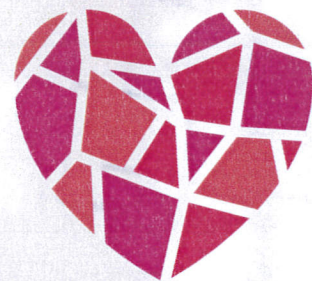


BROKENHEARTSHELPINGBREAKPOVERTY



EMPATHY
INTERNATIONAL



ANNUAL REPORT
AND FINANCIAL STATEMENT
2023

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 2023 & Unaudited Accounts year ended 31 December 2023

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.poor
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 st January - 31 st December 2023

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.

“Empathy International is doing wonderful work to provide essential employment skills to poor families all across Northern Laos”

UK Ambassador to Lao PDR John Pearson (2023)

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 provides future changing skills, trades and equipment to rural families and has an educational licence from Lao government.
- Bamboo school projects provides school uniforms, teaching material & school fees to rural school children;
- 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;
- 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 machine to help start their businesses;
- Aquatic, animal & fungi disease management & manuals;
- Piggy Bank Project farm improves the breeding stock of local village pigs so providing piglets to the poor;
- Providing low cost solutions for feeds, storage, fertilisers & farming equipment;

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 2023

- Improved the '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 LINK training program for motorbike mechanics for men and women.
- Supporting youth internship in rural fish farming, mushroom farming.
- Providing a small Compassion fund to help the extreme poor with warm clothing, food and medical costs.
- 23 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 on Facebook and Instagram & updated the new website www.empathyinternational.org.uk

Looking forward to 2024

- Starting new training courses in Introduction to Electrical and Solar.
- Improving the Hair salon training facilities to allow more rural women to be trained.
- Welcoming UK volunteering team with essential building skills to upgrade electrics throughout center and building a new mechanics training building.
- 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.
- Expanding 'Pads in Bags' is our reusable sanitary pad project which supplies 100 rural girls each month with free products made by our sewing project.
- 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 **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 2023 the Pig Breeding Centre phase 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.



MEKONG
VOCATIONAL CENTER

The **Mekong Vocational Center** is doing great work providing trades, skills and equipment to rural families.

- During 2023 we were very honoured when UK Ambassador John Pearson led the Lao Diplomatic Corp visa to us with the Ambassadors from UK, EU, Singapore, Malaysia, Timor-Leste, Thailand, Canada and the United Nations.



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 & maintainance

- 98 rural young men and women 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.

- 99 young women from minority tribes trained and equipped with sewing machines.
- 112 with Hair & Beauty Salon
- New mens barber teacher trained



The **Fish Aid** hatcheries produce and supplied approx 2 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.

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



Bamboo Schools provides essential and much needed educational supplies to rural school children e.g school uniforms, books, pens, play mats, white boards etc

- 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)*

The Trustees' Report is approved by the Board and signed on its behalf by:

Naomi Hepburn
Trustee

28 February 2024

Thomas Doble
Trustee

28 February 2024

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 2023 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.

28 February 2024

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 2023

	Note	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Income					
Income and endowments from:					
Donations and legacies	2.1	17,672	854	18,526	28,824
Charitable activities	2.2	-	33,270	33,270	30,900
Investments	2.3	23	-	23	5
Total		17,695	34,124	51,819	59,729
Expenditure					
Expenditure on:					
Raising funds	3	-	-	-	-
Charitable activities	4	19,739	36,370	56,109	57,677
Total		19,739	36,370	56,109	57,677
Net movement in funds		(2,044)	(2,246)	(4,290)	2,052
Reconciliation of funds:					
Total funds brought forward		4,230	4,032	8,262	6,210
Total funds carried forward		2,186	1,786	3,972	8,262

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 10 to 15 form an integral part of these financial statements.

EMPATHY INTERNATIONAL

(Registration number: 1156970)

Balance Sheet

as at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	7		706		1,602
Current assets					
Debtors	8	600		-	
Cash at bank and in hand		2,996		6,990	
		<u>3,596</u>		<u>6,990</u>	
Creditors: Amounts falling due within one year	9	(330)		(330)	
Net current assets			<u>3,266</u>		<u>6,660</u>
Net assets			<u>3,972</u>		<u>8,262</u>
The funds of the charity:					
Total restricted funds			<u>1,786</u>		<u>4,032</u>
Unrestricted funds					
Unrestricted income			<u>2,186</u>		<u>4,230</u>
Total charity funds			<u>3,972</u>		<u>8,262</u>

For the financial year ended 31 December 2023 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

28 February 2024

Thomas Doble
Trustee

28 February 2024

The notes on pages 10 to 15 form an integral part of these financial statements.

EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2023

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 2023 (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	17,072	854	17,926	26,973
Gift Aid tax reclaimed	600	-	600	1,851
	<u>17,672</u>	<u>854</u>	<u>18,526</u>	<u>28,824</u>

2.2 Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Income from charitable grants	-	33,270	33,270	30,900
	<u>-</u>	<u>33,270</u>	<u>33,270</u>	<u>30,900</u>

2.3 Investment Income

	Unrestricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Interest on cash deposits	23	-	23	5
	<u>23</u>	<u>-</u>	<u>23</u>	<u>5</u>

EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2023 *(continued)*

3. Costs of Raising Funds

	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Fundraising costs	-	-	-	-
Consultancy fees	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

4. Charitable Activities

	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Direct Costs				
Support for Fish and frog farming	2,928	7,008	9,936	3,776
Support for Mushroom farms	5,099	4,534	9,633	2,360
Support for Dignity project	-	-	-	6,037
Support for Compassion projects	-	-	-	573
Support for Piggy Bank project	4,645	2,701	7,346	2,924
Support for Farming projects	-	-	-	5,517
Support for Mekong VC	-	22,127	22,127	22,541
	<hr/>	<hr/>	<hr/>	<hr/>
Total Direct Costs	12,672	36,370	49,042	43,728
	<hr/>	<hr/>	<hr/>	<hr/>

EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2023 (*continued*)

4. Charitable Activities (*continued*)

	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Support Costs				
Equipment, repairs and renewals	956	-	956	409
Printing, postage and stationery	23	-	23	243
Charity project travel	4,800	-	4,800	10,080
Advertising and website	90	-	90	1,004
Bank charges	276	-	276	225
Exchange (gain)/loss	(304)	-	(304)	762
Depreciation of office equipment	896	-	896	896
Total Support Costs	6,737	-	6,737	13,619
Governance Costs				
Independent Examination	330	-	330	330
Total Government Costs	330	-	330	330
Total Expenditure	19,739	36,370	56,109	57,677

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:

	2023 £	2022 £
Auditors remuneration – Independent examination	330	330
Depreciation of tangible fixed assets	896	896

EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2023 *(continued)*

7. Tangible fixed assets

	Office equipment £
Cost	
As at 1 January 2023 and As at 31 December 2023	7,002
Depreciation	
As at 1 January 2023	5,400
Charge for the year	896
As at 31 December 2023	6,296
Net Book Value	
As at 31 December 2023	706
As at 31 December 2022	1,602

8. Debtors: Amounts falling due within one year

	2023 £	2022 £
Other debtors – gift aid reclaim	600	-
	600	-

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	330	330
	330	330

EMPATHY INTERNATIONAL

Notes to the Financial Statements for the Year Ended 31 December 2023 *(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 2023 £	Incoming resources £	Resources expended £	As at 31 December 2023 £
General Funds				
Unrestricted income fund	4,230	17,695	(19,739)	2,186
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Income generating projects	4,032	34,124	(36,370)	1,786
	<hr/>	<hr/>	<hr/>	<hr/>
	8,262	51,819	(56,109)	3,972
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13. Net assets by fund

	Unrestricted funds £	Restricted funds £	Total funds £	Prior year funds £
Tangible assets	706	-	706	1,602
Current assets	1,810	1,786	3,596	6,990
Creditors: Amounts falling due within one year	(330)	-	(330)	(330)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	2,186	1,786	3,972	8,262
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>