

# **Empathy International**

## **Trustees' Report and Unaudited Accounts**

**Year ended 31 December 2020**

**Registered charity number: 1156970**

# EMPATHY INTERNATIONAL

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# EMPATHY INTERNATIONAL

## Reference and Administrative Details

**Charity name** Empathy International

**Charity registration number** 1156970

**Principal office** Rosilian  
Tolgus Mount  
Redruth  
Cornwall  
TR15 3TA

**Registered office** Rosilian  
Tolgus Mount  
Redruth  
Cornwall  
TR15 3TA

**Trustees** Naomi Hepburn  
Thomas Doble  
Pamela Langsdon

**Project Manager** Andrew Hepburn

**Independent Examiner** Ian Jefferies  
Chapman Gain  
Chartered Accountants  
4 Tregarne Terrace  
St Austell  
Cornwall  
PL25 4BE

# EMPATHY INTERNATIONAL

## Trustees' Report

### Introduction

We are so passionate to reach, resource and release the poor, disadvantaged and marginalised from all forms of poverty and in order to help pursue this goal **Empathy International** was granted UK registered charity status on 8th May 2014.

Many rural poor in developing countries are totally dependent on basic agriculture/aquaculture and natural resources for survival. In the remoter parts of the developing world, rice provides approx. 80% of calorie intake. While rice is a source of energy, it doesn't contain all of the required nutrients and consequently, malnutrition is rife. Over reliance on rice has left many children undernourished, in some places 31% of children under 5 years are underweight and 48% of all children experience stunted growth. Malnutrition affects both the physical and cognitive development of children (Rural Poverty Portal website) so helping improve sustainable farming methods is so important.

*"Having heard great things about Fish Aid and met Andrew Hepburn in Laos, I was stunned and deeply impressed by his achievements. Fish Aid really has made a difference, providing training, skills and jobs to marginalised and disadvantaged people who had nothing and now have the wherewithal to feed their families and their communities. This is inspirational work and is worthy of wide support."*

**Struan Stevenson, MEP for Scotland 1999-2014, President EU Fisheries Committee 2002-2004, Senior Vice President EU Fisheries Committee 2009-2014**

### Sustainably Overcoming Malnutrition and Poverty

Through promoting sustainable income generating activities, education and tackling food security, the effects of both extreme poverty and malnutrition can be impacted for the better. The challenge is that the poor not only lack money to start a small business, but they also lack access to relevant training, education, on-going technical support and ultimately hope for a better future.

The passion of Empathy International is to see the most vulnerable and disadvantaged being reached, resourced and released from this poverty trap, through suitable grass-root income generating initiatives and education in rural communities where individuals and families are currently trained and helped with on-going technical advice and equipment:

- The production and provision of high quality fish & frogs from our fish hatcheries to rural poor families.
- The production and provision of high quality mushroom spores & mushroom equipment to villagers.
- Improved breed Chicken egg production program.
- The hands-on technical support helping rural families with improved fish, pig & mushroom farming.
- "Dignity" Rural Women's skills projects which trains young rural women in sewing, chicken egg production, hairdressing & handcrafts. Each woman is gifted their own sewing machines to help start their businesses.
- Aquatic, animal & fungi disease management & manuals.
- Piggy Bank Project farm improves the breeding stock of local village pigs so proving piglets to the poor.
- Providing low cost solutions for Feeds, storage, fertilisers & farming equipment.
- A modern Educational school, teaching students English language and other life skills.
- Bamboo school projects provides school uniforms, teaching material & school fees to rural school children.

# EMPATHY INTERNATIONAL

## Trustees' Report *(Continued)*

Along with practical life skills training, we also endeavour to provide relevant and practical on-going technical support and backup so that poor households can generate a sustainable income and provide food security.

This not only increases income and food security, but also noticeably increases self-confidence and hope.

### **Looking back on 2020**

- Improving & streamlining new Piggy Bank Project breeding program which promotes modern pig farming methods to rural villages and while provides improved breeding stock to increase yield.
- “Improved Aquatic Program” for our 2 hatcheries providing increased survival rates/yields carp, tilapia & frogs.
- Expanded our rural mushroom growing program to new regions in Northern Laos farming with simple, cheap and appropriate methods for landless poor which provides a daily crop to sell.
- Continued with the “Improved Mushroom Program” which tests new and low cost growing methods for farmers, in particular testing new sterilising methods.
- Trained new staff in the production of quality of mushroom spores (seed) for rural families.
- Training of local Trainers in income generation techniques and disease management.
- Expanded the real time WhatsApp farmer technical support group.
- Expanded the LINK men’s training program for motorbike repairs.
- Supporting youth internship in rural fish farming, mushroom farming and sewing/weaving training to rural ladies.
- Providing a small Compassion fund to help the extreme poor with warm clothing, food and medical costs.
- 22 international volunteers graciously gave their time to help the work of Empathy International.
- Promoting the importance of sustainable development for the rural poor through social media with Instagram @ “Empathy.poor” & updated the new website [www.empathyinternational.org.uk](http://www.empathyinternational.org.uk).
- Covid-19 emergency food supplies provided.
- Our 1st ever Christmas public appeal was highly successful with over 100 people donating to raise funds for us to make over 1,000 reusable sanitary pads for rural poor women.

### **Looking forward to 2021**

- We are excited about new and expanding opportunities to help the rural poor which village level business in particular the Piggy Bank Project which seeks to produce and supply better yielding crossbred pigs and also provide technical and disease management advice.
- Building up the improved breed Chicken egg project for the rural poor.
- Working towards starting a new vocational training centre for Mekong villagers.
- We aim to expand and strengthen the technical back-up service of our team which helps the rural poor take the important steps to improve their families lives and also to research new farming methods.
- Due to Covid-19 we are greatly expanding the rural women & rural men income generation training.
- We will continue to seek out like minded partners to help as many poor people in as many suitable/sustainable ways as possible.
- We will seek to strengthen our governance and procedures but implementing the actions highlighted in our financial review so we have a strong accountable structure to carry the expanding work.

# EMPATHY INTERNATIONAL

## Trustees' Report *(Continued)*

### Income & Educational Projects Overview



The **Piggy Bank Project** produces and provides improved high quality piglets to the rural poor along with Free animal health care through our village outreach team.

- At the end of 2020 the Pig Centre phase 1 was completed.
- New Improved breed stock (male Lao native black x female Landrace pink) starting to produce better piglets which is being well received by the rural poor.
- Bulk feed for farmers is progressing well so they can reduce their feeds costs.
- 62 rural poor families were provided by piglets.



The **Joseph Project** harvest centres are modern simple dryer silo facilities which were born out of the urgent need for rural farmers to be able to shell, dry and store their maize (sweetcorn) crop so they could feed their animals throughout the year. Currently using traditional methods the poor can only store corn for 2-3 months using the new dry/silos this can be extended to 10 months.

- 3 silos with capacity of 120 tons are now built increasing feed price security.



The **LINK** men's project trains and equips rural village men with the new skills they need to make an income and to raise their social status through motorbike repairs & maintenance

- 32 young men from minority tribes trained in repairs and equipped with tools.



The **Dignity** women's projects trains and equips rural village women at risk of trafficking with the sewing and craft skills they need to make an income and to raise their social status so they are able to stay in their own safe communities.

- 71 young women from minority tribes trained and equipped with sewing machines.



The **Fish Aid** hatcheries produce and supplied approx 1.6 million high quality Tilapia fry (baby fish) & frogs to +100 rural poor families to grow for food and sell for income.

- Following from the success of day training sessions in our other projects, we have also organise short-term Aquaculture trainings so more villagers are more able to attend.



The **Mushroom Project** produces high quality mushroom spores and trains/equips rural poor families to help start micro mushroom farms beside their homes to supply their villages.

- 42 families have been trained and equipped to start their own mushroom farms.
- Improved mushroom production have been introduced following farmer requests.



**Bamboo Schools** started the only foreign owned further education school in Oudomxay Province in Northern Laos. The school has a very good reputation, with great teachers and studies. We also have a village outreach project which provides books, pens, uniforms etc to rural poor village schools.

- 3 rural primary schools (200 kids approx) are being partnered and supplied with educational equipment and supplies, along with new sponsorship scheme to pay school fees for rural poor children at risk of having to stop their education.

# EMPATHY INTERNATIONAL

## Trustees' Report *(Continued)*

### Finance update

- Projects are only planned and implemented once sufficient funds have been raised.
- We were really delighted in 2020 to receive very generous grant support from the Coles-Medlock Trust, the Open Gate Trust, the Tula Trust, the Bryan Guinness Charitable Trust, the Harbinson Trust, the Tikvah Trust, the Souter Charitable Trust, the SMB Trust, the MPM Trust and the Hamead Trust
- Andrew Hepburn, the project manager who has worked in SE Asia since 2009 works voluntarily leading the training and technical support.
- All the trustees claim no expenses & no UK salaries or UK building costs are paid.
- Foreigner overseas workers are voluntarily.
- Empathy International has no financial liabilities.
- Empathy International does not hold a Reserve Fund policy however operates on a basis of always having £2,000 in the charity bank account for emergencies.

Approved by the Board and signed on its behalf by:

**Naomi Hepburn, PhD in Agriculture**  
*Trustee*

**Thomas Doble**  
*Trustee*

Date:

Date:

# **EMPATHY INTERNATIONAL**

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EMPATHY INTERNATIONAL**

I report on the accounts of Empathy International for the year ended 31 December 2020 which are set out on the preceding pages.

### **Respective responsibilities of Empathy International and examiner**

The members of Empathy International are responsible for the preparation of the accounts and consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

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

### **Basis of independent examiner's report**

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

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:-

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Ian Jefferies BEng ACA**  
4 Tregarne Terrace  
St Austell  
Cornwall  
PL25 4BE



# EMPATHY INTERNATIONAL

## Statement of Financial Activities (including Income and Expenditure Account)

For the year ended 31 December 2020

	Note	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
<b>Income</b>					
<b>Income and endowments from:</b>					
Donations and legacies	2.1	17,822	768	18,590	10,552
Charitable activities	2.2	-	29,249	29,249	19,400
Investments	2.3	-	-	-	-
<b>Total</b>		<b>17,822</b>	<b>30,017</b>	<b>47,839</b>	<b>29,952</b>
<b>Expenditure</b>					
<b>Expenditure on:</b>					
Raising funds	3	-	-	-	-
Charitable activities	4	17,392	28,017	45,409	28,669
<b>Total</b>		<b>17,392</b>	<b>28,017</b>	<b>45,409</b>	<b>28,669</b>
<b>Net movement in funds</b>		<b>430</b>	<b>2,000</b>	<b>2,430</b>	<b>1,283</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,488	3,000	4,488	3,205
<b>Total funds carried forward</b>		<b>1,918</b>	<b>5,000</b>	<b>6,918</b>	<b>4,488</b>

The Statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 8 to 13 form an integral part of these financial statements.

# EMPATHY INTERNATIONAL

(Registration number: 1156970)

## Balance Sheet

as at 31 December 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	7		754		1,509
<b>Current assets</b>					
Debtors	8	513		600	
Cash at bank and in hand		5,981		3,691	
		6,494		4,291	
<b>Creditors: Amounts falling due within one year</b>	9	(330)		(1,312)	
<b>Net current assets</b>			6,164		2,979
<b>Net assets</b>			6,918		4,488
<b>The funds of the charity:</b>					
<b>Total restricted funds</b>			5,000		3,000
<b>Unrestricted funds</b>					
Unrestricted income			1,918		1,488
<b>Total charity funds</b>			6,918		4,488

For the financial year ended 31 December 2020 the company was entitled to exemption from audit.

Trustees responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board and signed on its behalf by:

**Naomi Hepburn, PhD in Agriculture**  
*Trustee*

**Thomas Doble**  
*Trustee*

Date:

Date:

The notes on pages 8 to 13 form an integral part of these financial statements.

# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 1. Accounting policies

#### *Basis of accounting*

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

#### *Fund accounting policy*

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 12.

#### *Income*

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

#### *Expenditure*

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### *Governance costs*

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

#### *Support costs*

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### *Fixed assets*

Individual fixed assets costing £500 or more are initially recorded at cost.

#### *Foreign Currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions into foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Ongoing transactions are translated at the average exchange rate for the year. Exchange differences are taken into account in arriving at the operating result.

# EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2020 (*continued*)

## 1. Accounting policies (*continued*)

### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Office equipment      33% straight line basis

## 2. Income

### 2.1 Voluntary income

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Appeals and donations	17,309	768	18,077	9,501
Gift Aid tax reclaimed	513	-	513	1,051
	<hr/>	<hr/>	<hr/>	<hr/>
	17,822	768	18,590	10,552
	<hr/>	<hr/>	<hr/>	<hr/>

### 2.2 Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Open Gate Trust	-	2,000	2,000	2,000
Souter Trust	-	4,000	4,000	3,000
MPM Trust	-	4,000	4,000	-
Harbinson Trust	-	400	400	200
Coles-Medlock Trust	-	5,000	5,000	5,000
Tula Trust	-	4,000	4,000	2,000
Cumber Family Trust	-	-	-	1,000
Bryan Guinness Trust	-	1,049	1,049	2,000
Tikvah Trust	-	2,300	2,300	4,200
SMB Trust	-	1,500	1,500	-
Haramead Trust	-	5,000	5,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	29,249	29,249	19,400
	<hr/>	<hr/>	<hr/>	<hr/>

### 2.3 Investment Income

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Interest on cash deposits	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

# EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2020 (*continued*)

## 3. Costs of Raising Funds

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Fundraising costs	-	-	-	-
Consultancy fees	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## 4. Charitable Activities

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
<b>Direct Costs</b>				
Loa project leader salaries	2,159	-	2,159	-
Support for Fish farming	-	1,587	1,587	1,057
Support for Mushroom farms	387	3,134	3,521	2,496
Support for Dignity project	3,262	3,264	6,526	6,339
Support for Bamboo Schools	90	393	483	447
Support for Motorbike repairs	900	941	1,841	329
Support for Compassion projects	101	6,137	6,238	1,049
Support for Piggy Bank project	1,788	5,783	7,571	4,233
Support for Harvest Centres	413	1,175	1,588	5,157
Support for Chicken Egg project	120	1,764	1,884	-
Support for Farming projects	1,851	-	1,851	-
Support for Mekong Vocational Centre	-	3,839	3,839	-
Support for Pads in Bags project	2,255	-	2,255	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Direct Costs</b>	<b>13,326</b>	<b>28,017</b>	<b>41,343</b>	<b>21,107</b>
	<hr/>	<hr/>	<hr/>	<hr/>

# EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2020 (*continued*)

## 4. Charitable Activities (*continued*)

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
<b>Support Costs</b>				
Equipment, repairs and renewals	480	-	480	309
Printing, postage and stationery	425	-	425	133
Charity project travel	267	-	267	4,488
Advertising and website	496	-	496	738
Use of home office expenses	312	-	312	-
Bank charges	60	-	60	60
Exchange (gain)/loss	941	-	941	574
Depreciation of office equipment	755	-	755	948
<b>Total Support Costs</b>	<b>3,736</b>	<b>-</b>	<b>3,736</b>	<b>7,250</b>
<b>Governance Costs</b>				
Independent Examination	330	-	330	312
<b>Total Government Costs</b>	<b>330</b>	<b>-</b>	<b>330</b>	<b>312</b>
<b>Total Expenditure</b>	<b>17,392</b>	<b>28,017</b>	<b>45,409</b>	<b>28,669</b>

## 5. Trustees' remuneration and expenses

Trustees received no remuneration or benefits in kind during this or the prior year.

No expenses were paid to trustees during the current or prior year.

## 6. Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2020 £	2019 £
Auditors remuneration – Independent examination	330	312
Depreciation of tangible fixed assets	755	948

# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

### 7. Tangible fixed assets

	Office equipment £
<b>Cost</b>	
As at 1 January 2020	4,313
Additions	-
	<hr/>
<b>As at 31 December 2020</b>	4,313
	<hr/>
<b>Depreciation</b>	
As at 1 January 2020	2,804
Charge for the year	755
	<hr/>
<b>As at 31 December 2020</b>	3,559
	<hr/>
<b>Net Book Value</b>	
<b>As at 31 December 2020</b>	<b>754</b>
	<hr/> <hr/>
As at 31 December 2019	1,509
	<hr/> <hr/>

### 8. Debtors: Amounts falling due within one year

	2020 £	2019 £
Other debtors – gift aid reclaim	513	600
	<hr/>	<hr/>
	513	600
	<hr/> <hr/>	<hr/> <hr/>

### 9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	330	312
Volunteer expenses owed	-	1,000
	<hr/>	<hr/>
	330	1,312
	<hr/> <hr/>	<hr/> <hr/>

# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

### 10. Members' liability

The organisation is a charitable incorporated organisation and as such there is no members liability on winding up the charity.

### 11. Related parties

#### Controlling entity

The charity is controlled by the trustees of the charitable incorporated organisation.

### 12. Analysis of funds

	At 1 January 2020 £	Incoming resources £	Resources expended £	As at 31 December 2020 £
<b>General Funds</b>				
Unrestricted income fund	1,488	17,822	(17,392)	1,918
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>				
Income generating projects	3,000	30,017	(28,017)	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>4,488</b>	<b>47,839</b>	<b>(45,409)</b>	<b>6,918</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 13. Net assets by fund

	Unrestricted funds £	Restricted funds £	Total funds £	Prior year funds £
Tangible assets	754	-	754	1,509
Current assets	1,494	5,000	6,494	4,291
Creditors: Amounts falling due within one year	(330)	-	(330)	(1,312)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	<b>1,918</b>	<b>5,000</b>	<b>6,918</b>	<b>4,488</b>
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