW AND MANAGEMENT OF RISKS

The Trustees review the major risks to which the charity is exposed. A risk register has been established and is updated periodically. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

RESERVES

We have non-binding commitments to many of our operational projects, largely matched by regular commitments from donors, limiting the requirement to keep reserves. Usable reserves at the 31st December are £7,351 as represented by net current assets on the balance sheet.

RESPONSIBILITY OF THE TRUSTEES

The trustees are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Charity law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the CIO and of the surplus or deficit of the CIO for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make reasonable and prudent judgements and estimates.
- Prepare the financial statement on a going concern basis unless it is inappropriate to presume that the trust will continue to operate.

The trustees are also responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the CIO and to ensure that the financial statements comply with applicable law and regulations.
- Safeguarding the charity's assets.
- Taking reasonable steps for the prevention and detection of fraud.
- Taking all the steps that they ought to have taken in order to make themselves aware of any relevant examination information and to establish that the charity's examiners are aware of that information.

This report was approved by the Trustees and signed on their behalf

Signature:



Date: 29th February 2024

Name: C Harris, Chair to the trustees

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report to the trustees on my examination of the accounts of Karuna Action for the period 1st January 2023 to 31st December 2023.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

Responsibilities and basis of report

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified Fellow member of the Association of Charity Independent Examiners.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Signed:



.....FCIE

Independent Examiners Ltd
Unit 2 The Broadbridge
Business Centre
Bosham
West Sussex
PO18 8NF

14th March 2024

STATEMENT OF FINANCIAL ACTIVITIES

For the Period 1st January 2023 to 31st December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	January to December 2023 £	January to December 2022 £
Income from:					
Donations and legacies	3	53,266	228,180	281,446	301,290
Fundraising Activities	3	-	-	-	-
Charitable Activities	3	105,071	-	105071	125,929
Investments	3	-	-	-	-
Other	3/6	-	-	-	-
Total		158,337	228,180	386,517	427,219
Expenditure on:					
Fundraising Expenditure	2	24	604	628	678
Charitable Activities	2	164,418	230,993	395,411	433,507
Total		164,442	231,597	396,039	434,185
Net Income/(Expenditure)		(6,105)	(3,417)	(9,522)	(6,966)
Total funds brought forward		31,138	39,004	70,142	77,108
Transfers between funds	12	-	-	-	-
Total funds carried forward		25,033	35,587	60,620	70,142

There were no recognised gains or losses for the accounting period other than those included in the Statement of Financial Activities.

The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET**As at 31st December 2023**

	Notes	Unrestricted funds £	Restricted funds £	As at 31st December 2023 £	As at 31st December 2022 £
Tangible Fixed Assets	8	17,682	-	17,682	22,591
Current Assets:					
Debtors owing within one year	9	4,919	12,880	17,799	16,174
Cash at Bank and In Hand	10	4,216	22,754	26,970	31,530
Stock in hand	10A	2,769	-	2,769	5,361
Total Current Assets		11,904	35,634	47,538	53,065
Current Liabilities					
Creditors due within one year	11	4,553	47	4,600	5,514
Total Current Liabilities		4,553	47	4,600	5,514
Net Current Assets		7,351	35,587	42,938	47,551
Total Assets less Current Liabilities		25,033	35,587	60,620	70,142
The funds of the charity					
Unrestricted Funds	12	25,033	-	25,033	31,137
Restricted Funds	12	-	35,587	35,587	39,005
Total charity funds		25,033	35,587	60,620	70,142

Approved by the Trustees and signed on their behalf**Signature:****Date: 29th February 2024****Name: C Harris, Chair to the trustees****The notes on pages 10 to 14 form part of these financial statements.**

NOTES TO THE FINANCIAL STATEMENTS

Note 1 ACCOUNTING POLICIES

a) Accounting Convention

These accounts 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. The accounts have been prepared in accordance with: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

b) Fund Accounting

The balances in the Unrestricted Funds are available for use at the discretion of the Trustees in the furtherance of the charitable objectives and represent the usable reserves of the charity.

Restricted funds are subject to specific conditions imposed by the donors. At the period end, any fund deficits are eliminated by a transfer from unrestricted funds unless the Trustees are of the opinion that such deficits will be eliminated by future committed giving.

Expenditure within restricted funds includes direct project development and core costs associated with project development and support allocated according to income received.

Expendable Endowment Funds are those funds which are given to generate income for specific purposes but if the income is insufficient the income from the expendable fund can be used.

c) Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources and
- the trustees are more certain than not that they will receive the resources and
- the monetary value can be measured with sufficient reliability.

Incoming Resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources. The CIO has not received any government grants during the accounting period.

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA during the same period as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

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 and 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.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the period.

d) Resources Expended

All expenditure is accounted for on an accruals basis unless indicated otherwise and includes VAT where relevant.

- “**Fundraising expenditure**” consists of expenditure incurred in motivating supporters to give to the ministry of Karuna Action
- “**Directly attributed Costs**” consist of expenditure where the charitable activity is directly incurred by Karuna Action.
- “**Reallocation of core costs**” consist of shared costs which contribute directly to more than one fund or charitable activity are apportioned on a basis consistent with the use of resources. For all funds core costs are apportioned in relation to the income received by these funds.

e) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation of tangible fixed assets is calculated to write off the cost over their estimated useful lives as follows:

- Electronic equipment (mostly computers) – 33⅓% per year, straight line.
- Other equipment – 25% per year, straight line.
- Second-hand equipment may be depreciated fully in the year in which they are received.
- Vehicles are depreciated over a period decided by trustees (presently 15% reducing balance).
- Improvements to property are depreciated over the remaining period of the lease.

f) Transfers between funds

Where restricted funds have a deficit at the end of the accounting period, transfers are made from unrestricted funds to make good such deficits with the approval of the trustees.

g) Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balance sheet items denominated in foreign currencies are translated at the rate of exchange prevailing at the period end.

h) Pension Contributions

The C.I.O. participates in a defined contribution pension scheme and the pension charge represents the amount payable by the C.I.O. to the fund in respect of the period.

i) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Note 2 - Expenditure by type of fund	Unrestricted funds	Restricted Funds	January to December 2023	January to December 2022
	£	£	£	£
Fundraising Expenditure	24	604	628	678
Charitable Activities:				
Directly attributable Costs				
Project Expenditure	-	162,543	162,543	187,081
Coffee Shop cost of Sales	81,402	-	81,402	79,687
Community Action	44	-	44	3,366
Subtotal	81,446	162,543	243,989	270,134
Core costs				
Personnel expenditure	98,308	-	98,308	114,758
Premises expenditure	27,006	-	27,006	21,868
Office expenditure	12,042	-	12,042	13,133
Governance	2,986	-	2,986	2,137
Reallocation of Core costs	(68,450)	68,450	-	-
Subtotal	71,892	68,450	140,342	151,896
Other costs				
Raising Awareness	-	-	-	106
Depreciation	11,080	-	11,080	11,371
TOTAL EXPENDITURE	164,442	231,597	396,039	434,185

Note 2A - Analysis of Expenditure by Activity		Support for Overseas Partner Projects	Community Action in U.K.	Raising Awareness of Poverty	January to December 2023	January to December 2022
		£	£	£	£	£
Fundraising Expenditure	C*	604	17	7	628	678
Charitable Activities:						
Directly attributable Costs						
Project Expenditure	O*	162,543	-	-	162,543	187,081
Coffee Shop cost of Sales	C*	-	56,981	24,421	81,402	79,687
Community Action	C*	-	31	13	44	3,366
Subtotal		162,543	57,012	24,434	243,989	270,134
Core costs						
Personnel expenditure	P*	47,516	38,504	12,289	98,308	114,758
Premises expenditure	F*	8,102	18,904	-	27,006	21,868
Office expenditure	G*	5,018	6,272	753	12,042	13,133
Governance	G*	1,244	1,555	187	2,986	2,137
Subtotal		61,879	65,235	13,228	140,342	151,896
Other costs						
Raising Awareness	C*	-	-	-	-	106
Depreciation	G*	4,617	5,771	693	11,080	11,371
TOTAL EXPENDITURE		229,643	128,035	38,361	396,039	434,185

Basis of Split between headings	C*	Use of Coffee shop and Community Action
	F*	Use of Floor Area
	G*	Split according to Income
	O*	Overseas Projects
	P*	Use of Personnel costs

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note	Unrestricted funds	Restricted funds	January to December 2023	January to December 2022
	£	£	£	£
3 Income				
Donations and legacies				
Donations Received	53,266	217,419	270,685	289,969
Donations from Charites	-	8,700	8,700	8,590
Legacies	-	2,061	2,061	2,731
Subtotal	53,266	228,180	281,446	301,290
Charitable Activities				
Sales in coffee shop	105,071	-	105,071	125,929
Other				
Fundraising Activities	-	-	-	-
Investments (interest on Bank Account)	-	-	-	-
Other (Gain on disposal of fixed assets)	-	-	-	-
TOTAL INCOME	158,337	228,180	386,517	427,219
4 Staff Costs and Trustees Remuneration				
Gross Salaries			121,178	119,339
Employers National Insurance			3,834	5,975
Employers Pension Contributions (see note 5)			1,126	909
			126,138	126,223
The average number of employees during the accounting period was:			5.0	4.7
No employee received remuneration of more than £60,000 per annum			Nil	Nil
Trustees Remuneration			Nil	Nil
Trustees re-imbursement of expenses			Nil	Nil
Related Parties				
Two related parties to Trustee M Hannington:				
1 Son - Gross remuneration for role of Director			35,824	33,474
2 Daughter in law (6 months of 2023 only) - Gross remuneration for role of Director.			16,532	30,831
- Employer pension contributions paid on her behalf			402	738
Outstanding balances at reporting date			Nil	Nil
Key Management Personnel				
The key management personnel comprise the Trustees and the Directors. The Trustees are not remunerated. The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel of the CIO were:			78,384	71,857
5 Pension contributions by employer				
The C.I.O. operates a defined contribution pension scheme, with SMART PENSIONS, available for all employees. The assets of the fund are held separately from those of the C.I.O. in an independently administered fund. There were no unpaid contributions at the balance sheet date. (Currently 2 employees are in the scheme).			1,126	909
6 Movement in total funds for the year				
This is stated after charging:				
Gain on disposal of fixed assets			-	-
Loss on disposal of fixed assets			247	113
Depreciation of fixed assets			10,833	11,258
Estimated Independent Examination fee (accrual)			1,800	1,600
7 Leases				
As at 31 December 2023 the charity had annual commitments under non-cancellable operating leases between one and five years as follows:				
Coffee machine			5,263	5,122

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note	Note	Unrestricted funds £	Restricted funds £	Total Funds £
8 Tangible Fixed Assets				
Equipment Cost				
Balances brought forward at 1st January 2023		60,455	-	60,455
Additions		6,171	-	6,171
Disposals		(2,502)	-	(2,502)
Balances carried forward at 31st December 2023		64,124	-	64,124
Accumulated Depreciation				
Balances brought forward at 1st January 2023		(37,864)	-	(37,864)
Disposals		2,255	-	2,255
Charge for year	6	(10,833)	-	(10,833)
Balances carried forward at 31st December 2023		(46,442)	-	(46,442)
Net Book Value				
Balances carried forward at 31st December 2023		17,682	-	17,682

All fixed assets are used for raising funds and charitable activities

	Unrestricted funds £	Restricted funds £	As at 31st December 2023 £	As at 31st December 2022 £
9 Debtors owing within one year				
Income Tax Recoverable	1,078	12,880	13,958	11,315
Sundry Debtors owing	195		195	325
Pre-payments	3,646		3,646	4,534
Total	4,919	12,880	17,799	16,174
10 Cash at Bank and In Hand				
Current Account	4,216	22,754	26,970	31,530
Cash	-	-	-	-
Total	4,216	22,754	26,970	31,530
10A Stock in hand				
Stock of Coffee etc for sale	2,769	-	2,769	5,361
Total	2,769	-	2,769	5,361
11 Creditors due within one year				
Sundry Creditors	-	-	-	-
Credit cards o/s	1,616	47	1,663	3,103
Accruals	2,937		2,937	2,411
Total	4,553	47	4,600	5,514

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12	Movement of Unrestricted and Restricted funds	Balances brought forward at 1st January 2023	Total Incoming Resources	Total Resources Expended	Transfers between Funds	As at 31st December 2023
		£	£	£	£	£
	General fund	31,137	158,337	(164,441)		25,033
	Total Unrestricted Funds	31,137	158,337	(164,441)	0	25,033
	Bethshalom	0	1,791	(1,703)		88
	Calvary Grace Care	0	300	(257)		43
	Child Promotion School	149	53,887	(47,745)		6,292
	Childrens home General	43	3,397	(3,061)		379
	Christmas Fund	269	3,070	(2,911)		428
	Clinic General	251	1,570	(1,738)		83
	Clinic Zambia	0	5,244	(4,942)		302
	Community Action	2,037	2,030	(3,737)		330
	Education General	0	10,782	(10,306)		476
	Education Jinja	114	6,357	(6,152)		319
	Education Sponsorship	0	26,509	(25,384)		1,125
	Emergency Relief	153	8,343	(7,998)		498
	Income Generation	5	1,384	(1,279)		110
	Jubilee Society Monglolia	28,604	69	(13,752)		14,921
	Living Waters Russia	0	3,443	(3,125)		318
	New Beginnings Children's home	7,380	90,764	(89,115)		9,029
	New Generation Delhi	0	3,425	(3,244)		181
	Paula support	0	5,515	(5,060)		455
	Raising Awareness	0	300	(90)		210
	Total Restricted Funds	39,005	228,180	(231,599)	0	35,587
	Total Funds	70,142	386,517	(396,040)	0	60,620

Accounts



KARUNA ACTION

Trustees Report and Financial Statements

1st January to 31st December 2022

Registered Charity: 1185570



Karuna Action, 11 Wellington Street, Aldershot, Hampshire, GU11 1DX
T: +44 (0) 1252 333233 F: +44 (0) 1252 310814 office@karunaaction.org www.karunaaction.org
Registered charity: 1185570

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CHAIRMAN'S REPORT

2022 and start of 2023 were a return to the more familiar patterns of activity post pandemic with an increase in local action and the further development of the coffee house. It was also a time of reflection on how the core activities are in line with the principles and vision of the charity.

It was a year of change with Lewis Tonks moving on from working in the roastery. This led to an evaluation of coffee production and a decision to reduce production, stop coffee subscriptions and just continue roasting for local people and the coffee house. This led to a re-development of the roastery area into an extension of the coffee house. This in turn has increased the need for additional part-time staffing alongside the volunteers who work in the coffee house.

In the coming year there is a need for travel to visit partners to ensure that we have strong continuing relationships with our partner projects. Financially the reduction of coffee production and the change in staffing has supported the growth of our reserves.

I would like to thank all the staff at Karuna and in particular Simon and Jess for their hard work and dedication in ensuring that Karuna's vision to support people in poverty is fulfilled.



Paul Walsh

TRUSTEES REPORT

The trustees present their report and the financial statements for the year from 1st January to 31st December 2022.

LEGAL DETAILS

Trustees

Anna Bland
 Clare Brown
 Paul Clements Resigned November 2022
 George Dowdell
 Martin Hannington
 Catherine Harris
 Catherine Raine
 Paul Walsh (Chairman)

Director

Simon Hannington

Address

11 Wellington Street
 Aldershot
 Hampshire
 GU11 1DX

Bankers

Cooperative Bank PLC
 PO Box 250
 Delph House, Southway
 Skelmersdale, WM8 6WT

Independent Examiners Ltd

Unit 2 The Broadbridge Centre
 Delling Lane
 Bosham
 West Sussex
 PO18 8NF

Email

office@karunaaction.org

OBJECTIVES AND ACTIVITIES

Our Objective is to be a voice of justice for the oppressed, ending poverty through compassion in sustainable communities and to bring the message of the gospel to a new generation. Our faith calls us to “remember the poor” (Galatians 2:10) and we aim to do this through the relief of poverty and suffering throughout the world. The main activities and aims for the public benefit are:

Activities

Aims

- | | | |
|---------------------|---|--|
| Education and Youth | • | To ensure that children are able to receive a good education to secondary level or higher education in some cases. |
| Income Generation | • | To give families the opportunity of setting up a small business to provide for or supplement family income. |
| Health Care | • | To provide healthcare for those without easy access or the financial ability. |
| Orphans/Widows | • | To care for children who do not have anyone else to care for them. |
| Emergency Relief | • | Relief for those affected by war, drought and natural disasters. |
| Community Action | • | To work with local communities in the Aldershot area and the United Kingdom generally. |
| | • | To set up and run a community coffee shop for the benefit of the local community and to generate funds to further the work of the charity. |
| Raising Awareness | • | To raise awareness to the public of the effects of poverty around the world and to encourage people to get involved. |

PUBLIC BENEFIT

In determining our programmes, we have to regard both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. The trustees ensure that our programmes are in line with our charitable objects and aims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The name of the charity is KARUNA ACTION. It was formerly known as KINGSCARE, the name being changed in February 2012. The charity was formerly governed by the Declaration of Trust dated 21st October 1998 and registered with the Charity Commission as charity number 1072613.

On the 30th of September 2019, the charity registered with The Charity Commission as a C.I.O. (Charitable Incorporated Organisation) number 1185570. The charity name and objects remain unchanged.

New trustees are appointed by a resolution of the Trustees at a meeting of the Trustees at which there is a majority of the Trustees present. New Trustees meet with the chairman of the Trustees and the Director and are given copies of the accounts for the last 3 years, minutes of Trustee meetings, a copy of the governing trust deed and a copy of the relevant Charity Commission booklet.

The Trustees meet formally once or twice a year, though these meetings can be supplemented by Focus Groups on particular aspects of the charity each consisting a few trustees. All trustees are entitled to attend these Focus Groups. In addition the director makes extensive use of email facilities to keep trustees up to date on projects and developments.

Trustees are responsible for strategic decisions taking into account the advice of the director and his team. The Trustees along with the director are responsible for making major decisions on donations to partners and overseeing the expenditure of the charity. Our Trustees are unpaid, and details of any Trustee expenses are disclosed in the notes to the accounts.

The Director and his team are responsible for day-to-day operations, making minor changes to grants, controlling expenditure and monitoring the effectiveness of projects. The Director meets regularly with the chairman of the Trustees and other Trustees as appropriate.

REVIEW OF THE PERIOD

Our income for the year January to December 2022 was around £427,000. Most of this income originates from individuals and churches in the United Kingdom. Total resources expended were approximately £434,000.

The main ministry of Karuna Action continues to be the relief of poverty throughout the world and the United Kingdom through the support of our partners who are Christian churches or organisations in Albania, Democratic Republic of the Congo, India, Mongolia, Peru, Russia, Sri Lanka, Uganda and Zambia.

Most fundraising activities have been through the distribution of leaflets and newsletters. A few supporters also initiated small fund-raising events on a voluntary basis and passed on the proceeds to Karuna Action.

The Trustees consider Karuna Action as a going concern and are committed to the charity's growth and development.

ACHIEVEMENTS AND PERFORMANCE

Financial accounts do not directly measure the impact of the charity upon human lives. The main projects have a direct impact on the lives of thousands of children, adults and families. Praise God for the effect of the following projects on the lives of people:

Education and Youth:

- Helping around 500 children to get a good education in Albania, Sri Lanka, India, Congo, Uganda, Peru, and Mongolia.
- Sponsorship of university and college students in Mongolia, Sri Lanka, Uganda, and Zambia.
- Further provision of costs for the building and equipping of a school in Kampala, Uganda.
- School support programmes in Uganda and in the Democratic Republic of the Congo.
- Community development through healthcare, education, and income generation in Delhi, India.

Health Care:

- Clinics in Sri Lanka, Uganda and Zambia.

Orphans/Widows:

- We are responsible for the majority of funding for a Children's Home in Albania.
- Supporting homes for children in India, Sri Lanka, and Uganda.
- Support towards the running costs of a centre for the homeless people from the Caucasus region.

Emergency Relief and Miscellaneous:

- Covid-19 relief for communities suffering the effects of global pandemic restrictions.

Community Action

- Involvement in setting up and resourcing local food hub to distribute food supplies.
- We are becoming involved with the local community in Aldershot.

Raising Awareness

- Due to the pandemic restrictions in the UK we have not been able to attend events to raise awareness of our charity, this has hugely impacted our ability to raise awareness to new people. However, we have continued to make the needs of our partners known to our existing supporters.

KARUNA COFFEE and Coffee Shop

The selling of Karuna Coffee has grown in this financial period. The main reasons for selling coffee are;

- To support independent growers in Brazil, Colombia, El Salvador, Guatemala, Honduras, Indonesia, Mexico, Tanzania, Uganda and Zambia.
- To raise awareness by discussion at events of poverty and injustice throughout the world.
- To support the local community through work experience and providing opportunities to young people and asylum seekers.
- As a means of income generation for the work of Karuna Action. In the year sales of coffee and the coffee shop generated a profit of about £46,200.

VOLUNTEER SUPPORT

Karuna Action benefitted from the support of volunteers who undertook various tasks in the governance, administration, and the operation of the coffee shop and bulk coffee distribution.

FUTURE PLANS

Most of our expenditure overseas is committed to existing projects and the plan for 2023 was to maintain those projects. In 2023 we plan to expand the work and scope of Karuna Action by looking for further opportunities and fundraising to meet the expanding needs of our partners and their initiatives.

We plan to expand our support base by the following methods:

- Through natural growth as people hear about Karuna Action as we are involved in the community and as we host events.
- By actively advancing funding through visits to churches and other groups.
- Making people aware of the needs caused by poverty through campaigning and advocacy.

FUNDS IN DEFICIT

There were no funds with deficits at the end of the financial year.

RELATED CHARITIES

None.

GOVERNMENT GRANTS

There were no government grants in this financial year.

DONATION POLICIES

Donations are made to churches, organisations and individuals where we have a relationship based on trust and mutual respect. Most donations are made as a part of a regular commitment, but they are dependent on donations received into the appropriate restricted fund.

INVESTMENT POWERS

The CIO foundation document authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

REVIEW AND MANAGEMENT OF RISKS

The Trustees review the major risks to which the charity is exposed. A risk register has been established and is updated periodically. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

RESERVES

We have non-binding commitments to many of our operational projects, largely matched by regular commitments from donors, limiting the requirement to keep reserves. Usable reserves (general fund balance, less fixed assets) at the 31st December are around £8,550.

RESPONSIBILITY OF THE TRUSTEES

The trustees are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Charity law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the CIO and of the surplus or deficit of the CIO for that period. In preparing those financial statements the trustees are required to:

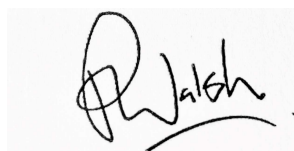
- Select suitable accounting policies and apply them consistently;
- Make reasonable and prudent judgements and estimates;
- Prepare the financial statement on a going concern basis unless it is inappropriate to presume that the trust will continue to operate.

The trustees are also responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the CIO and to ensure that the financial statements comply with applicable law and regulations;
- Safeguarding the charity's assets;
- Taking reasonable steps for the prevention and detection of fraud;
- Taking all the steps that they ought to have taken in order to make themselves aware of any relevant examination information and to establish that the charity's examiners are aware of that information.

This report was approved by the Trustees and signed on their behalf

Signature:

A handwritten signature in black ink, appearing to read 'P Walsh', is written over a light blue rectangular background.

Date 31st March 2023
Name: P Walsh, Chairman and Trustee

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report to the trustees on my examination of the accounts of Karuna Action for the period 1st January 2022 to 31st December 2022.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

Responsibilities and basis of report

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified Fellow member of the Association of Charity Independent Examiners.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Signed:

.....FCIE

Independent Examiners Ltd
Unit 2 The Broadbridge Centre
Bosham
West Sussex
PO18 8NF

Date: 25th May 2023

STATEMENT OF FINANCIAL ACTIVITIES

For the Period 1st January 2022 to 31st December 2022

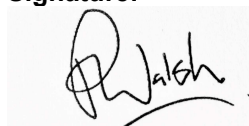
	Notes	Unrestricted Funds £	Restricted Funds £	January to December 2022 £	January to December 2021 £
Income from:					
Donations and legacies	3	39,009	262,281	301,290	332,426
Fundraising Activities	3	-	-	-	12
Charitable Activities	3	125,859	70	125,929	93,465
Investments	3	-	-	-	-
Other	3/6	-	-	-	-
Total		164,868	262,351	427,219	425,903
Expenditure on:					
Fundraising Expenditure	2	215	463	678	587
Charitable Activities	2	160,574	272,933	433,507	454,299
Total		160,789	273,396	434,185	454,886
Net Income/(Expenditure)		4,079	(11,045)	(6,966)	(28,983)
Total funds brought forward		39,351	37,757	77,108	106,091
Transfers between funds	12	(12,292)	12,292	-	-
Total funds carried forward		31,138	39,004	70,142	77,108

There were no recognised gains or losses for the accounting period other than those included in the Statement of Financial Activities.

The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET**As at 31st December 2022**

	Notes	Unrestricted funds £	Restricted funds £	As at 31st December 2022 £	As at 31st December 2021 £
Tangible Fixed Assets	8	22,591	-	22,591	31,560
Current Assets:					
Debtors owing within one year	9	5,091	11,083	16,174	13,733
Cash at Bank and In Hand	10	3,561	27,969	31,530	36,479
Stock in hand	10A	5,361	-	5,361	3,959
Total Current Assets		14,013	39,052	53,065	54,171
Current Liabilities					
Creditors due within one year	11	5,467	47	5,514	8,623
Total Current Liabilities		5,467	47	5,514	8,623
Net Current Assets		8,546	39,005	47,551	45,548
Total Assets less Current Liabilities		31,137	39,005	70,142	77,108
The funds of the charity					
Unrestricted Funds	12	31,137	-	31,137	39,350
Restricted Funds	12	-	39,005	39,005	37,758
Total charity funds		31,137	39,005	70,142	77,108

Approved by the Trustees and signed on their behalf**Signature:**

Date: 31st March 2023**Name:** P Walsh Chairman and Trustee**The notes on pages 10 to 14 form part of these financial statements.**

NOTES TO THE FINANCIAL STATEMENTS

Note 1 ACCOUNTING POLICIES

a) Accounting Convention

These accounts 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. The accounts have been prepared in accordance with: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

b) Fund Accounting

The balances in the Unrestricted Funds are available for use at the discretion of the Trustees in the furtherance of the charitable objectives and represent the usable reserves of the charity

Restricted funds are subject to specific conditions imposed by the donors. At the period end, any fund deficits are eliminated by a transfer from unrestricted funds unless the Trustees are of the opinion that such deficits will be eliminated by future committed giving.

Expenditure within restricted funds includes direct project development and core costs associated with project development and support allocated according to income received.

Expendable Endowment Funds are those funds which are given to generate income for specific purposes but if the income is insufficient the income from the expendable fund can be used.

c) Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources and
- the trustees are virtually certain they will receive the resources and
- the monetary value can be measured with sufficient reliability.

Incoming Resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources. The CIO has not received any government grants during the accounting period.

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA during the same period as the gift to which they relate

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered

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 and 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.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the period.

d) Resources Expended

All expenditure is accounted for on an accruals basis unless indicated otherwise and includes VAT where relevant.

- **"Fundraising expenditure"** consists of expenditure incurred in motivating supporters to give to the ministry of Karuna Action
- **"Directly attributed Costs"** consist of expenditure where the charitable activity is directly incurred by Karuna Action.
- **"Reallocation of core costs"** consist of shared costs which contribute directly to more than one fund or charitable activity are apportioned on a basis consistent with the use of resources as follows:
 - For all funds core costs are apportioned in relation to the income received by these funds.

e) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation of tangible fixed assets is calculated to write off the cost over their estimated useful lives as follows:

- Electronic equipment (mostly computers) – 33⅓% per year, straight line.
- Other equipment – 25% per year, straight line.

- Second-hand equipment may be depreciated fully in the year in which they are received.
- Vehicles are depreciated over a period decided by trustees (presently 15% reducing balance).
- Improvements to property are depreciated over the remaining period of the lease.

f) Transfers between funds

Where restricted funds have a deficit at the end of the accounting period, transfers are made from unrestricted funds to make good such deficits with the approval of the trustees.

g) Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balance sheet items denominated in foreign currencies are translated at the rate of exchange prevailing at the period end.

h) Pension Contributions

The trust participates in a defined contribution pension scheme and the pension charge represents the amount payable by the trust to the fund in respect of the period.

i) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Note 2 - Expenditure by type of fund

	Unrestricted funds	Restricted Funds	January to December 2022	January to December 2021
	£	£	£	£
Fundraising Expenditure	215	463	678	587
Charitable Activities:				
Directly attributable Costs				
Project Expenditure	3,369	183,712	187,081	237,641
Coffee cost of Sales	79,687	-	79,687	52,129
Community Action		3,366	3,366	829
Subtotal	83,056	187,078	270,134	290,599
Core costs				
Personnel expenditure	114,758	-	114,758	115,184
Premises expenditure	21,868	-	21,868	17,577
Office expenditure	11,197	1,936	13,133	15,929
Governance	2,137	-	2,137	3,909
Reallocation of Core costs	(83,919)	83,919	-	-
Subtotal	66,041	85,855	151,896	152,599
Other costs				
Raising Awareness	106	-	106	-
Depreciation	11,371	-	11,371	11,101
TOTAL EXPENDITURE	160,789	273,396	434,185	454,886

Note 2A - Analysis of Expenditure by Activity

	Support for Overseas Partner Projects	Community Action in U.K.	Raising Awareness of Poverty	January to December 2022	January to December 2021
	£	£	£	£	£
Fundraising Expenditure	610	68	-	678	587
Project Expenditure	168,036	22,411	-	190,447	237,641
Coffee cost of Sales	-	55,781	23,906	79,687	52,129
Core costs	55,594	65,011	31,291	151,896	152,599
Other Costs	4,201	4,912	2,364	11,477	11,930
TOTAL EXPENDITURE	228,441	148,183	57,561	434,185	454,886

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note		Unrestricted funds	Restricted funds	January to December 2022	January to December 2021
		£	£	£	£
3	Income				
	Donations and legacies				
	Donations Received	36,228	253,741	289,969	279,239
	Donations from Charities	50	8,540	8,590	18,164
	Legacies	2,731	-	2,731	35,023
	Subtotal	39,009	262,281	301,290	332,426
	Charitable Activities				
	Sale of coffee and sales in coffee shop	125,859	70	125,929	93,465
	Subtotal	125,859	70	125,929	93,465
	Fundraising Activities	-	-	-	12
	Investments (interest on Bank Account)	-	-	-	-
	Other (Gain on disposal of fixed assets)	-	-	-	-
	TOTAL INCOME	164,868	262,351	427,219	425,903
4	Staff Costs and Trustees Remuneration				
	Gross Salaries			119,339	105,473
	Employers National Insurance			5,975	5,548
	Employees life insurance			-	46
	Employers Pension Contributions (see note 5)			909	443
				126,223	111,510
	The average number of employees during the accounting period was:			4.7	4.0
	No employee received remuneration of more than £60,000 per annum			Nil	Nil
	Trustees Remuneration			Nil	Nil
	Trustees' re-imbursement of expenses			Nil	Nil
	Related Parties				
	Two related parties to Trustee M Hannington:				
	1 Son - Gross remuneration for role of CEO Director			33,474	32,820
	2 Daughter in law - Gross remuneration for role of Projects/Partnership Co-ordinator			30,831	30,288
	- Employer pension contributions paid on her behalf			738	361
	Outstanding balances at reporting date			Nil	Nil
	Key Management Personnel				
	The key management personnel comprise the Trustees, the Director and the Projects and Partnerships Co-Ordinator. The Trustees are not remunerated. The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel of the CIO were:			71,857	69,744
5	Pension contributions				
	The trust operates a defined contribution pension scheme, with SMART PENSIONS, available for all employees. The assets of the fund are held separately from those of the trust in an independently administered fund. There were no unpaid contributions at the balance sheet date. (Currently 2 employees are in the scheme).			909	443
6	Movement in total funds for the year				
	This is stated after charging:				
	Gain on disposal of fixed assets			-	-
	Loss on disposal of fixed assets			113	-
	Depreciation of fixed assets			11,258	11,101
	Estimated Independent Examination fee (accrual)			1,600	1,500
7	Leases				
	As at 31 December 2022 the charity had annual commitments under non-cancellable operating leases between one and five years as follows:				
	Coffee machine, new lease			5,122	5,087

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Note	Unrestricted funds £	Restricted funds £	Total Funds £
8 Tangible Fixed Assets				
Equipment Cost				
Balances brought forward at 1st January 2022		60,368	-	60,368
Additions		2,402	-	2,402
Disposals		(2,315)	-	(2,315)
Balances carried forward at 31st December 2022		60,455	-	60,455
Accumulated Depreciation				
Balances brought forward at 1st January 2022		(28,808)	-	(28,808)
Disposals		2,202	-	2,202
Charge for year	6	(11,258)	-	(11,258)
Balances carried forward at 31st December 2022		(37,864)	-	(37,864)
Net Book Value				
Balances carried forward at 31st December 2022		22,591	-	22,591

All fixed assets are used for raising funds and charitable activities

	Unrestricted funds £	Restricted funds £	As at 31st December 2022 £	As at 31st December 2021 £
9 Debtors owing within one year				
Income Tax Recoverable	232	11,083	11,315	10,318
Sundry Debtors owing	325	-	325	301
Pre-payments	4,534	-	4,534	3,114
Total	5,091	11,083	16,174	13,733
10 Cash at Bank and In Hand				
Current Account	3,561	27,969	31,530	36,479
Cash	-	-	-	-
Total	3,561	27,969	31,530	36,479
10A Stock in hand				
Stock of Coffee etc for sale	5,361	-	5,361	3,959
Total	5,361	-	5,361	3,959
11 Creditors due within one year				
Sundry Creditors	-	-	-	-
Credit cards o/s	3,056	47	3,103	3,086
Accruals	2,411	-	2,411	5,537
Total	5,467	47	5,514	8,623

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12	Movement of Unrestricted and Restricted funds	Balances brought forward at 1st January 2022	Total Incoming Resources	Total Resources Expended	Transfers between Funds	As at 31st December 2022
		£	£	£	£	£
	General fund	39,350	164,868	(160,789)	(12,292)	31,137
	Total Unrestricted Funds	39,350	164,868	(160,789)	(12,292)	31,137
	Bethshalom	52	1,506	(1,653)	95	-
	Calvary Grace Care	23	5,444	(5,561)	94	-
	Child Promotion School	878	44,361	(52,082)	6,993	149
	Children's home General	-	3,285	(3,243)	-	42
	Christmas Fund	1,182	8,737	(9,650)	-	269
	Clinic General	247	1,690	(1,686)	-	251
	Clinic Zambia	598	9,235	(10,437)	603	(0)
	Community Action	1,507	20,020	(19,490)	-	2,037
	Education General	-	10,116	(10,755)	639	-
	Education Jinja	-	7,601	(7,487)	-	114
	Education Sponsorship	248	31,676	(34,564)	2,640	(0)
	Emergency Relief	-	1,810	(1,657)	-	153
	Income Generation	126	1,818	(1,940)	-	5
	Jubilee Society Mongolia	29,993	156	(1,545)	-	28,604
	Kilibula Primary School	-	-	(1,300)	1,300	-
	Living Waters Russia	112	3,443	(3,596)	42	1
	New Beginnings Children's home	2,537	100,143	(95,300)	-	7,380
	New Generation Delhi	-	4,753	(4,942)	189	-
	Paula support	35	6,257	(6,409)	116	(0)
	Raising Awareness	220	300	(100)	(420)	-
	Total Restricted Funds	37,758	262,351	(273,396)	12,292	39,005
	Total Funds	77,108	427,219	(434,185)	(0)	70,142

Accounts



KARUNA ACTION

Trustees Report and Financial Statements

1st January to 31st December 2021

Registered Charity: 1185570



Karuna Action, 11 Wellington Street, Aldershot, Hampshire, GU11 1DX
T: +44 (0) 1252 333233 F: +44 (0) 1252 310814 office@karunaaction.org www.karunaaction.org
Registered charity: 1185570

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CHAIRMAN'S REPORT

2021 has been another year of change for Karuna as we completed the move and refit of new premises. The Coffee House refit was completed and opened its doors in early summer. It now has a thriving café which provides a unique location for people to gather, a pottery workshop, meeting rooms and a coffee roastery.

It has been another challenging year for all charities, particularly for those working in the area of poverty relief and for people and families experiencing disadvantage. 2021 saw a continuation of the pandemic and further lockdowns which put significant pressure on people and families that experience deprivation. Towards the end of 2021 the increases in inflation, food bills and spiralling home energy costs has further increased the number of people and families experiencing food and energy poverty. This reinforced the need for our involvement in local projects that meet the needs of people in poverty such as the GrubHub.

This developing journey in Karuna's local impact is one that has been part of the vision for some time. The local involvement in projects has provided a new insight into working with our international partners. In other parts of Karuna's work coffee sales have continued to increase, probably due to increased home working and people wanting that ethical quality brew as part of their working from home routine. It's been a year with very little travel but plenty of contact with partners. There have been no festivals and events which has given lots of time to work on the changes as well as development and support in the local community and getting established in the new building.

At the start of 2022 we have taken some time as Trustees and directors to reflect on all the change the previous year has brought. It has been good to pause and think about which of the many changes and differences we want to make permanent during the next 12 months as we continue to develop the links between our international partners, local projects, and our core purpose of being part of the solution of eradicating poverty.



Paul Walsh

TRUSTEES REPORT

The trustees present their report and the financial statements for the year from 1st January to 31st December 2021.

LEGAL DETAILS

Trustees

Anna Bland
Clare Brown
Paul Clements Joined November 2021
George Dowdell
Martin Hannington
Catherine Harris
Cathrin Raine
Paul Walsh (Chairman)

Director

Simon Hannington

Address

11 Wellington Street
Aldershot
Hampshire
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Bankers

Cooperative Bank PLC
PO Box 250
Delph House, Southway
Skelmersdale, WM8 6WT

Independent Examiners Ltd

Unit 2 The Broadbridge Centre
Delling Lane
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West Sussex
PO18 8NF

Email

office@karunaaction.org

OBJECTIVES AND ACTIVITIES

Our Objective is to be a voice of justice for the oppressed, ending poverty through compassion in sustainable communities and to bring the message of the gospel to a new generation. Our faith calls us to “remember the poor” (Galatians 2:10) and we aim to do this through the relief of poverty and suffering throughout the world. The main activities and aims for the public benefit are:

Activities

Aims

- | | | |
|---------------------|---|--|
| Education and Youth | • | To ensure that children are able to receive a good education to secondary level or higher education in some cases. |
| Income Generation | • | To give families the opportunity of setting up a small business to provide for or supplement family income. |
| Health Care | • | To provide healthcare for those without easy access or the financial ability. |
| Orphans/Widows | • | To care for children who do not have anyone else to care for them. |
| Emergency Relief | • | Relief for those affected by war, drought and natural disasters. |
| Community Action | • | To work with local communities in the Aldershot area and the United Kingdom generally. |
| | • | To set up and run a community coffee shop for the benefit of the local community and to generate funds to further the work of the charity. |
| Raising Awareness | • | To raise awareness to the public of the effects of poverty around the world and to encourage people to get involved. |

PUBLIC BENEFIT

In determining our programmes, we have to regard both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. The trustees ensure that our programmes are in line with our charitable objects and aims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The name of the charity is KARUNA ACTION. It was formerly known as KINGSCARE, the name being changed in February 2012. The charity was formerly governed by the Declaration of Trust dated 21st October 1998 and registered with the Charity Commission as charity number 1072613.

On the 30th of September 2019, the charity registered with The Charity Commission as a C.I.O. (Charitable Incorporated Organisation) number 1185570. The charity name and objects remain unchanged.

The accounting period is for 12 months from January to December 2021. Care must be taken in comparing figures with the last accounting period because the previous accounting period only covered income and expenditure for 10 months from March to December 2020.

New trustees are appointed by a resolution of the Trustees at a meeting of the Trustees at which there is a majority of the Trustees present. New Trustees meet with the chairman of the Trustees and the Director and are given copies of the accounts for the last 3 years, minutes of Trustee meetings, a copy of the governing trust deed and a copy of the relevant Charity Commission booklet.

The Trustees meet formally once or twice a year, though these meetings can be supplemented by Focus Groups on particular aspects of the charity each consisting a few trustees. All trustees are entitled to attend these Focus Groups. In addition the director makes extensive use of email facilities to keep trustees up to date on projects and developments.

Trustees are responsible for strategic decisions taking into account the advice of the director and his team. The Trustees along with the director are responsible for making major decisions on donations to partners and overseeing the expenditure of the charity. Our Trustees are unpaid, and details of any Trustee expenses are disclosed in the notes to the accounts.

The Director and his team are responsible for day-to-day operations, making minor changes to grants, controlling expenditure and monitoring the effectiveness of projects. The Director meets regularly with the chairman of the Trustees and other Trustees as appropriate.

REVIEW OF THE PERIOD

Our income for the year January to December 2021 was around £426,000. Most of this income originates from individuals and churches in the United Kingdom. Total resources expended were approximately £455,000.

The main ministry of Karuna Action continues to be the relief of poverty throughout the world and the United Kingdom through the support of our partners who are Christian churches or organisations in Albania, Congo, India, Kenya, Mongolia, Russia, Sri Lanka, Uganda, Zambia and Zimbabwe.

Most fundraising activities have been through the distribution of leaflets and newsletters. A few supporters also initiated small fund-raising events on a voluntary basis and passed on the proceeds to Karuna Action.

We moved our office to a prime shopping location for the preparation of a community coffee shop which opened to the public in June 2021.

The Trustees consider Karuna Action as a going concern and are committed to the charity's growth and development.

ACHIEVEMENTS AND PERFORMANCE

Financial accounts do not directly measure the impact of the charity upon human lives. The main projects have a direct impact on the lives of thousands of children, adults and families. Praise God for the effect of the following projects on the lives of people:

Education and Youth:

- Helping around 600 children to get a good education in Albania, Sri Lanka, India, Congo, Uganda, Zimbabwe and Mongolia.
- Sponsorship of University and College students in Mongolia, Sri Lanka and Uganda.
- Further provision of costs for the building and equipping of a school in Kampala, Uganda.
- School support programme helping a school in Uganda and in the Congo.
- Street Kid's work in Delhi, India.

Health Care:

- Clinics in Sri Lanka, Uganda and Zambia.

Orphans/Widows:

- We are responsible for the majority of funding for a Children's Home in Albania.
- Supporting homes for children in India, Sri Lanka, and Uganda.
- Support towards the running costs of a centre for the homeless people from the Caucasus region.
- Support for outreach work in Canary Islands.

Emergency Relief and Miscellaneous:

- Covid-19 relief for communities suffering the effects of global pandemic restrictions.
- Flood relief for partners in DRC
- Set up and resourcing local food hub to distribute food supplies.

Community Action

- We are becoming involved with the local community in Aldershot and are currently actively supporting a food bank in Rushmoor.

Raising Awareness

- Due to the pandemic restrictions in the UK we have not been able to attend events to raise awareness of our charity, this has hugely impacted our ability to raise awareness to new people. However, we have continued to make the needs of our partners known to our existing supporters.

KARUNA COFFEE and Coffee Shop

The selling of Karuna Coffee has grown in this financial period. The main reasons for selling coffee are;

- To support independent growers in Brazil, Colombia, Guatemala, Honduras, India, Indonesia, Kenya, Mexico and Uganda.
- To raise awareness by discussion at events of poverty and injustice throughout the world.
- To support the local community through work experience and providing opportunities to young people and asylum seekers.
- As a means of income generation for the work of Karuna Action. In the year sales of coffee generated a profit of about £27,600. The coffee shop generated a gross profit of around £14,000.

VOLUNTEER SUPPORT

Karuna Action benefitted from the support of volunteers who undertook various tasks in the governance, administration, refurbishment of the new premises and the operation of the coffee shop. This was all in compliance with various social distancing guidelines at the time.

FUTURE PLANS

Most of our expenditure overseas is committed to existing projects and the plan for 2021 was to maintain those projects. In 2022 we plan to expand the work and scope of Karuna Action by looking for further opportunities and fundraising to meet the expanding needs of our partners and their initiatives.

We plan to expand our support base by the following methods:

- Through natural growth as people hear about Karuna Action as we are involved in the community and as we host events.
- By actively advancing funding through visits to churches and other groups.
- Making people aware of the needs caused by poverty through campaigning and advocacy.

FUNDS IN DEFICIT

There were no funds with deficits at the end of the financial year.

RELATED CHARITIES

None.

GOVERNMENT GRANTS

There were no government grants in this financial year.

DONATION POLICIES

Donations are made to churches, organisations and individuals where we have a relationship based on trust and mutual respect. Most donations are made as a part of a regular commitment, but they are dependent on donations received into the appropriate restricted fund.

INVESTMENT POWERS

The Declaration of Trust authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

REVIEW AND MANAGEMENT OF RISKS

The Trustees review the major risks to which the charity is exposed. A risk register has been established and is updated periodically. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

RESERVES

We have non-binding commitments to many of our operational projects, largely matched by regular commitments from donors, limiting the requirement to keep reserves. Usable reserves (general fund balance, less fixed assets and the stock of goods for resale) at the 31st December are around £3800. This is less than what the trustees would have liked, but it is due to exceptional circumstances:

- The Covid situation.
- Needing to write off against the general fund £7,800 from a restricted fund (Coffee shop) for one-off expenditure in supplying equipment and structural alterations to the coffee shop.
- Needing to write off against the general fund £3,200 from a restricted fund (Sach 100) supplying medical equipment to a clinic in Zambia because income was less than expected.

RESPONSIBILITY OF THE TRUSTEES

The trustees are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Charity law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the trust and of the surplus or deficit of the trust for that period. In preparing those financial statements the trustees are required to:

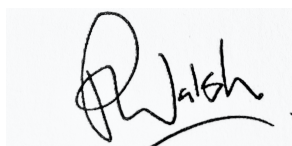
- Select suitable accounting policies and apply them consistently;
- Make reasonable and prudent judgements and estimates;
- Prepare the financial statement on a going concern basis unless it is inappropriate to presume that the trust will continue to operate.

The trustees are also responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the trust and to ensure that the financial statements comply with applicable law and regulations;
- Safeguarding the trust's assets;
- Taking reasonable steps for the prevention and detection of fraud;
- Taking all the steps that they ought to have taken in order to make themselves aware of any relevant examination information and to establish that the charity's examiners are aware of that information.

This report was approved by the Trustees and signed on their behalf

Signature:



Date 31st March 2022

Name: P Walsh, Chairman and Trustee

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report to the trustees on my examination of the accounts of Karuna Action for the period January 2021 to December 2021.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

Responsibilities and basis of report

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified Fellow member of the Association of Charity Independent Examiners.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Signed:



J Irvine-Smith FCIE

Independent
Examiners Ltd

Unit 2 The
Broadbridge Centre

Bosham

West Sussex

PO18 8NF

Date:

31st March 2022

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	January 2021 to December 2021 £	October 2019 to December 2020 £
Income from:					
Donations and legacies	3	44,064	288,362	332,426	328,716
Fundraising Activities	3	12	-	12	3,515
Charitable Activities	3	92,915	550	93,465	44,973
Investments	3	-	-	-	7
Other	3/6	-	-	-	5,746
Total		136,991	288,912	425,903	382,957
Expenditure on:					
Fundraising Expenditure	2	223	364	587	854
Charitable Activities	2	115,443	338,856	454,299	321,459
Total		115,666	339,220	454,886	322,313
Net Income/(Expenditure)		21,325	(50,308)	(28,983)	60,644
Total funds brought forward		31,402	74,689	106,091	-
Transfers between funds	12	(13,376)	13,376	-	-
Transfer from unincorporated charity 1072613		-	-	-	45,447
Total funds carried forward		39,351	37,757	77,108	106,091

There were no recognised gains or losses for the accounting period other than those included in the Statement of Financial Activities.

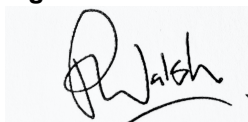
The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET As at 31st December 2021

		Unrestricted funds	Restricted funds	As at 31st December 2021	As at 31st December 2020
	Notes	£	£	£	£
Tangible Fixed Assets	8	31,560	-	31,560	23,517
Current Assets:					
Debtors owing within one year	9	3,575	10,158	13,733	11,572
Cash at Bank and In Hand	10	8,879	27,600	36,479	73,453
Stock in hand	10A	3,959	-	3,959	3,426
Total Current Assets		16,413	37,758	54,171	88,451
Current Liabilities					
Creditors due within one year	11	8,623	-	8,623	5,877
Total Current Liabilities		8,623	-	8,623	5,877
Net Current Assets		7,790	37,758	45,548	82,574
Total Assets less Current Liabilities		39,350	37,758	77,108	106,091
The funds of the charity					
Unrestricted Funds	12	39,350	-	39,350	31,402
Restricted Funds	12	-	37,758	37,758	74,689
Total charity funds		39,350	37,758	77,108	106,091

Approved by the Trustees and signed on their behalf

Signature:



Date: 31st March 2022

Name: P Walsh Chairman and Trustee

The notes on pages 10 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, "Accounting and reporting for Charities" (SORP2015). The accounts have been prepared on an ongoing concern basis. The charity meets the definition of a public benefit entity under FRS102.

b) Fund Accounting

The balances in the Unrestricted Funds (the General Fund, known as "Where needed most" Fund) are available for use at the discretion of the Trustees in the furtherance of the charitable objectives and represent the usable reserves of the charity

Restricted funds are subject to specific conditions imposed by the donors. At the period end, any fund deficits are eliminated by a transfer from unrestricted funds unless the Trustees are of the opinion that such deficits will be eliminated by future committed giving.

Expenditure within restricted funds includes direct project development and core costs associated with project development and support allocated according to income received.

Expendable Endowment Funds are those funds which are given to generate income for specific purposes but if the income is insufficient the income from the expendable fund can be used.

c) Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources and
- the trustees are virtually certain they will receive the resources and
- the monetary value can be measured with sufficient reliability.

Incoming Resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA during the same period as the gift to which they relate

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered

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 and 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.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the period.

d) Resources Expended

All expenditure is accounted for on an accruals basis unless indicated otherwise and includes VAT where relevant.

- "Fundraising expenditure" consists of expenditure incurred in motivating supporters to give to the ministry of Karuna Action
- "Directly attributed Costs" consist of expenditure where the charitable activity is directly incurred by Karuna Action.
- "Reallocation of core costs" consist of shared costs which contribute directly to more than one fund or charitable activity are apportioned on a basis consistent with the use of resources as follows:
 - For Community Action and Raising Awareness funds by an estimate of time spent on these activities.
 - For all other funds core costs are apportioned in relation to the income received by these funds.

e) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation of tangible fixed assets is calculated to write off the cost over their estimated useful lives as follows:

- Electronic equipment (mostly computers) – 33⅓% per year, straight line.
- Other equipment – 25% per year, straight line.
- Second-hand equipment may be depreciated fully in the year in which they are received.
- Vehicles are depreciated over a period decided by trustees (presently 15% reducing balance).

- Improvements to property are depreciated over the remaining period of the lease.

f) Transfers between funds

Where restricted funds have a deficit at the end of the accounting period, transfers are made from unrestricted funds to make good such deficits with the approval of the trustees.

g) Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balance sheet items denominated in foreign currencies are translated at the rate of exchange prevailing at the period end.

h) Pension Contributions

The trust participates in a defined contribution pension scheme and the pension charge represents the amount payable by the trust to the fund in respect of the period.

i) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Note 2 - Expenditure by type of fund

	Unrestricted funds	Restricted Funds	January 2021 to December 2021	October 2019 to December 2020
	£	£	£	£
Fundraising Expenditure	223	364	587	854
Charitable Activities:				
Directly attributable Costs				
Project Expenditure	861	236,780	237,641	167,405
Coffee cost of Sales	50,074	2,055	52,129	21,221
Community Action	(4,012)	4,841	829	-
Subtotal	46,923	243,676	290,599	188,626
Core costs				
Personnel expenditure	113,499	1,685	115,184	86,926
Premises expenditure	7,338	10,239	17,577	16,631
Office expenditure	15,053	876	15,929	15,716
Governance	2,439	1,470	3,909	2,641
Reallocation of Core costs	(80,910)	80,910	-	-
Subtotal	57,419	95,180	152,599	121,914
Other costs				
Raising Awareness	-	-	-	1,719
Depreciation	11,101	-	11,101	9,200
TOTAL EXPENDITURE	115,666	339,220	454,886	322,313

Note 2A - Analysis of Expenditure by Activity

	Support for Overseas Partner Projects	Community Action in U.K.	Raising Awareness of Poverty	January 2021 to December 2021	October 2019 to December 2020
	£	£	£	£	£
Fundraising Expenditure	587	-	-	587	854
Project Expenditure	237,641	829	-	238,470	167,405
Coffee cost of Sales	-	26,065	26,064	52,129	21,221
Core costs	72,485	49,595	30,519	152,599	121,914
Other Costs	5,273	3,608	2,220	11,101	10,919
TOTAL EXPENDITURE	315,986	80,097	58,803	454,886	322,313

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note	Unrestricted funds	Restricted funds	January 2021 to December 2021	October 2019 to December 2020
	£	£	£	£
3 Income				
Donations and legacies				
Donations Received	25,064	254,175	279,239	281,171
Donations from Charites	-	18,164	18,164	9,083
Legacies	19,000	16,023	35,023	38,462
Subtotal	44,064	288,362	332,426	328,716
Charitable Activities				
Sale of coffee beans and associated products	92,915	550	93,465	43,703
Grant	-	-	-	1,270
Subtotal	92,915	550	93,465	44,973
Fundraising Activities	12	-	12	3,515
Investments (interest of Bank Account)	-	-	-	7
Other (Gain on disposal of fixed assets)	-	-	-	5,746
TOTAL INCOME	136,991	288,912	425,903	382,957
4 Staff Costs and Trustees Remuneration				
Gross Salaries			105,473	82,131
Employers National Insurance			5,548	2,685
Employees life insurance			46	279
Employers Pension Contributions (see note 5)			443	-
			111,510	85,095
The average number of employees during the accounting period was:			4.0	4.0
No employee received remuneration of more than £60,000 per annum				
Trustees Remuneration			Nil	Nil
Trustees re-imbursement of expenses			Nil	Nil
Related Parties				
Two related parties to Trustee M Hannington:				
1 Son - Gross remuneration for role of CEO Director			32,820	26,680
2 Daughter in law - Gross remuneration for role of Projects/Partnership Co-ordinator			30,288	24,620
- Employer pension contributions paid on her behalf			361	-
Outstanding balances at reporting date			Nil	Nil
Key Management Personell				
The key management personnel comprise the Trustees, the Director and the Projects and Partnerships Co-Ordinator. The Trustees are not remunerated. The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel of the CIO were:			69,744	57,389
5 Pension contributions				
The trust operates a defined contribution pension scheme, with SMART PENSIONS, available for all employees. The assets of the fund are held separately from those of the trust in an independently administered fund. There were no unpaid contributions at the balance sheet date. (Currently 2 employees are in the scheme).			443	Nil
6 Movement in total funds for the year				
This is stated after charging:				
Gain on disposal of fixed assets			-	5,746
Loss on disposal of fixed assets			-	-
Depreciation of fixed assets			11,101	9,200
Estimated Independent Examination fee (accrual)			1,500	1,500
7 Leases				
As at 31 December 2021 the charity had annual commitments under non-cancellable operating leases between one and five years as follows:				
Samsung printer, now at an end			nil	1,416
Coffee machine, new lease			5,087	2,292

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Note	Unrestricted funds £	Restricted funds £	Total Funds £
8 Tangible Fixed Assets				
Equipment Cost				
Balances brought forward at 1st January 2021		43,069	-	43,069
Additions		19,144	-	19,144
Disposals		(1,845)	-	(1,845)
Balances carried forward at 31st December 2021		60,368	-	60,368
Accumulated Depreciation				
Balances brought forward at 1st January 2021		(19,552)	-	(19,552)
Disposals		1,845	-	1,845
Charge for year	6	(11,101)	-	(11,101)
Balances carried forward at 31st December 2021		(28,808)	-	(28,808)
Net Book Value				
Balances carried forward at 31st December 2021		31,560	-	31,560

All fixed assets are used for raising funds and charitable activities

	Unrestricted funds £	Restricted funds £	As at 31st December 2021 £	As at 31st December 2020 £
9 Debtors owing within one year				
Income Tax Recoverable	160	10,158	10,318	8,141
Sundry Debtors owing	301	-	301	732
Landlords rent deposit	-	-	-	2,000
Pre-payments	3,114	-	3,114	699
Total	3,575	10,158	13,733	11,572
10 Cash at Bank and In Hand				
Current Account	8,879	27,600	36,479	73,453
Cash	-	-	-	-
Total	8,879	27,600	36,479	73,453
10A Stock in hand				
Stock of Coffee etc for sale	3,959	-	3,959	3,426
Total	3,959	-	3,959	3,426
11 Creditors due within one year				
Sundry Creditors	-	-	-	-
Credit cards o/s	3,086	-	3,086	3,767
Accruals	5,537	-	5,537	2,110
Total	8,623	-	8,623	5,877

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Movement of Unrestricted and Restricted funds	Balances brought forward at 1st January 2021	Total Incoming Resources	Total Resources Expended	Transfers between Funds	As at 31st December 2021
	£	£	£	£	£
General fund	31,401	136,991	(115,666)	(13,376)	39,350
Total Unrestricted Funds	31,401	136,991	(115,666)	(13,376)	39,350
Bethshalom	-	1,502	(1,451)	0	51
Calvary Grace Care	-	450	(427)	0	23
Child Promotion School	8,360	48,748	(56,230)	0	878
Childrens home General	-	3,183	(3,465)	282	-
Christmas Fund	1,260	10,636	(10,714)	0	1,182
Clinic General	1,324	1,570	(2,647)	0	247
Clinic Zambia	-	13,951	(13,352)	0	599
Coffee Shop	155	15,500	(23,449)	7,794	-
Community Action	-	2,875	(1,368)	0	1,507
Education General	-	9,780	(10,502)	722	-
Education Jinja	370	8,534	(9,471)	567	-
Education Sponsorship	-	37,111	(36,863)	0	248
Emergency Relief	1,021	2,275	(3,313)	17	-
Income Generation	709	1,749	(2,332)	0	126
Jubilee Society Mongolia	29,980	23	(10)	0	29,993
Kilabula Primary School	-	4,249	(4,543)	294	-
Living Waters Russia	223	3,792	(3,902)	0	113
New Beginnings Children's home	5,826	81,006	(84,295)	0	2,537
New Generation Delhi	510	16,146	(17,170)	514	-
Paula support	-	8,972	(8,938)	0	34
Raising Awareness	-	300	(80)	0	220
Sach 100	24,952	16,560	(44,698)	3,186	-
Total Restricted Funds	74,690	288,912	(339,220)	13,376	37,758
Total Funds	106,091	425,903	(454,886)	-	77,108