



The Karen Hilltribes Trust

ANNUAL REPORT & ACCOUNTS

1st October 2020 - 30th September 2021

COMPANY & CHARITY INFORMATION

Registered Company Number 04484077 (England & Wales)

Registered Charity Number 1093548

Registered Office Tower House Business Centre
Fishergate,
York, YO10 4UA, United Kingdom

Trustees

V V Pert - Chair of Trustees (*resigned 24 January 2022*)
B Wiggan - Chair of Trustees (*appointed as Chair 24 January 2022*)
D Shurman - Vice Chair of Trustees (*resigned as Vice Chair 24 January 2022*)
T A Y Wright - Vice Chair of Trustees (*appointed as Vice Chair 24 January 2022*)
J Monaghan - Treasurer (*appointed 10 May 2021*)
J Ballantine - Secretary (*appointed 10 May 2021*)
J Delaney
B Smith
C Shampine
R Ellis
J Heelham
H Bilton (*appointed 10 May 2021*)
T S Nickson (*resigned 10 May 2021*)

Company Secretary J Ballantine (*appointed 10 May 2021*)

Independent Examiner Susan Seaman, BA FCA CIOT
Sagars Accountants Ltd
Gresham House, 5-7 St Pauls Street
Leeds, LS1 2JG, United Kingdom

Director Billy Curryer
(*resigned 4 February 2022*)
Matt Jenkins (*Interim, appointed 1 December 2021*)



CONTENTS

Trustees' Annual Report - Year Ended 30 September 2021

Welcome, from our Outgoing Chair of Trustees	4-5
Our Vision, Mission & Impact	6-8
Achievements & Performance	9-13
Structure, Governance & Management	14-19

Annual Accounts & Financial Statements 2020/21

Financial Review	20-22
Independent Examiner's Report	25
Statement of Financial Activities	26-27
Notes to the Financial Statements	28-35





WELCOME, FROM OUR OUTGOING CHAIR OF TRUSTEES

Once again I have pleasure in presenting our annual report. It has been another strange and exceptional year worldwide.

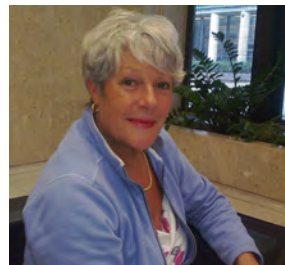
Although our UK staff have been unable to work out in Thailand, our local team have continued to carry out our projects, so essential to the Karen communities. My thanks go to Salahae and his wonderful team who have worked hard to maintain the confidence of those we work with in order for us to achieve our goals to enhance community health, to secure sustainable livelihoods and to increase access to education for the Karen in Northern Thailand.

With help from our generous donors we can continue to have such a significant impact on the lives of thousands of Karen families.

My heartfelt thanks, therefore, go to all our staff, to volunteers, to trustees and to those who support us. May we all enjoy a healthy and productive future.



...Salahae and his wonderful team who have worked hard to maintain the confidence of those we work with in order for us to achieve our goals to enhance community health, to secure sustainable livelihoods and to increase access to education for the Karen in Northern Thailand.



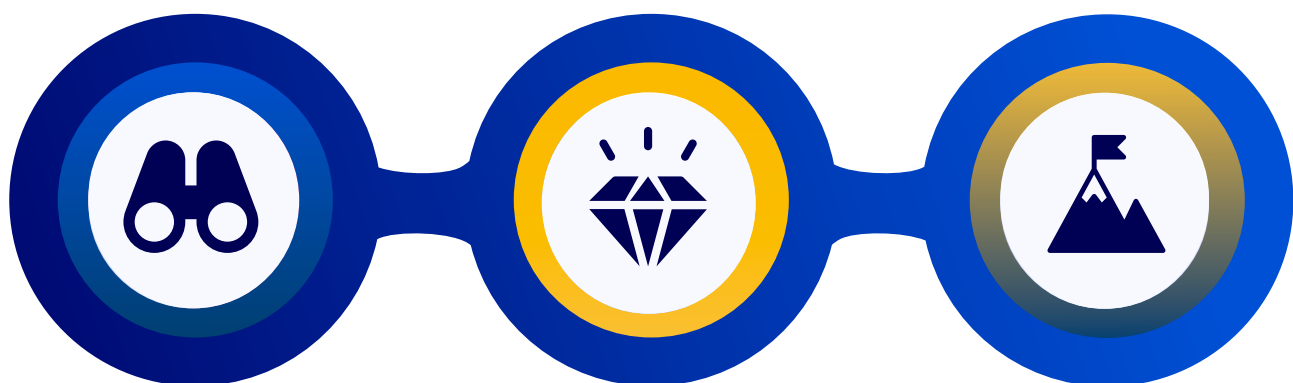
Vivien V Pert
Outgoing Chair of Trustees



OUR MISSION, VISION & IMPACT

The Karen Hill Tribes Trust (KHT) is a community-led organisation that has been working with marginalised Thai-Karen communities in Northern Thailand for the past three decades. The Karen are one of the largest ethnic minority groups in Thailand, with most communities residing in low resource, rural and mountainous areas of Northern Thailand.

By taking a holistic approach to the complex socio-economic issues at hand, KHT aims to achieve sustainable change by empowering communities to improve their own lives.



OUR VISION

A secure future for the Karen communities of Northern Thailand.

OUR MISSION

To partner with Karen communities to improve their health, livelihoods, and access to education.

OUR GOALS

To enhance community health by improving sanitation, hygiene, and access to safe water.

To secure sustainable livelihoods through increased food security and income generation.

To increase access to education for children and young adults to improve their opportunities.

OUR APPROACH

One of the few organisations operating in Mae Hong Son Province, Northern Thailand, KHT works to improve the lives of indigenous Thai-Karen communities in a holistic and sustainable manner. Through our three programme areas, Community Health, Sustainable Livelihoods and Access to Education, we run complimentary and coordinated projects to ensure immediate (health), medium (livelihoods), and long term (education) assistance is provided.

As a community-led organisation, KHT is also deeply embedded in the local community, with the majority of its staff being Thai-Karen and based in the local area. KHT's model therefore starts and finishes with the Karen People of Northern Thailand.

This unique approach is based on the expressed needs of target communities and involves their local knowledge in all stages of our projects, including design, implementation, maintenance, and evaluation. Projects are focussed on promoting self-reliance leading to improved well-being, whilst helping Karen communities retain their unique identity and culture. Not only does this approach guarantee projects have a positive impact, but also supports community ownership and long-term sustainability.

What Have We Achieved to Date



Transformed health and well-being for over **56,643** people through providing cleaner drinking water, improved sanitation facilities and hygiene education.



Allowed **20,053** farmers to secure agriculture as a sustainable livelihood through the construction of flood-resistant irrigation systems.



Increased access to education for **18,657** children and young adults through the provision of school meals, transport and accommodation, and higher education scholarships.

OUR IMPACT - 2020/21



HEALTH

3,734 Karen People

Supported through the provision of water systems and latrines in 6 villages and distribution of hygiene & COVID-19 education to 20+ communities



LIVELIHOODS

1,147 Karen farmers

Supported through the construction of 4 irrigation systems, providing reliable irrigation water to 136 acres of farmland.



EDUCATION

974 Children & Youth

Supported through daily provision of 18 school buses and 514 school meals, and funding of 37 scholarships to study at higher education institutions.



ACHIEVEMENTS & PERFORMANCE

In the last 12 months, KHT has supported upwards of 5,855 Karen people in Northern Thailand through its charitable activities. Although the COVID-19 pandemic has limited certain activities, KHT has successfully been able to have made these achievements in what has been a difficult period. Below is a summary of the main charitable activities completed in the past 12 months.

TRANSFORMING COMMUNITY HEALTH THROUGH WATER, SANITATION & HYGIENE

High levels of poverty often mean that Karen communities have limited access to adequate water, sanitation, and hygiene (WASH) facilities, with a significant proportion still reliant on contaminated water sources. A study published in 2020 (Sudsandee et al) found that a large number of unprotected water sources used by hilltribe communities in Northern Thailand were contaminated with faeces and harmful bacteria. This poses a significant risk factor for contracting numerous communicable illnesses including typhoid, cholera, intestinal parasites, and diarrhoea. The debilitating effects of illness contribute to low school enrolment, attendance, and retention rates among Karen children and youth and also reduce economic productivity of adults.

Through its Water, Sanitation & Hygiene Projects, KHT constructs gravity-fed water systems, builds and repairs sanitation units, and delivers hygiene education to improve health outcomes for Karen communities located across Northern Thailand. By working closely with Karen communities, this approach helps to break the cycle of poverty and disease, and to improve long-term health, education, and livelihood outcomes.

In 2020-2021, KHT:



Constructed water systems and latrines in 6 remote communities, supporting 734 Karen people to gain access to cleaner water, sanitation & hygiene services



Distributed hygiene & COVID-19 educational materials to 20+ communities, supporting more than 3,000 people

Our WASH work impacted the following UN Sustainable Development goals:



SECURING SUSTAINABLE LIVELIHOODS THROUGH FLOOD-RESISTANT IRRIGATION SYSTEMS

Poverty continues to be endemic for rural Karen communities. Average annual income is just 24,500 THB (570 GBP) per household, below the international line for extreme poverty even accounting for purchasing power. Dependency on subsistence agriculture makes households extremely vulnerable to changes in weather and climate. Heavy rain can sweep away crops, whilst the lack of rain can make crops wither. From KHT's research it is clear that in most villages at least 50% of villagers do not produce enough rice to last them through the year, with most families suffering from food shortages at least five times a month.

This financial year KHT has continued to expand its support for traditional livelihoods by installing flood-resistant irrigation systems. Four projects were implemented, reaching 1,147 people and bringing the total number of installed systems to 94. These provide long-term support to village incomes and food security; the estimated life-span is 20+ years and only four systems have required additional KHT assistance in 14 years.

A major focus for KHT has been to measure the impact of projects on beneficiaries. A recent KHT study followed nine projects from 2019 and 2020, checking in with households one year after completion to measure the changes in key indicators. The data is now available and the results are highly promising; more detail is provided overleaf.

KHT's monitoring and evaluation drive does not stop here. The study has provided further questions for future analysis, including how KHT can better identify beneficiary villages, quantifying how many trees are saved by projects and how this can help combat climate change.

Similar exercises are now being undertaken for the water and education projects and KHT hopes to have numbers to share in 2022.



OUR IMPACT IN SUPPORTING LIVELIHOODS:



For the past three years the livelihoods team has been surveying 20% of project beneficiaries, taking detailed surveys before and one year after the projects to track how their lives have changed since. The process is ongoing and the team will be growing the dataset to further understand how KHT's impact can be maximised.

Below are the key results, matched to the project's key indicators, and the impacted UN SDGs:



1: INCREASED RESILIENCE TO FLOODING AND DROUGHT

- 59% fewer households affected by flooding
- 96% reduction in paddy fields being unusable in the dry season



2: INCREASED CROP YIELDS

- Average crop output increased from 5 to 10.2 tonnes
- 94% of households saw crop production increases
- Almost 4 times quantity of crops grown in dry season



3: INCREASED AVERAGE ANNUAL HOUSEHOLD INCOME

- Average household income doubles, from 25,000 THB to 52,000 THB
- Income from crops increases 3.4 times



4: INCREASED FOOD SECURITY AND FEWER DAYS SPENT IN HUNGER

- Average days with insufficient food fell 82%
- 52% increase in crop diversification



5: DECREASED PRESSURE ON THE SURROUNDING ENVIRONMENT AND NATURAL RESOURCES

- All users of systems ceased building temporary wooden dams
- Further work needed to determine total number of trees not felled a year due to the project, and corresponding saving of CO2 equivalent greenhouse gasses





ACCESS TO EDUCATION FOR MARGINALISED KAREN CHILDREN



COVID-19 only added to the existing challenges faced by Karen communities in accessing education. The enrolment of Karen children in primary education is 51% (compared to the national average at 89%) and only 1 in 4 Karen children complete their secondary education.

With UNICEF estimating that globally more than 1 billion children are at risk of falling behind due to school closures, KHT's work in supporting education has never been more important.

Whilst there has been some disruption to services, with periodic national or local lockdowns and some students having to learn remotely, overall KHT has been able to continue services in a COVID-safe manner. For those in commuting distance to schools, KHT supports school bus services so children can reach school safely.

For those in more remote villages, KHT funds the provision of food at dormitories to reduce the cost for children to attend. With education requirements for jobs becoming ever higher, KHT provides scholarships to young adults who would otherwise be unable to study at universities and vocational colleges.

The pandemic has also required KHT to be proactive and go beyond regular programming. Noting the poor diffusion of health education to remote communities, KHT used the school buses as a distribution network to disburse posters advising how to combat COVID-19 to villages. Additional school meals were also provided to one school that was placed into a four week lockdown and lacked funds to feed students during this period.

OUR IMPACT - 2020/21



Our Impact in Improving Access to Education:

Funded 18 school buses, providing 423 places for children from 30 villages

Provided 514 daily meals at 8 school dormitories

Gave scholarships to 37 students, with 12 graduating in April 2021

This work contributed to the following UN Sustainable Development Goals:



STRUCTURE, GOVERNANCE & MANAGEMENT

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the Charity for the year ended 30 September 2021.

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment & appointment of new trustees

Up to 12 trustees are appointed to the board on a three-year rotational basis. There were no vacancies at the end of this reporting period. Trustees are recruited by the Board of Trustees on the basis of nominations from existing trustees. The Board of Trustees seeks to ensure a mix of skills and diversity, and selects each trustee according to their particular skill or interest.

Induction and training of new trustees

Before being formally appointed, all trustees are provided with appropriate information to ensure that they have a good understanding of the roles and responsibilities of a trustee, the charity itself and its target beneficiaries. This includes, but is not limited to, the Essential Trustee Guide from the Charity Commission, the Charity Commission's web-pages on "Public Benefit", and the Charity's governing document, strategic plan, recent annual reports, meeting minutes, and Board Basics & Becoming a Trustee Policy document.

Organisational structure

The Board of Trustees are collectively responsible for ensuring that the Charity is effectively and responsibly governed and that it delivers its charitable objectives for the public benefit. All trustees give their time freely and

do not receive remuneration or other benefits for their role. KHT has a trustee indemnity insurance policy in place that covers the Trustees and Charity up to £250,000.

The Trustees, together with the Director, meet three times a year to discuss and determine strategic, financial and operational requirements, with the annual general meeting (AGM) being held in January each year. Further monthly meetings are held to provide regular operational updates and foster communication between Thai and UK based teams.

All daily operations of the charity in this reporting period were overseen by the Director, Billy Curryer, who was appointed on 1st November 2019 and resigned on 4th February 2022. Billy joined KHT in September 2017, and before becoming Director, spent extensive time both in the field and in a management capacity within the charity. The Director reports to the Board of Trustees in the UK and is responsible for ensuring that the charity achieves its mission through key performance indicators agreed by the Trustees. All of the charity's other employees and volunteers report directly to the Director.

KHT delivers its charitable objectives in Northern Thailand in partnership with a Thai registered foundation, the Foundation for Karen Hilltribes in Thailand (KHTF). Collectively, the Charity's team is based across two locations, York, UK and Khun Yuam, Thailand.

In the UK, the Charity's team includes the Director, Fundraising Manager, Programmes Officer and Finance Administrator. Although York is KHT's base and a registered office address is held for postal services, the Charity

does not operate a physical office and all UK employees work remotely. Together, the main responsibility of the UK charity is to raise funds, maintain robust financial systems, distribute communications, provide oversight and management on all charitable activities and work with the UK-based Board of Trustees to ensure good governance.

In Thailand, KHTF maintains a small office in Khun Yuam, which coordinates the implementation of all of the charity's projects. Eight Thai-Karen staff are based in this office. The Thai-Karen staff lead all project activities and Thai administration.

Unfortunately, the COVID-19 pandemic has meant that UK employees travel plans to Thailand have been significantly disrupted. However, moving forwards, the Director and Programmes Officer will be spending up to six months each year in Khun Yuam with KHT's Thai partner foundation. This will allow them to support the development of the Thai-Karen team and the implementation and evaluation of the charity's projects through their expertise and technical skills.

For the Director this will also allow them to balance the implementation and oversight of the charity's activities in Thailand with attending trustee meetings, meeting with UK-based donors, stakeholders and service providers, and conducting other UK-based activities.

Related parties

The Foundation for Karen Hilltribes in Thailand (KHTF) was established under Thai law in Bangkok by representatives of KHT in December 2002 (Registered in Thailand by Permit 242/2525). KHTF has its own Board of Trustees and employees, and works in partnership with KHT according to a mutually agreed Memorandum of Understanding (MoU) which defines the relationship between the two entities. Accounts for KHTF are registered and submitted under Thai law and are incorporated into KHT's financial statements.

Although it is a separate legal entity, KHTF has identical aims to KHT and the two

entities work in close partnership towards a common vision and mission. To achieve these shared goals, KHT organises operations and fundraising from the UK, where its financial centre is based, whilst KHTF acts as the implementing arm that delivers activities.

Risk management

The Board of Trustees and Director of KHT believe that sound risk management is integral to both good management and good governance practice, and ultimately to the sustainability and success of the charity. Risk management is therefore an integral part of the charity's decision-making process and is incorporated within all strategic and operational planning.

KHT manages its exposure to risk through a robust risk management framework, which ensures the charity is able to identify, assess and respond to risks that it may face when conducting activities. The framework is based on guidance published by the Charity Commission in "Charities and risk management (CC26)", and focuses on assessing six key areas of risk: Governance, Operational, Financial, External, Compliance (law or regulation), and Safeguarding - safeguarding was recently highlighted as its own category of risk to ensure KHT is upholding the best possible safeguarding standards across the Charity.

Although a culture of effective risk management is promoted at all levels of the charity, the implementation and adherence to the risk framework is overseen by the Director and Board of Trustees. To facilitate effective risk management and allow the Board of Trustees to take a more active role, a Board of Trustees Risk Management Sub-Committee has been established. This sub-committee holds quarterly risk management meetings to review and update the risk management framework. Any risks identified as major or extreme are then reported to the full Board of Trustees at Trustees' meetings for discussion, before appropriate action is then taken to reduce the risk.

OBJECTIVES & ACTIVITIES

History

KHT was first registered as a charity in 1989 to address the lack of clean water in Karen villages, under the name Mae Phon Karen Hill Tribes Trust (Charity number 800796). The charity was formed through a partnership with current Karen Manager Wichien Bunrachaisavan (Salahae) and a former British diplomat working in Thailand.

By working with Karen communities, cleaner water systems were designed and put in place to provide a source of life-changing access to cleaner water. In response to the expressed needs of the Karen, the work of KHT has now expanded into the areas of livelihoods and education with the aim to support the Karen in building a more sustainable future. Over time, KHT continues to adapt and improve its programmes and has expanded its community health programme into supporting improvements in sanitation and hygiene, as well as cleaner water.

To aid this mission, a strong link with the UK was formed. This has resulted in over 400 volunteers travelling to Thailand to help construct cleaner water systems and teach English in Karen schools. In 1999, a fundraising office was opened in York and the charity was re-registered under the name The Karen Hill Tribes Trust in 2002 by Penelope Worsley, the mother of a former volunteer.

After over 30 years Salahae continues to lead the work in Thailand, supported by a team of seven Karen staff who fully involve the local community to ensure projects promote self-help and sustainability. To date, over £5.25 million has been raised for projects which have helped improve the lives of tens of thousands of Karen people living in Northern Thailand.

Charity Objectives

KHT was formally established in 2002 to benefit the Karen people of Northern Thailand. In the financial year ending 30th September 2021, the Board of Trustees have been able to continue working towards achieving its objectives.

KHT recently undertook a formal review of the Charity's objects as detailed in its Memorandum of Association to reflect the progress that it has made over the past 20 years. It has since received consent from the Charity Commission to make the amendments and at the close of this reporting period was waiting for final confirmation before publishing the new objects. KHT's amended objects will read:

- To improve the health, livelihoods, and access to education of Karen Communities in Northern Thailand.
- Any other charitable purpose for the benefit of the Karen communities of Northern Thailand

Public benefit

All the Charity's aims, activities and achievements in the year ending 30th September 2021 are set out in this report and have been undertaken to further KHT's charitable purposes for the public benefit. The Board of Trustees confirm that they have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission, and that they have referred to this guidance and the Charity Commission general guidance on public benefit when reviewing the Charity's aims, objects and in deciding what activities the Charity should undertake.



KHT can also confirm that it has policies and procedures in place to protect people involved with the Charity, including complaints handling, conflicts of interest, risk management, safeguarding vulnerable beneficiaries, and volunteer management policies. In the financial year ending 30th September 2021, no safeguarding concerns were reported to KHT or its partner foundation.

Volunteers

In the past 12 months, KHT has been supported by long-term volunteer Programme Officers to help the successful implementation of the Charity's project activities in Thailand. Thanks to their support, KHT has been able to continue developing and improving its programmes, in particular, project monitoring, evaluation and reporting. In return, KHT hopes this opportunity has allowed them to continue their own professional development and gain vital experience in the international development sector. KHT is also currently supported by a Thai social media & marketing volunteer located in Bangkok.

Aside from its long-term volunteers, KHT normally welcomes short-term teaching and water project volunteers to Thailand each year. Teaching volunteers spend 3 months teaching English in local schools, whilst water volunteers support the construction of water systems in remote Karen villages.

All short-term volunteers raise funds to cover their costs and make a donation to the charity's projects. Unfortunately, COVID-19 has meant that KHT was unable to welcome short-term volunteers to Thailand in the past 12 months. KHT hopes that it will be able to restart its volunteer programmes in 2022.

KHT would like to thank its volunteers for helping to drive the charity to make significant improvements to all areas of its work, particularly during the COVID-19 pandemic.

Statement on COVID-19 & the Future Period

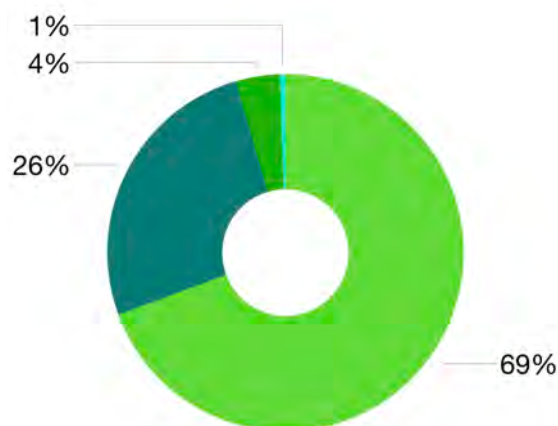
KHT ensures it complies with all public health authority requirements and will always implement strict measures to ensure the safety of its team, beneficiaries and the public. The Trustees and Director have also meticulously considered the continued impact of COVID-19 on the organisation's operations and have taken steps to mitigate the impact of the pandemic on the organisation. This is further highlighted in the Charity's reserves policy.

Although the past 12 months have been difficult, KHT has been able to successfully safeguard and develop its operations and policies in this period and is now working on developing its next post-COVID-19 strategy. This is an exciting time in which KHT anticipates to increase income and impact, whilst continuing its overall development.



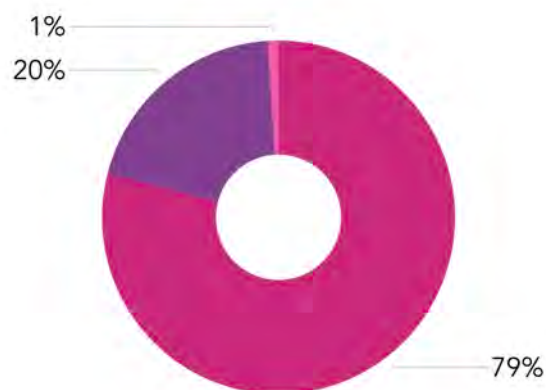
FINANCIAL REVIEW

Analysis of Income 2020/21



Charitable Activities (69%)
Donations & Legacies (26%)
Other trading Activities (4%)
Investments (<1%)

Analysis of Expenditure 2020/21



Charitable activities (79%)
Support Costs (20%)
Expenditure on raising funds (1%)

As of 30th September 2021, KHT held funds totalling £176,258. Income for the year ending 30th September 2021 totalled £272,699 and expenditure totalled £266,302, creating a surplus of £6,397 in the year.

Of the income received, £91,623 was unrestricted and £181,076 was restricted. Charitable spend made up 79% of the expenditure, 20% was expended on support costs and just 1% on raising funds.

Principal funding sources

Income is generated from donations, grants, events and volunteers. Specific major grants have been received from:

- Fondation Jan & Oscar
- Lloyd George Asia Foundation
- Allan & Nesta Ferguson Charitable Trust
- Thai Oilman's Charity Invitational (TOCI) Golf Tournament
- Baillie Gifford
- Give2Asia
- Christadelphian Meal a Day Fund Asia Pacific
- Fresh Leaf Foundation
- The British Community in Thailand for the Needy
- The Rotary Club of Bangkok South

KHT has also received donations and grant funding from a number of other donors who have requested to remain anonymous.

These Financial Statements reflect the UK-generated income of KHT and include funds that are raised in Thailand. For operational reasons, funds raised in Thailand are processed through The Foundation for Karen Hilltribes in Thailand (KHTF).

Fundraising

KHT would not be able to carry out its work without its dedicated supporters and is therefore committed to achieving the highest standard in fundraising. KHT does this by ensuring it abides by the Code of Fundraising Practice, set by the Fundraising Regulator, in all fundraising activities that it conducts.

KHT is also committed to protecting privacy and will process personal data in accordance with the General Data Protection Act 2018 and its Privacy and Data Protection Policy. Personal details will always be kept safe and secure and will only be used by us or those who work for us. We promise never to share or rent personal details to third parties for marketing purposes.

Investment policy & objectives

There are no current restrictions on investment. Any investments are held on interest earning deposit at the bank for ease of access and minimal risk of loss.

Reserves policy

Total funds held by the Charity at year end were £176,258, of which £78,943 were restricted and not available for general purposes of the Charity.

The Charity's reserves level is calculated using major/catastrophic risks highlighted in the Charity's detailed risk management framework. The current level of unrestricted reserves is set at a range of £80,000 to £90,000. This is calculated as the total amount of funds required to:

- Safeguard unrestricted budgeted operations for a minimum period of six months in the event of unforeseen circumstances or events;
- Mitigate an unexpected fluctuation in exchange rates; and
- Manage the loss of key personnel.

The Charity held unrestricted funds at a higher level than its reserves policy at year end to recruit two new employees in 2021/22 to support the recovery from the COVID-19

pandemic and expand operations. These funds will be expended in the next financial year.

Reserves are regularly monitored by the Treasurer and Director and reviewed annually by the Board of Trustees. KHT expects its unrestricted reserves level to reduce in the 2021/22 financial year due to implementing activities that were postponed as a result of the COVID-19 pandemic. These additional funds will therefore ensure the organisation can continue progressing towards achieving its charitable objectives.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.



Statement of the Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and Financial Statements in accordance with applicable law, regulations and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law in England and Wales requires Trustees to prepare financial statements for each financial year which give a true and fair representation of the state of affairs of the Charity and of the application of resources, including the income and expenditure, of the Charity for the period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- follow applicable United Kingdom Accounting Standards and the Charities Statement of Recommended Practice (SORP), disclosing and explaining any departures in the Accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue to operate.

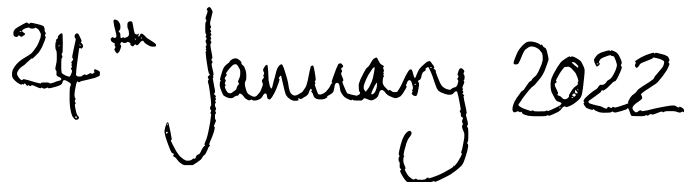
The Trustees are responsible for keeping sufficient accounting records that accurately disclose the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Companies Act 2006, the applicable Charities (Accounts and Reports) Regulations and the provisions applicable to companies entitled to the small companies exemption. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved and signed on behalf of the Board of Trustees by:

Dr. Beth Wiggan - Chair of Trustees



Date of Approval



The Karen Hill Tribes Trust
Company Limited by Guarantee
Unaudited Financial Statements
30 September 2021

The Karen Hill Tribes Trust
Company Limited by Guarantee
Financial Statements
Year ended 30 September 2021

	Page
Trustees' annual report (incorporating the director's report)	4
Independent examiner's report to the trustees	25
Statement of financial activities (including income and expenditure account)	26
Statement of financial position	27
Notes to the financial statements	28

The Karen Hill Tribes Trust

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Karen Hill Tribes Trust

Year ended 30 September 2021

I report to the trustees on my examination of the financial statements of The Karen Hill Tribes Trust ('the charity') for the year ended 30 September 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



Susan Seaman, BA FCA CIOT
Sagars Accountants Ltd

Independent Examiner

Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

The Karen Hill Tribes Trust

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 September 2021

		2021			2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	71,521	–	71,521	93,833
Thailand projects	6	7,962	181,076	189,038	298,314
Other trading activities	7	12,013	–	12,013	10,203
Investment income	8	127	–	127	264
Total income		<u>91,623</u>	<u>181,076</u>	<u>272,699</u>	<u>402,614</u>
Expenditure					
Expenditure on raising funds:					
Raising funds	9	3,423	–	3,423	2,194
Thailand projects	10,11	78,196	184,683	262,879	334,726
Total expenditure		<u>81,619</u>	<u>184,683</u>	<u>266,302</u>	<u>336,920</u>
Net income and net movement in funds		<u>10,004</u>	<u>(3,607)</u>	<u>6,397</u>	<u>65,694</u>
Reconciliation of funds					
Total funds brought forward		87,311	82,550	169,861	104,167
Total funds carried forward		<u>97,315</u>	<u>78,943</u>	<u>176,258</u>	<u>169,861</u>

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 28 to 35 form part of these financial statements.

The Karen Hill Tribes Trust

Company Limited by Guarantee

Statement of Financial Position

30 September 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	17		217		–
Current assets					
Debtors	18	1,617		1,676	
Cash at bank and in hand		179,834		173,174	
		<u>181,451</u>		<u>174,850</u>	
Creditors: amounts falling due within one year	19	<u>5,410</u>		<u>4,989</u>	
Net current assets			<u>176,041</u>		<u>169,861</u>
Total assets less current liabilities			<u>176,258</u>		<u>169,861</u>
Net assets			<u>176,258</u>		<u>169,861</u>
Funds of the charity					
Restricted funds			78,943		82,550
Unrestricted funds			97,315		87,311
Total charity funds	21		<u>176,258</u>		<u>169,861</u>

For the year ending 30 September 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' 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;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 24 January 2022, and are signed on behalf of the board by:



Beth Wiggan
Trustee

The notes on pages 28 to 35 form part of these financial statements.

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 September 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Tower House Business Centre, Fishergate, York, YO10 4UA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The charity qualifies as a small charity as defined in SORP FRS 102 and as such advantage has been taken to not include a cash flow within the financial statements.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles	-	25% reducing balance
Equipment	-	33% straight line

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Contributions are charged to the statement of Financial Activities in the period to which they relate.

4. Limited by guarantee

The charity is governed by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	60,058	60,058	79,585	79,585
Gift Aid	11,463	11,463	14,248	14,248
	<u>71,521</u>	<u>71,521</u>	<u>93,833</u>	<u>93,833</u>

6. Thailand projects

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Thailand projects	<u>7,962</u>	<u>181,076</u>	<u>189,038</u>

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

6. Thailand projects *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Thailand projects	<u>1,191</u>	<u>297,123</u>	<u>298,314</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Fundraising events	12,013	12,013	9,944	9,944
Craft sales	—	—	259	259
	<u>12,013</u>	<u>12,013</u>	<u>10,203</u>	<u>10,203</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Deposit account interest	<u>127</u>	<u>127</u>	<u>264</u>	<u>264</u>

9. Raising funds

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of raising funds	<u>3,423</u>	<u>3,423</u>	<u>2,194</u>	<u>2,194</u>

10. Charitable activities costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Direct costs	24,662	184,683	209,345
Support costs	53,534	—	53,534
	<u>78,196</u>	<u>184,683</u>	<u>262,879</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Direct costs	8,689	273,759	282,448
Support costs	52,278	—	52,278
	<u>60,967</u>	<u>273,759</u>	<u>334,726</u>

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

11. Charitable activities costs

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Direct costs	209,345	53,534	262,879	334,726

12. Analysis of support costs

	Management costs £	Total 2021 £	Total 2020 £
Finance costs	7,845	7,845	7,586
Governance costs	24,233	24,233	29,409
Management costs	21,456	21,456	15,283
	53,534	53,534	52,278

13. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	13	3,104

14. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,740	2,720
Other financial services	8,694	9,132
	11,434	11,852

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	41,816	43,250
Social security costs	—	30
Employer contributions to pension plans	1,326	1,263
	43,142	44,543

The average head count of employees during the year was 2 (2020: 2). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Charitable activities	1	1
Administration and support	1	1
	2	2

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

15. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

16. Trustee remuneration and expenses

There was no trustees' remuneration paid in the year (2020 - £nil).

17. Tangible fixed assets

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 October 2020	19,961	70	20,031
Additions	—	230	230
At 30 September 2021	19,961	300	20,261
Depreciation			
At 1 October 2020	19,961	70	20,031
Charge for the year	—	13	13
At 30 September 2021	19,961	83	20,044
Carrying amount			
At 30 September 2021	—	217	217
At 30 September 2020	—	—	—

18. Debtors

	2021 £	2020 £
Prepayments and accrued income	1,617	1,676

19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	890	756
Accruals and deferred income	3,576	3,476
Social security and other taxes	944	757
	5,410	4,989

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,326 (2020: £1,263).

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

21. Analysis of charitable funds

Unrestricted funds

	At 1 October 2020 £	Income £	Expenditure £	Transfers £	At 30 September 2021 £
Unrestricted fund - General funds	87,311	91,623	(81,619)	—	97,315

	At 1 October 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
Unrestricted fund - General funds	44,981	105,491	(63,161)	—	87,311

Restricted funds

	At 1 October 2020 £	Income £	Expenditure £	Transfers £	At 30 September 2021 £
Health	42,556	89,167	(89,032)	(8,280)	34,411
Education	21,131	45,633	(39,110)	—	27,654
Livelihood	18,863	46,276	(56,541)	8,280	16,878
	82,550	181,076	(184,683)	—	78,943

	At 1 October 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
Health	14,853	169,885	(142,182)	—	42,556
Education	25,095	47,581	(51,545)	—	21,131
Livelihood	19,238	79,657	(80,032)	—	18,863
	59,186	297,123	(273,759)	—	82,550

The health fund promotes better community health through the delivery of clean water systems and latrine/shower units. The education fund helps children from isolated and marginalised communities complete their education. The livelihood fund aims to safeguard crops and fields from natural hazards.

The transfer in the year relates to a health fund project that finished underbudget. With approval from the donor, the remaining funds were used for an irrigation project.

The Karen Hill Tribes Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	217	–	217
Current assets	102,507	78,943	181,450
Creditors less than 1 year	(5,409)	–	(5,409)
Net assets	97,315	78,943	176,258

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	–	–	–
Current assets	92,300	82,550	174,850
Creditors less than 1 year	(4,989)	–	(4,989)
Net assets	87,311	82,550	169,861

23. Related parties

The foundation for Karen Hilltribes in Thailand was set up in 2002 with identical aims as The Karen Hill Tribes Trust.



Contact Us

The Karen Hilltribes Trust

Tower House, Fishergate, York, YO10 4UA | Tel: +44 (0) 1904 373 001

Interim Director: Matt Jenkins | director@karenhilltribes.org.uk

UK Registered Charity No. 1093548 | Company No. 04484077

Registered in Thailand by permit 242/2525

