

Empathy International

Trustees' Report and Annual Accounts

Year ended 31 December 2021

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 Chapman Gain
Chartered Accountants
4 Tregarne Terrace
St Austell
Cornwall
PL25 4BE

EMPATHY INTERNATIONAL

Trustees' Report

Introduction

We are passionate to reach, resource and release the poor and marginalised from all forms of poverty so in order to help pursue this goal Empathy International was formed and 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 approximately 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 very important.

"Having heard great things about 'Empathy' and met Andrew Hepburn in Laos, I was stunned and deeply impressed by his achievements. 'Empathy' 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 to reduce real hardship among struggling families. 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 these vulnerable dear families being released from this poverty trap, through suitable grass-root income generating initiatives and education in rural communities where individuals & families are currently trained & helped with on-going technical advice and equipment.

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Trustees' Report *(Continued)*

Looking back on 2021

- Starting & managing the new 'Mekong Vocational Center' which provides access to usable skills to give a hand up in life for many families. Now providing English, Hair salon, Mushroom & Motorbike Mechanic courses.
- "Improved Aquatic Program" through our 2 rural hatcheries providing high quality carp, tilapia & frogs for families to grow for food or income. During 2021 over 3,000,000 fry were produced and provided.
- 'Frog production' a major focus during 2021 was the upscaling of the frog hatchery from a micro pilot project to a working frog production farm which can also provide training to rural farmers. "Improved Mushroom Program" through designing & providing improved sterilisers, equipment & cookers to reduce the possibility of disease. Also promoting simpler, cheaper appropriate farming methods for landless poor for a daily crop to sell & eat.
- Improving the rural Chicken egg production program.
- "Dignity" Rural Women's skills project trains young rural women in sewing, chicken egg production, hairdressing etc. Each woman is gifted their own sewing machines to help start their businesses; We now have 2 centres providing 5 terms per year helping 85+ ladies.
- Outreach teams through provide hands-on technical support for rural families, basic fish, pig & mushroom farming/disease management & village level booklets.
- Improved & streamlining new Piggy Bank Project breeding program with better selection of breeders which promotes modern pig farming methods to rural villages and while provides improved breeding stock to increase yield.
- Providing low cost solutions for providing essential livestock Feeds through our 'Buy Bulk, provide to the Poor' program, our micro crop storage silos to dry corn to extend life & low cost fertilisers.
- Bamboo school projects provides school uniforms, teaching material & school fees to rural school children in 4 schools to 100's of rural children.
- Continued to expand the real time WhatsApp farmer technical support group.
- Expanded the LINK training program for motorbike mechanics into the mountain regions of NW Vietnam & also NE Laos. Currently over 100 youths are trained & equipped each year.
- Partnered and planned to start the new Tribal Thai kids feeding program in the mountains of North Thailand. Providing essential support to 40+ rural kids.
- Researched into possibly & benefits of starting a rural 'Seed' bank to help rural farmers produce better crops & vegetables.
- 17 international volunteers 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.

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Trustees' Report *(Continued)*

- Continued to provide & distribute targeted CoVid emergency supplies to this in real need, while also running a wider Compassion fund to help the extreme poor with warm clothing, food and medical cost.

Looking forward to 2022

- We are excited about many new and expanding opportunities to help the rural poor through village level business help in particular the Piggy Bank Project which seeks to produce and supply better yielding crossbred pigs and also provide technical and disease management advice.
- Continuing to work to improve the rural Chicken egg project for the rural poor.
- Expand the topics & team at the new 'Mekong Vocational Center' so more families can receive the training they are desperately seeking.
- 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.
- 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 by implementing the actions highlighted in our financial review so we have a strong accountable structure to carry the expanding work.
- Continue to seek 'passionate for the poor' international volunteers.
- Seek to start a 3rd 'Dignity' village training hub so more women at risk can be helped.
- Research the viability of starting a new Catfish breeding program to help rural families with protein who have no access to fish ponds.

Approved by the Board and signed on its behalf by:

Naomi Hepburn, PhD in Agriculture
Trustee

10 May 2022

Thomas Doble
Trustee

10 May 2022

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 2021 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.

10 May 2022

Craig Chapman BSc (Hons) 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 2021

	Note	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Income					
Income and endowments from:					
Donations and legacies	2.1	23,649	4,350	27,999	18,590
Charitable activities	2.2	-	32,000	32,000	29,249
Investments	2.3	-	-	-	-
Total		23,649	36,350	59,999	47,839
Expenditure					
Expenditure on:					
Raising funds	3	-	-	-	-
Charitable activities	4	23,669	37,038	60,707	45,409
Total		23,669	37,038	60,707	45,409
Net movement in funds		(20)	(688)	(708)	2,430
Reconciliation of funds:					
Total funds brought forward		1,918	5,000	6,918	4,488
Total funds carried forward		1,898	4,312	6,210	6,918

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 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	7	383	754
Current assets			
Debtors	8	450	513
Cash at bank and in hand		5,707	5,981
		<u>6,157</u>	<u>6,494</u>
Creditors: Amounts falling due within one year	9	(330)	(330)
Net current assets		<u>5,827</u>	<u>6,164</u>
Net assets		<u>6,210</u>	<u>6,918</u>
The funds of the charity:			
Total restricted funds		<u>4,312</u>	<u>5,000</u>
Unrestricted funds			
Unrestricted income		<u>1,898</u>	<u>1,918</u>
Total charity funds		<u>6,210</u>	<u>6,918</u>

For the financial year ended 31 December 2021 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

10 May 2022

Thomas Doble
Trustee

10 May 2022

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 2021

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 also translated at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

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Notes to the Financial Statements for the Year Ended 31 December 2021 (*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	23,199	4,350	27,549	18,077
Gift Aid tax reclaimed	450	-	450	513
	<hr/>	<hr/>	<hr/>	<hr/>
	23,649	4,350	27,999	18,590
	<hr/>	<hr/>	<hr/>	<hr/>

2.2 Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Open Gate Trust	-	2,500	2,500	2,000
Souter Trust	-	4,000	4,000	4,000
MPM Trust	-	6,000	6,000	4,000
Harbinson Trust	-	-	-	400
Coles-Medlock Trust	-	-	-	5,000
Tula Trust	-	-	-	4,000
Vardy Foundation	-	5,000	5,000	-
Bryan Guinness Trust	-	5,000	5,000	1,049
Tikvah Trust	-	7,000	7,000	2,300
SMB Trust	-	1,500	1,500	1,500
Haramead Trust	-	-	-	5,000
Arcstone	-	1,000	1,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	32,000	32,000	29,249
	<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/>

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Notes to the Financial Statements for the Year Ended 31 December 2021 (*continued*)

3. Costs of Raising Funds

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Fundraising costs	-	-	-	-
Consultancy fees	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

4. Charitable Activities

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Direct Costs				
Laos project leader salaries	-	-	-	2,159
Support for Fish and frog farming	1,728	7,480	9,208	1,587
Support for Mushroom farms	343	6,260	6,603	3,521
Support for Dignity project	-	5,151	5,151	6,526
Support for Bamboo Schools	4,774	6	4,780	483
Support for Motorbike repairs	-	211	211	1,841
Support for Compassion projects	2,671	1,210	3,881	6,238
Support for Piggy Bank project	4,298	5,605	9,903	7,571
Support for Harvest Centres	-	-	-	1,588
Support for Chicken Egg project	-	1,862	1,862	1,884
Support for Farming projects	-	332	332	1,851
Support for Mekong Vocational Centre	2,140	8,888	11,028	3,839
Support for Pads in Bags project	1,058	33	1,091	2,255
	<hr/>	<hr/>	<hr/>	<hr/>
Total Direct Costs	17,012	37,038	54,050	41,343
	<hr/>	<hr/>	<hr/>	<hr/>

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Notes to the Financial Statements for the Year Ended 31 December 2021 (*continued*)

4. Charitable Activities (*continued*)

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Support Costs				
Staff Training	67	-	67	-
Equipment, repairs and renewals	429	-	429	480
Printing, postage and stationery	608	-	608	425
Charity project travel	2,178	-	2,178	267
Advertising and website	134	-	134	496
Use of home office expenses	-	-	-	312
Bank charges	114	-	114	60
Exchange (gain)/loss	1,852	-	1,852	941
Depreciation of office equipment	945	-	945	755
Total Support Costs	6,327	-	6,327	3,736
Governance Costs				
Independent Examination	330	-	330	330
Total Government Costs	330	-	330	330
Total Expenditure	23,669	37,038	60,707	45,409

5. Trustees' remuneration

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

6. Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2021 £	2020 £
Auditors remuneration – Independent examination	330	330
Depreciation of tangible fixed assets	945	755

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Notes to the Financial Statements for the Year Ended 31 December 2021 (*continued*)

7. Tangible fixed assets

	Office equipment £
Cost	
As at 1 January 2021	4,313
Additions	574
	<hr/>
As at 31 December 2021	4,887
	<hr/>
Depreciation	
As at 1 January 2021	3,559
Charge for the year	945
	<hr/>
As at 31 December 2021	4,504
	<hr/>
Net Book Value	
As at 31 December 2021	383
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As at 31 December 2020	754
	<hr/> <hr/>

8. Debtors: Amounts falling due within one year

	2021 £	2020 £
Other debtors – gift aid reclaim	450	513
	<hr/>	<hr/>
	450	513
	<hr/> <hr/>	<hr/> <hr/>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	330	330
	<hr/>	<hr/>
	330	330
	<hr/> <hr/>	<hr/> <hr/>

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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 2021 £	Incoming resources £	Resources expended £	As at 31 December 2021 £
General Funds				
Unrestricted income fund	1,918	23,649	(23,669)	1,898
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Income generating projects	5,000	36,350	(37,038)	4,312
	<hr/>	<hr/>	<hr/>	<hr/>
	6,918	59,999	(60,707)	6,210
	<hr/>	<hr/>	<hr/>	<hr/>

13. Net assets by fund

	Unrestricted funds £	Restricted funds £	Total funds £	Prior year funds £
Tangible assets	383	-	383	754
Current assets	1,845	4,312	6,157	6,494
Creditors: Amounts falling due within one year	(330)	-	(330)	(330)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	1,898	4,312	6,210	6,918
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