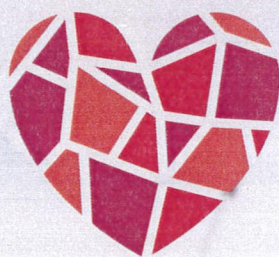


BROKEN HEARTS HELPING BREAK POVERTY



**EMPATHY**  
INTERNATIONAL

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2022



# EMPATHY INTERNATIONAL

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# Empathy International

"Broken hearts helping break poverty"

Helping the rural poor through Education, Income generation and Aid

## Empathy International Trustees Report 2022 & Unaudited Accounts year ended 31 December 2022

Charity name and number	Empathy International, Charity Registration number 1156970
Contact person (Name and position)	Mr Andrew Hepburn (Project field manager)
Trustees	Mrs Naomi Hepburn (PhD Agriculture) Mr Thomas Frederick Paul Doble (Engineer manager) Mrs Pamela Langsdon (Retail manager)
Email address website Instagram	projects@empathyinternational.org.uk www.empathyinternational.org.uk @empathy_international
Telephone & WhatsApp number	UK: +44 (0) 7484734274
Project aim	Sustainable technical help and compassion for the rural poor
Address	Rosilian, Tolgus Mount, Redruth, Cornwall, TR15 3TA
Accounting period	1 <sup>st</sup> January - 31 <sup>st</sup> December 2022

### Introduction

We are passionate to reach, resource and release disadvantaged and marginalised people 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.

*"Empathy International is doing a wonderful work  
to provide essential skills to families from poor villages all across Northern Laos"*

**UK Ambassador John Pearson in May 2023 following a visit with the Diplomatic Corp**

## 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 & families are currently trained & helped with on-going technical advice and equipment:

- 'Mekong Vocational Center' is a new start up partnership providing modern Educational training to rural families in agriculture, aquaculture, trades, crafts, English language and other life skills;
- 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;
- 'Jungle Honey Bee' initiative which provides hands on training in bee husbandry, hive construction, honey as a rural business,
- 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, agriculture, hairdressing. Each woman is gifted their own sewing machines to help start their businesses;
- Aquatic, animal & fungi disease management & manuals; along with 'Where there is no Animal Doctor' provided by Dr Peter Quesenberry an international veterinary.
- 'Piggy Bank Project' farm improves the breeding stock of local village pigs so providing piglets to rural families;
- 'LINK' motorbike mechanics training to improve safety, lower transport costs & provided a income.
- Providing low cost solutions for Feeds, storage, fertilisers & farming equipment;
- Bamboo school projects provides school uniforms, teaching material & school fees to rural school children.

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 2022

- ‘Mekong Vocational Center’ is now helping & providing training to more & more rural families.
- ‘Jungle Honey Bee’ initiative is a new project to promote honey farming among rural communities which may lack various forms of income generation resources.
- Promoting the importance of sustainable development for the rural poor through social media feeds with Instagram @ “Empathy\_international” & Facebook updates.
- Improved Piggy Bank Project breeding program which new breed stock & promoting modern pig farming methods to rural villages.
- “Improved Aquatic Program” for our 3 micro-hatcheries providing increased survival rates/ yields carp, tilapia & frogs.
- 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.
- Expanded the LINK mens 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.
- 18 international volunteers, graciously gave their time to help the work of Empathy International;

## Looking forward to 2023

- We are excited about new and expanding opportunities to help the rural 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.
- Looking forward to hosting nation Ambassadors too Laos in the Diplomatic Corp.
- Excited about building & improving on the pilot stage of the Jungle Honey Bee initiative.
- Mekong Vocational Center looking forward to building more capacity in this exciting venture so that more families can be equipped to help out of poverty.
- 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 but implementing the actions highlighted in our financial review so we have a strong accountable structure to carry the expanding work.



## INCOME & EDUCATIONAL PROJECTS OVERVIEW



The **Mekong Vocational Center** is providing educational knowledge & hands on experience to help break poverty & increase the income generating opportunities for rural families.



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.

- 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.



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.



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.



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.



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.



The **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.

# 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 2022 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.

*1 July 2023*

**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 2022

	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	27,789	1,035	28,824	27,999
Charitable activities	2.2	-	30,900	30,900	32,000
Investments	2.3	5	-	5	-
<b>Total</b>		<b>27,794</b>	<b>31,935</b>	<b>59,729</b>	<b>59,999</b>
<b>Expenditure</b>					
<b>Expenditure on:</b>					
Raising funds	3	-	-	-	-
Charitable activities	4	25,462	32,215	57,677	60,707
<b>Total</b>		<b>25,462</b>	<b>32,215</b>	<b>57,677</b>	<b>60,707</b>
<b>Net movement in funds</b>		<b>2,332</b>	<b>(280)</b>	<b>2,052</b>	<b>(708)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,898	4,312	6,210	6,918
<b>Total funds carried forward</b>		<b>4,230</b>	<b>4,032</b>	<b>8,262</b>	<b>6,210</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 9 to 14 form an integral part of these financial statements.



# EMPATHY INTERNATIONAL

(Registration number: 1156970)

## Balance Sheet

as at 31 December 2022

	Note	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Tangible assets	7		1,602		383
<b>Current assets</b>					
Debtors	8	-		450	
Cash at bank and in hand		6,990		5,707	
		<u>6,990</u>		<u>6,157</u>	
<b>Creditors: Amounts falling due within one year</b>	9	(330)		(330)	
<b>Net current assets</b>			<u>6,660</u>	<u></u>	5,827
<b>Net assets</b>			<u>8,262</u>		6,210
<b>The funds of the charity:</b>					
<b>Total restricted funds</b>			<u>4,032</u>		4,312
<b>Unrestricted funds</b>					
Unrestricted income			<u>4,230</u>		1,898
<b>Total charity funds</b>			<u>8,262</u>		6,210

For the financial year ended 31 December 2022 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**  
Trustee

1 July 2023

**Thomas Doble**  
Trustee

1 July 2023

The notes on pages 9 to 14 form an integral part of these financial statements.

# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 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.

# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 1. Accounting policies (continued)

#### 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.

#### 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	25,938	1,035	26,973	27,549
Gift Aid tax reclaimed	1,851	-	1,851	450
	<u>27,789</u>	<u>1,035</u>	<u>28,824</u>	<u>27,999</u>

#### 2.2 Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Income from charitable grants	-	30,900	30,900	32,000
	<u>-</u>	<u>30,900</u>	<u>30,900</u>	<u>32,000</u>

#### 2.3 Investment Income

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Interest on cash deposits	5	-	5	-
	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>



# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2022 *(continued)*

### 3. Costs of Raising Funds

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Fundraising costs	-	-	-	-
Consultancy fees	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

### 4. Charitable Activities

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
<b>Direct Costs</b>				
Support for Fish and frog farming	-	3,776	3,776	9,208
Support for Mushroom farms	1,301	1,059	2,360	6,603
Support for Dignity project	579	5,458	6,037	5,151
Support for Bamboo Schools	-	-	-	4,780
Support for Motorbike repairs	-	-	-	211
Support for Compassion projects	-	573	573	3,881
Support for Piggy Bank project	-	2,924	2,924	9,903
Support for Chicken Egg project	-	-	-	1,862
Support for Farming projects	2,686	2,831	5,517	332
Support for Mekong Vocational Centre	6,947	15,594	22,541	11,028
Support for Pads in Bags project	-	-	-	1,091
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Direct Costs</b>	<b>11,513</b>	<b>32,215</b>	<b>43,728</b>	<b>54,050</b>
	<hr/>	<hr/>	<hr/>	<hr/>

# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2022 *(continued)*

### 4. Charitable Activities *(continued)*

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
<b>Support Costs</b>				
Staff Training	-	-	-	67
Equipment, repairs and renewals	409	-	409	429
Printing, postage and stationery	243	-	243	608
Charity project travel	10,080	-	10,080	2,178
Advertising and website	1,004	-	1,004	134
Bank charges	225	-	225	114
Exchange (gain)/loss	762	-	762	1,852
Depreciation of office equipment	896	-	896	945
<b>Total Support Costs</b>	<b>13,619</b>	<b>-</b>	<b>13,619</b>	<b>6,327</b>
<b>Governance Costs</b>				
Independent Examination	330	-	330	330
<b>Total Government Costs</b>	<b>330</b>	<b>-</b>	<b>330</b>	<b>330</b>
<b>Total Expenditure</b>	<b>25,462</b>	<b>32,215</b>	<b>57,677</b>	<b>60,707</b>

### 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:

	2022 £	2021 £
Auditors remuneration – Independent examination	330	330
Depreciation of tangible fixed assets	896	945

# EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2022 *(continued)*

## 7. Tangible fixed assets

	Office equipment £
<b>Cost</b>	
As at 1 January 2022	4,887
Additions	2,115
	<hr/>
<b>As at 31 December 2022</b>	7,002
	<hr/>
<b>Depreciation</b>	
As at 1 January 2022	4,504
Charge for the year	896
	<hr/>
<b>As at 31 December 2022</b>	5,400
	<hr/>
<b>Net Book Value</b>	
<b>As at 31 December 2022</b>	<b>1,602</b>
	<hr/> <hr/>
As at 31 December 2021	383
	<hr/> <hr/>

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

	2022 £	2021 £
Other debtors – gift aid reclaim	-	450
	<hr/>	<hr/>
	-	450
	<hr/> <hr/>	<hr/> <hr/>

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

	2022 £	2021 £
Accruals and deferred income	330	330
	<hr/>	<hr/>
	330	330
	<hr/> <hr/>	<hr/> <hr/>



# EMPATHY INTERNATIONAL

## Notes to the Financial Statements for the Year Ended 31 December 2022 *(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 2022 £	Incoming resources £	Resources expended £	As at 31 December 2022 £
<b>General Funds</b>				
Unrestricted income fund	1,898	27,794	(25,462)	4,230
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>				
Income generating projects	4,312	31,935	(32,215)	4,032
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>6,210</b>	<b>59,729</b>	<b>(57,677)</b>	<b>8,262</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 13. Net assets by fund

	Unrestricted funds £	Restricted funds £	Total funds £	Prior year funds £
Tangible assets	1,602	-	1,602	383
Current assets	2,958	4,032	6,990	6,157
Creditors: Amounts falling due within one year	(330)	-	(330)	(330)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	<b>4,230</b>	<b>4,032</b>	<b>8,262</b>	<b>6,210</b>
	<hr/>	<hr/>	<hr/>	<hr/>