



The Border Consortium (TBC)

Trustees' Annual Report and Audited Financial Statements

For the Year Ended 31 December 2020

The Border Consortium is a Company limited by Guarantee in England and Wales. Company Number 05255598.

Registered Office 35 Lower Marsh, London SE1 7RL. Charity Commission registered number 1109476

Contents

Trustees' Report	3
Financial Review	9
Structure, Governance and Management.....	14
Statement of Trustees' Responsibilities	16
Independent auditor's report to the members of The Border Consortium Limited.....	18
Audited Financial Statement.....	21
Statement of Financial Activities.....	21
Balance Sheet.....	23
Cash Flow Statement.....	24
Accounting Policies and Notes to the Financial Statements.....	25
List of Acronyms	35
Reference and Administrative Details.....	36

Trustees' Annual Report for the period

From 1st January 2020 to 31st December 2020

Charity name: The Border Consortium

Charity registration number: 1109476

Objectives and Activities

Summary of the purposes of the charity as set out in its governing document

The Border Consortium (TBC), a non-profit, non-governmental organisation, is an alliance of partners working together with displaced and conflict-affected people from Myanmar to address humanitarian needs and to support rights-based community-driven approaches in pursuit of peace and development.

Charitable Objects

1. The relief of charitable needs of displaced people of Myanmar by the provision of humanitarian aid and assistance.
2. To develop the capacity and skills of the members of the socially and economically disadvantaged community of the displaced people of Myanmar in such a way that they are able to participate more fully in society.
3. To promote equality, diversity and racial harmony for the benefit of the public by raising awareness of the needs of and issues affecting the displaced people of Myanmar.
4. To promote human rights, (as set out in the Universal Declaration of Human Rights) along the Thailand- Myanmar border area by monitoring and research.

Since 1984 TBC has provided food, shelter, and capacity-building support to conflict-affected communities. TBC strives to deliver timely, quality services to the refugees in Thailand and to conflict affected communities in south eastern Myanmar. The overriding working philosophy is to maximise participation of the community in programme design, implementation, monitoring and feedback. TBC promotes a participation and empowerment model to ensure that conflict-affected communities have the information, knowledge and skills necessary for safe, dignified living while displaced, and the practical experience in decision-making, management, land use planning, sustainable agriculture, and small business development for their future.

TBC continues to emphasize the right to return and the corresponding responsibilities of the governments of Thailand and Myanmar for repatriation and reintegration. However, large scale voluntary return from Thailand has not occurred and the situation in south eastern Myanmar has become increasingly unstable. TBC recognises that many refugees will not consider return under current conditions and seeks to broaden options for refugee futures.

This report of the Trustees incorporates the information required under the Companies Act 2006 (strategic report and Directors' report) Regulations 2013.

Summary of the main activities in relation to those purposes for the public benefit, in particular, the activities, projects or services identified in the accounts.**Context:**

The National League for Democracy was re-elected with a resounding victory in the general elections in November 2020 in Myanmar, but ethnic political parties failed to make significant gains and the military-backed Union Solidarity and Development Party (USDP) fared poorly. By end of year, uncertainty was greater than ever.

In August the 4th session of the Union Peace Conference was held with representation from 10 Nationwide Ceasefire Agreement (NCA) signatories in attendance and an agreement on continuing the formal peace talks after the general elections, was reached. However there has been little genuine progress over the last five years and the Myanmar armed forces continued its militarization and offensives in south eastern Myanmar in violation of the NCA causing further displacement. Meanwhile Rakhine, Chin, Kachin and Shan States continued to experience on going offensives

Thailand saw sustained protests throughout the latter half of 2020, but while protests took place across the country, they were mostly concentrated in Bangkok. These protests were mobilised around three key demands, the drafting of a new constitution, the resignation of Prime Minister Prayuth Chan-ocha and reform of the monarchy.

However, events were dominated by the outbreak of the COVID-19 pandemic early in 2020, which impacted all programming and activities across the organisation in Thailand, Myanmar and the refugee camps.

The first case of COVID-19 in Thailand was reported on 13th January. A State of Emergency was declared at the end of March and remained in place throughout the year. Infection Prevention and Control measures were widely introduced including restrictions on inter-provincial travel, large gatherings and a general curfew. The closure of national border for civilians and quarantines on international arrivals into Thailand managed to contain the number of COVID cases, local transmissions were very low and gradually restrictions eased. However, December saw a rise in COVID cases, the majority of which were focused in migrant worker clusters, which led to a return of restrictions on gatherings and entertainment venues. By the end of the year Thailand had total 7,163 cases and 61 deaths.

The first case of COVID-19 in Myanmar was announced on 23rd March. Prior to this the government had started the implementation of restrictions focused on social gatherings and travel with over 50 Union, state and regional level directives introduced. As similar restrictions hit Thailand, migrants in Thailand rushed to return to Myanmar to avoid the travel restrictions and closing of the border. By the end of June approximately 100,000 migrant workers had returned to Myanmar through formal crossing points, with many others crossing unofficially. Ethnic Armed Organisations played a large role in COVID-19 prevention through screening at checkpoints and the management of community-based quarantines. However, as of 31st December Myanmar, had total 124,630 confirmed cases with 2,682 deaths.

Further complicating the situation for civilians was ongoing conflict. COVID-19 restrictions combined with a lack of adequate government support has placed an added burden on already vulnerable communities.

Programmes:

TBC's programme interventions in Thailand and Myanmar were guided by its 2020-2022¹ strategic plan, which focuses on four key areas: humanitarian needs, food security and livelihoods, protective environments, and responsible transitions.

¹ TBC Strategy 2020-2022 is available at <https://www.theborderconsortium.org/strategic-plans/strategic-plans-2020-2022/>

The onset of COVID-19 early in the year meant that access to refugee camps was significantly reduced, formal voluntary returns to Myanmar and third country resettlement were suspended, refugees could no longer supplement the basic assistance provided through informal work outside of the camps and field visits to partners in south eastern Myanmar were largely suspended.

TBC successfully raised additional USD 2million to respond to the pandemic, ensuring the ongoing food security of refugees, while in south eastern Myanmar personal protective equipment was widely distributed to partners and service providers in support of COVID-19 screening posts and community quarantine centres.

At the end of December 2020,² 79,463 displaced people (51% women) remained in nine refugee camps in Thailand, a net decrease during the year of 2.3%. Around 1,370 people spontaneously returned unassisted to Myanmar during the year, but there were no formal returns through UNHCR facilitated voluntary return. 982 people departed the camps for third country resettlement and around 1,370 people left the camps, reportedly to seek work opportunities in Thailand. There were 1,628 children born in the camps during the year.

Statement confirming whether the trustees have had regard to the guidance issued by the Charity Commission on public benefit

In setting its programme each year TBC has regard to the Charity Commission's general guidance on public benefit and on prevention and relief of poverty for the public benefit.

Achievements and Performance

Summary of the main achievements of the charity, identifying the difference the charity's work has made to the circumstances of its beneficiaries and any wider benefits to society as a whole.

TBC programmes reached over 150,000 (2019:135,000) men, women, and children – including over 80,000 in nine refugee camps along Thailand's western border, 70,000 in south eastern Burma/Myanmar and in addition campaigns on COVID-19 prevention measures reached over 200,000 people. Most of TBC's beneficiaries are from the Karen, Karenni, and Mon ethnic groups.

The key achievements against TBCs four Strategic Directions are as follows

Humanitarian Needs

Strategic Direction #1 Contribute to meeting the humanitarian needs of displaced communities, with a focus on women, children, older persons, and people with illness or disabilities.

TBC initiated comprehensive measures to minimise the risk of transmission of the Coronavirus including no-touch methods for programme implementation in the refugee camps. All mass gatherings were suspended, non-essential travel to camps was halted, refugees received Personal Protective Equipment (PPE) and handwashing stations were established in all camps. In response to the COVID-19 pandemic, refugee households received increased food rations on their food cards from the onset of the pandemic through to the end of the year. TBC ensured all **Food Card System (FCS) shops were well-stocked** during the ongoing pandemic (Figure 1). Contingency stocks were established to maintain stable supply chains. FCS Working Groups monitored all FCS shops to ensure that they followed the Infection Prevention and Control (IPC) Protocols. The increased assistance was

² TBC Verified Caseload December 2020 <https://www.theborderconsortium.org/wp-content/uploads/2021/01/2020-12-December-map-tbc-unhcr.pdf>

recognized as a sound protection measure that reduced anxiety and contributed to the stability of the camps throughout the period.



Figure 1: A fully-stocked FCS shop during the pandemic
Photo credit: TBC



Figure 2: TBC FCS Coordinator ensures the IPC Protocol is followed at all FCS shops.
Photo credit: TBC

Shelter Teams completed the **annual shelter materials delivery and distribution** including bamboo and eucalyptus poles, and leaf thatches. Over 1,400 shelter special needs households received additional materials and assistance with repairs as necessary. Key buildings such as stockpile warehouses for charcoal and other commodities were repaired before the start of the rainy season. Efficient materials stockpiles management enabled community leaders to respond more effectively to emergency cases caused by fire and floods during the year.

TBC partners reinforced resilience of over 30,000 people from conflict-affected communities in south eastern Myanmar despite significant disruptions induced by COVID -19 restrictions. Disaster risk reduction initiatives included mobilisation of rice banks and pre-positioning of health supplies for ethnic health providers. Quarantine centres were established, public awareness campaigns mobilised and PPE distributed to community health workers in response to COVID-19.

Partners delivered emergency cash assistance to 11,500 people in response to food insecurity. Causes included militarisation and indiscriminate attacks against civilians; confiscation of agricultural fields; a plague of rats and Covid-related restrictions on movement and access to markets.

Food Security

Strategic Direction #2 Reinforce food security through improved nutrition and productive livelihoods.

TBC long term nutrition projects continued throughout the year. “Healthy Babies, Bright Futures” Infant and Young Child Feeding (IYCF) is focused on alleviating stunting (chronic malnutrition). Since 2014 through the initiative, TBC has been working closely with pregnant women, breastfeeding mothers, children and extended family members who have influence on infant feeding practices in the home. The emphasis is on exclusive breastfeeding for the first 6 months of age with continued breastfeeding until 24 months, appropriate complementary feeding between the ages of 6 – 24 months, and good maternal nutrition reaching approximately 2,000 children monthly in the camps.

While stunting remains high at 25.8%, significant progress has been achieved with a 6% reduction border wide from 2017 and a 15% reduction since 2013. Acute malnutrition rates for children under 5 years in the camps remains very low at 2.2%.

These results from 2019 Biennial survey confirm favourable nutritional status of children brought about by the positive impact of the Food Card System and the effective implementation of the TBC Food Security and Nutrition Programme.

Livelihood programmes have continued throughout the year, and blend trainings with applied activities, such as community gardens, which have taken on an increased importance during COVID-19.

In south eastern Myanmar over 40,000 people benefitted from interventions promoting agricultural productivity and nutrition promotion.

Partners focused on strengthening productivity of upland farming practices through intensive training in sustainable agriculture, the extension of irrigation canals and repair of motorbike roads to access markets. TBC supported the Karen Agriculture Department to issue 10,000 land use certificates for households in conflict affected areas.

Promotion of nutrition awareness amongst health workers enabled expansive outreach to encourage nutritious infant and young child feeding behaviours as well as environmental hygiene and increasing household access to safe water and sanitary latrines.



Safe Futures

Strategic Direction #3: Promote protective environments and safe and dignified futures for displaced and conflict-affected communities.

Preparations for safe and informed returns of refugees to Myanmar continued. Prior to the pandemic, four Go-and-See (GSV) visits took place in early 2020. The visits paid close attention to key factors including suitability and availability of land for livelihoods; accessibility and availability of water year-round for consumption and farming including animal husbandry; soil fertility for agricultural production; year-round accessibility and road condition; and cooperation from host communities and local authorities.

With the onset of COVID-19 and the border closures, all GSV visits were suspended and there were no formal UNHCR facilitated voluntary returns during the year. However, some groups continued to prepare for return and submitted proposals for productive assets and construction materials for consideration when the travel restrictions are lifted.

The Thai government had shown interest in a 'U-turn' for refugees who did not want to return to Myanmar permanently whereby they would go back to Myanmar to get documentation and return to Thailand as legal Myanmar citizens to take up work in the migrant community, but again with the border closure this did not progress. However, the Thai government may consider a regulation to allow refugees to work temporarily in Thailand if it can be demonstrated that the refugee workforce

can efficiently fill the labour shortage gap in Thailand. Advocacy efforts will focus on this in 2021. There are currently approximately 40,000 people of working age in the camps.

In Myanmar the responsiveness of social protection mechanisms in ethnic communities was highlighted by the capacity of partners to reallocate funds and revise plans to focus on COVID 19 infection prevention and control mechanisms. In addition, seed and rice banks were mobilised, support for early childhood development sustained, protection monitoring scaled up and responses to sexual and gender-based violence diversified.

Responsible Transitions

Strategic Direction #4: Reinforce accountability, partnership, and local ownership to ensure responsible transitions.

The value of local ownership was critical to an effective response to COVID-19. Travel restrictions severely limited contact and for much of the year TBC was communicating remotely with partners via online platforms. IT resources for partners were strengthened both in refugee camps and in Myanmar to increase connectivity. This facilitated online meetings, monitoring of programmes, protection reporting, trainings, surveys and consultations. It also broadened participation from the community as people did not have to travel long distances or pay for transport and accommodation.

TBC works together with 25 local partners, from refugee and camp committees, women's organisations, youth groups, environmental groups, ethnic service providers and civil society organisations. Core support for their organisations and stipends for their staff are critical areas of support aside from organisational capacity building and direct support for programmes. Annual organisational assessments are conducted to guide priorities for the following year.

Trainings in 2020 included good governance principles, financial management, project management, complaints mechanisms, and also effective communications skills in response to increased remote connectivity.

Risk Management

Risk management in two key areas was strengthened during the year specifically on COVID-19 and Fraud

COVID-19

TBC made every effort to prevent and control infections both within the displaced communities and our organizations guided by the **TBC COVID-19 risk management policy; and TBC Prevention and Control of Coronavirus for Refugee communities** (available in three languages). Risk management measures covered Food Card System (FCS) shops, warehouses, gatherings, and restrictions in and out of camps.

Programmes which involved group gatherings were halted due to the inability to substantially mitigate the risk of Coronavirus transmission to a safe level or modified to be socially distanced. Group trainings and public fora were changed to virtual meetings where possible. The few physical trainings that did take place were all socially distanced and related to COVID-19 best practices. Some planned interventions were postponed.

Fraud and Corruption Management

TBC developed a **Fraud Risk Management Plan** to cement a cohesive action plan for mitigation of fraudulent activity within the organisation and its partners. It underpins efforts to identify systems and organisational vulnerabilities, action lessons learnt, and identify gaps requiring pre-emptive response. In recent years, almost all fraud experienced by TBC has occurred in the context of misappropriation/misuse of household food cards/ration books or cooking fuel by in-camp stipend staff and food card system vendors. TBC's partners - Refugee Committees, Camp Committees - play a strong

role in the detection of, and response to said fraudulent activity. In 2020 there were six cases of Fraud ranging from GBP 74 – GBP 533. All cases were investigated and resolved with no outstanding issues at the end of the year.

The three principal risks to the programme were all heightened during the year. 1) The number of displaced people in need of TBC support remained relatively static compared to the projected decrease of 7%. 2) The market price of commodities and supplies increased due to temporary disruptions in the supply chain as a result of COVID 19, and 3) The exchange rates particularly USD to THB were not favourable resulting in a net loss value THB 9 million donors funds. However, the negative impact was mitigated through dialogue with donors resulting in timely and significant funding increase.

Conclusion from TBC Chair's report to the members at the AGM October 2020

TBC looks to a future for refugees beyond camp life. TBC will be flexible and continue to adapt programmes and organisation structure, to remain relevant to the changing situation. Continued funding through 2021 will ensure basic humanitarian needs of refugees are met. Uncertainty is greater than ever with a challenging political context in both Myanmar and Thailand. TBC is a small and dedicated team carrying an increasingly heavy load.

Financial Review

TBC's management and headquarters is based in Bangkok, Thailand, and its accounting records are maintained in Thai baht (THB). TBC financial statements conform to the Statement of Recommended Practice for Charities (SORP FRS 102), with both Income and Expenses reported on an accruals basis, and separation of restricted and general funding.

In 2020 six governments supported TBC's work (United States, Australia, United Kingdom, Canada Denmark, and Taiwan in order of contribution size). TBC received continued support from the European Union via the LIFT consortium for Phase II of its work in Myanmar. These seven donors' total contribution funded 98% of TBC's annual budget.

In addition to TBC's regular funding plan, it raised THB 67M (11%) in response to the Covid-19 pandemic. The main contributors consisted of US BPRM, DANIDA, UK FCDO via HARP, UNOPS/LIFT, and Kerk-in-Actie.

Financial Overview Year 2016-2020 in THB millions:

	2016	2017	2018	2019	2020
Income	603	595	520	511	586
Expenditure	736	684	592	510	567
Net Movement	(133)	(89)	(72)	1	19
Closing Fund balance	333	244	172	173	192
Restricted funds	163	120	54	90	107
Designated funds	84	79	73	58	58
Net fixed assets	5	3	1	1	1
Freely available general reserve	81	42	45	25	26
Liquidity (Bank–Trade Creditors)	143	112	101	89	91

Total income for 2020 was THB 586 million, or 15% more than in 2019.

Principal Funding Sources

Most funding for TBC programmes and management does not come directly to TBC but instead is secured by NGO partners in their respective home countries and sub-granted to TBC. Several of these funding partners are also members of TBC, who along with other organisations and individuals, make private grants or donations.

Due to travel restrictions, TBC held its first virtual Annual General Meeting on 29 October 2020 when members discussed the current financial situation, need, and potential future of the programme. Because the meeting was shortened to one day compared to several days and a camp visit in previous years, TBC did not include the annual donor meeting.

Principal Funding Sources

Income Sources 2020		Donor Currenc y	Amount	Thai Baht
Australia ANCP (Act for Peace - NCCA)	R	AUD	229,000	5,115,032
Australia GAP (Act for Peace - NCCA)	R	AUD	8,406	173,898
Australia DFAT Thailand (IRC)	R	AUD	1,600,000	35,916,960
Canada- GAC (Inter Pares)	R	CAD	159,438	3,636,940
China, Republic of (Taiwan)	R	USD	80,000	2,481,976
Denmark DANIDA (DanChurchAid) (Covid-19 Response)	R	DKK	1,267,290	5,928,445
Denmark DANIDA (DanChurchAid)		DKK	1,180,150	5,440,963
UNOPS- LIFT Fund	R	USD	1,478,950	44,267,192
UK FCDO (HARP-F)	R	GBP	2,150,000	84,633,560
US BPRM (IRC)	R	USD	11,756,165	382,222,314
TOTAL Government Backed				569,817,280
Non Government - Restricted	R			8,207,648
Non Government - Unrestricted				6,899,030
TOTAL: Voluntary Income				584,923,958
Investment Income				645,900
Other Income - Sale of Assets				600,000
Total Income				586,169,858
Restricted (denoted by R)				572,583,965
Unrestricted				13,585,893

ANCP GAP funds accrued interest of THB 173,898 and were utilized on programme expenditure in 2020

Expenditure

Actual programme expenditure for 2020 was THB 558 M This was THB 66 M (13%) more than in 2019. Expenditure increased in proportion to the additional funds raised to address the Covid-19 pandemic. TBC's operation in Thailand continues to account for 91% of all expenditure with 9% utilised in the Myanmar programme. As a result of the weakening foreign currencies, namely the USD, TBC experienced a net loss of THB 9M upon cash conversions into Thai Baht, which TBC had to cover with its own funds.

TBC initiated its three-year-strategy for 2020-2022, which created a need to regroup its chart of accounts to align with the new strategic objectives. The 2019 figures have been adjusted to show the same comparison of categories in the financial statements.

TBC entered 2020 with the expectation that it will no longer purchase food as in-kind, except for use in the nutrition programme via IYCF activities, because the Food Card System would be in full implementation in all camps. TBC also purchased biometric equipment, such as finger-print scanners, to increase efficiency while reducing the potential for fraud. Similar to 2019, TBC estimated the camp population rate to gradually reduce by 7%, or from 81,000 to 76,000.

The Covid-19 pandemic, however, diverted the strategies and assumptions, which heavily impacted the budget. A few of the main variables include:

1. Border wide travel restrictions that caused the refugee population to remain at average 79,000 throughout the year.
2. Vulnerability in supply chains required TBC to stockpile rice in the camps.
3. Additional restrictions within the camps limited refugees' ability to supplement the basic assistance, thus TBC management decided to increase rations to all households from April until December.
4. TBC management made several key decisions during the pandemic in order to fulfil its commitment to the refugee population. Several of the decisions required that TBC use its own general funds to cover any financial gap.

All these variables required an additional minimum need of THB 70M, of which TBC raised THB 67M.

The Food Card System remains TBC largest budget line and with the additional rations provided, it went over the 2020 projected budget by 11%, totalling THB 253M and compared to THB 178M in 2019. Due to the extended need for increased rations, rice (THB 15M) was provided as in-kind to supplement the remaining two months of the year. Supply and demand issues caused costs of rice, around THB 18/kg (including shipping and handling), to be slightly higher than it would be in a normal situation.

Charcoal remained TBC's second largest budget line and in 2020, TBC extended the rations to all households. The result was an additional THB 7M (9%) over budget, for a total of THB 83M. Well negotiated prices, on average of THB 11-12/kg, and stockpiling early in the year allowed TBC to keep this cost down.

Shelter supplies remained within its budget of THB 16M with a overspend of THB 2.7M on nutrition to account for the increased needs in the camps. Camp management costs increased slightly, for additional security measures within the camps. Provision of Personal Protective Equipment (PPE) in the camps and TBC offices became a new cost and the additional donations of around THB 14M, were enough to cover the needs for the year.

Organizational costs were THB 77M, or THB 4M less than in 2019. Savings were made in several travel related accounts, including all of the costs around workshops, meetings, and running vehicles. The more significant increased costs related to communications, office equipment and supplies and PPE, enabling the organisation to respond to the changing operational environment as a result of COVID pandemic and also an increase in staff insurance, and the annual audit fee. TBC also procured a new vehicle so that it could retire three unreliable vehicles in the Mae Sot office.

TBC experienced another year of net foreign exchange loss, THB 9M, on all currencies but namely from the USD funds it receives for the US BPRM grant. TBC disposed some of its fixed assets for THB 600,000.

Expenditure is analysed by the strategic objectives, with costs related to ensuring continued access to adequate nutritious food and appropriate shelter split between the refugee camps (humanitarian assistance) and internally displaced persons (emergency relief). Resource costs consist of salaries, benefits and other indirect costs related to program implementation. Some resource costs are directly attributable to an activity; others are allocated according to a management estimate of the amount of time staff spend on different activities. The cost of supporting one refugee in the camps for 2020 year was approximately Thai baht 6,256 (GBP 160), and an increase from THB 5,318 in 2019. Resource and governance costs amounted to less than 1% of the total expenses.

Actual expenditure compared with Budget in 2020 (THB):

Strategic Objectives 2020-2022	Budget	Actual Direct	Resources	Total Actual
Humanitarian Need	384,706,078	398,262,061	927,403	399,189,464
Food Security and Nutrition	8,157,399	29,002,662	240,438	29,243,100
Protective Environment & Safe Futures	27,905,950	33,506,771	171,742	33,678,513
Accountability & Partnership	81,873,330	95,120,854	652,618	95,773,471
sub-total Activity Cost	502,642,757	555,892,348	1,992,201	557,884,548
Cost of Generating Funds	950,000		-	-
Foreign Exchange Loss	1,000,000		9,163,991	9,163,991
Total Expenditure	504,592,757	555,892,348	11,156,192	567,048,539

TBC notes that the increase in spending over the originally planned budget was based fully on TBC's response to assure that basic needs and protection were met for the refugee population in the nine camps along the border during the Covid-19 pandemic.

Statement explaining the policy for holding reserves stating why they are held

The Border Consortium:

1. Seeks both restricted and unrestricted funding to cover annual expenditures, which are subject to budget review twice a year, to meet its Charitable Objects and strategic objectives in relation to the displaced people from Burma/Myanmar.
2. Considers it reasonable to hold an additional reserve of freely available funds to cover a 50% contingency on its annual budget to cover the sensitivity to factors outside its control, primarily the cost of basic needs, exchange rate variations, and the number of displaced people.
3. Endeavours to hold at all times a minimum total fund balance sufficient to cover the funding receivable, inventory and fixed assets.
4. Will not allow its freely available funds balance to be negative.
5. Maintains a designated fund to cover the potential staff severance costs under Thai and Myanmar law
6. Maintains a specific reserve for eventual closedown of both the camps and the organization which is designated from other freely available reserves.³
7. Trustees set specific boundaries within which the Executive Director may operate, which include financial and fundraising conditions consistent with the Reserves Policy.
8. Reviews the Reserves policy annually.

TBC aims to maintain the current levels of general reserves. Due to uncertainty regarding the timing of camp closures, management and Trustees acknowledge that TBC is facing increasing financial and operational risks.

The organisation's liquidity slightly increased by the end of 2020 to THB 91 million. Liquidity is defined as the level of bank/cash holdings less the short-term creditors' liability. TBC reached the minimum critical level of THB 25 million Freely Available Funds since 2019. TBC Trustees consider THB 25 million fund is still relevant going into 2021.

³ This figure was reduced by TBC Management in 2019 from THB 50 million to THB 35 million

Funds are restricted where a donor contracts to meet specific expenses or directs the fund to be used for specific purposes. By 31 December 2020 TBC had balances of six restricted funds carried over into 2021 which the funding agreements allowed; thus, all the income was recognised in 2020. The movement in the various funds over the year are illustrated in Note 18 to the Accounts.

There is a designated fund to cover the potential staff severance costs in full under Thai and Myanmar labour law in the event there is no longer a need for TBC to support the displaced people of Myanmar. The fund is adjusted annually in proportion to staff departures and long-service. The 2020 fund balance for severance is THB 23.5 million (THB 23 million 2019) – see Note 15 in the audited financial statements.

In 2019, the Trustees agreed to designate THB 35 million to cover organisational costs during a close-down scenario. We note that the time for when these funds are utilised is still an unknown factor and will be reviewed annually.

A description of the principal risks facing the charity

A general Risk Management Plan was developed in 2008; and since 2015 - the plan has expanded to include specific risks in both Thailand and Myanmar. The risk management matrix is updated and reviewed regularly and is assessed by the Trustees twice a year. Any significant changes are reported at intervening Board meetings. The risk matrix is also presented to the Members at the Annual General Meeting (AGM) and the Extraordinary General Meeting (EGM). The latest Risk Management Plan was reviewed and ratified by the Members and Board at the EGM and AGM in May and October 2020.

TBC aims to meet humanitarian best practice, deliver quality services and support activities that ensure minimum access to services that help beneficiaries meet their basic needs until they are willing to return to Myanmar.

TBC is continually monitoring and assessing its key risks to mitigate the impact on the sustainability of its programs. The main risks are 1. number of displaced people in need of TBC support, 2. the market price of commodities and supplies, and 3. the exchange rates at which the organization receives funding. The overall program risks are:

- The ability to continue to raise and safeguard the necessary funds needed to run the operation in the coming year and longer term to bring the work to a successful conclusion whenever that may be. To help mitigate this risk, Senior Management and Members work to keep donors and government representatives fully informed about developments and engaged with the situation; and,
- The changing external political context (both in Myanmar and Thailand) presents a high risk because TBC has no control over the respective governments' strategies towards displaced people. To help mitigate this risk, TBC Senior Management, Trustees and Members seek to maintain a dialogue with key stakeholders in both Myanmar and Thailand to keep the situation of the refugees and IDPs current.
- The willingness or ability of refugees to return to Myanmar, remain in camps, or seek employment in Thailand. For 2020, TBC anticipated and budgeted for a protracted departure rate and 7% reduction of the refugee population. As much as a decline in population would relieve the financial costs of the programme, zero-population movement, or yet worse an increase of population, will conversely impact TBCs ability to meet all the humanitarian needs with its current funding levels. While TBC understands that the Royal Thai Government would temporarily hold new arrivals at the border and not allow them to

enter the refugee camps under normal circumstances, the rapidly evolving humanitarian crisis in Myanmar since the beginning of 2021 could change that.

- TBC recognizes that its longstanding internal policy and procedure to report to donors at a fixed accrued exchange rate, needs to be revised if it wants the ability to maintain support to the refugee population. A change in procedure will be implemented in 2021.

Trustees set specific boundaries within which the Executive Director may operate, which include financial and fundraising conditions consistent with the Reserves Policy. The Board does not have a separate finance and audit committee; the entire Board reviews reports from external audits, frequent donor audits and independent evaluations, which provide evidence of the effectiveness of the systems of internal control.

Structure, Governance and Management

Description of charity's trusts:

The charity is incorporated as a Company limited by guarantee in England and Wales, with a Memorandum and Articles of Association.

How is the charity constituted?

When Burmese refugees arrived in Thailand in 1984, the Ministry of Interior of the Royal Thai Government (RTG) invited non-governmental organisations (NGOs) in Thailand to provide emergency assistance. The immediate need was food, and the NGOs agreed to work together to operate a programme, initially under the name of the Consortium of Christian Agencies (CCA) and later, as the number of refugees continued to expand and a broader range of donors was accessed, as the Burmese Border Consortium (BBC). It had no legal identity, other than through the legitimacy of its individual members. The name changed to the Thailand Burma Border Consortium (TBBC) when it was incorporated as a Company limited by guarantee in England and Wales on 11 October 2004, with a Memorandum and Articles of Association. Charity Commission registration was granted on 13 May 2005. The name changed again to The Border Consortium (TBC) on 2 November 2012. TBC continues to be a company limited by guarantee.

Membership of TBC is open to any non-governmental, non-profit humanitarian organisation with a demonstrated interest in, and commitment to, the mandate of TBC. Membership applications are submitted to the Board of Directors (Trustees), who review the application and make a recommendation to a General Meeting of current Members for decision. The Consortium membership is made up of nine organisations from nine countries. Each member organisation is required to appoint a member representative to attend General Meetings, of which there is at least one per year, to decide and direct the overall policy and strategy of TBC.

Policy-making authority is delegated to a Board which is elected at each Annual General Meeting. The Board convenes at least four times annually to provide leadership for the Members and regular oversight and guidance to TBC's Executive Director and its programme and services. The Board approve TBC's salary policy. TBC pay scale rates are targeted at the 60th percentile for each level of job groupings for national staff and are reviewed annually. For key international management personnel, the pay policy targets the 50th percentile benchmarked against a relevant INGO and NGO comparative set and are also reviewed annually.

The Executive Director has day-to-day responsibility for leading and managing TBC's programme and services, the hiring and supervision of all other staff, and attending all General Meetings and Board Meetings to report on the progress and status of programme activities.

The TBC Board convened four times remotely in addition to AGM and EGM online meetings during 2020 to fulfil its overall responsibilities for Consortium oversight. In addition there were increased informal calls with senior management to keep close to the fast changing situation. Key issues focused on managing in the pandemic to ensure staff safety securing additional funding to respond to the crisis and keeping track of minor fraud cases and staff issues.

Trustee selection methods including details of any constitutional provisions e.g. election to post or name of any person or body entitled to appoint one or more trustees

Trustees are elected at each Annual General Meeting, from the members' representatives and a maximum of four independents (individuals not employed by Member organisations); the Trustees are, by definition, directors.

The Board has one subcommittee: the Governance and Elections Committee (GEC). This committee is responsible for managing the recruitment, nomination and election process for Trustees.

Policies and procedures adopted for the induction and training of trustees

The GEC has oversight of the induction of new Trustees, who are briefed about current TBC issues by staff and further inducted to the Board of Directors in line with their experience and requirements. All Trustees have a copy of TBC Governance Guidelines, and a GEC introduction to these. The GEC also leads the Board for best practice procedures, and it facilitates the Board self-evaluation process.

Trustees receive a copy of the current Strategic Plan, regular detailed Programme reports and financial summaries. The Trustees ensure that the programmes are in line with the Mission, the Charitable Objects, and the strategic directions from the TBC Strategy 2020-2022. In 2020, GEC's focus has been on ensuring continuity on a governance level for TBC in the period to come.

The charity's organisational structure and any wider network with which the charity works

TBC is an Executive member of the Committee for Coordination of Services to Displaced Persons in Thailand (CCSDPT) through which all NGOs working with displaced people in Thailand coordinate their activities and relate to the RTG. TBC works in partnership with many civil society and community-based organisations (CSOs CBOs) representing refugees and other displaced persons. TBC is the only NGO providing food and shelter needs to the target groups, the other NGOs provide healthcare, water, sanitation, education, skills training, community services etc. TBC with other CCSDPT members works closely with the United Nations High Commissioner for Refugees (UNHCR), monitoring refugee protection issues and advocating with the Thai authorities and international community. TBC is also a member of the INGO Forum Myanmar which aims to influence and increase the effectiveness and coherence of humanitarian relief and development aid in Myanmar.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are further required to acquaint themselves with the relevant audit information for the accounting period under consideration and to ensure that they disclose any relevant information to the auditors as deemed necessary.

Disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Trustees

The current trustees of the company are set out on page 35. Alexis Chapman, Leon de Riedmatten, James Thomson and Samantha McGavin served throughout the full year. In addition, Leslie Wilson and Knut Christiansen served until the AGM in October 2020 but did not stand for re-election. James Thomson was elected as the new chair and Andreas Kiaby and Marvin Pannell were elected as new trustees to the board at the AGM in October 2020. Subsequently the following were appointed at the first board meeting in 2021 - Samantha McGavin, Vice-chair; Andreas Kirby, Secretary; and Alexis Chapman, Treasurer.

Auditor

KPMG LLP UK were first contracted for the 2011 audit. The Members ratified the appointment at the EGM on 15 March 2012. They have subsequently performed the annual audit for the financial years 2012–2019. The continued appointment was ratified by the Board at the AGM in October 2020 and a new engagement letter was signed in 2021.

Military Coup

At the time of writing Myanmar is in the grips of a military coup. The military's claim that electoral fraud justified the seizure of power on the 1st February 2021 has been rebuked by independent observers. The military coup has widely been denounced as unconstitutional, while the violent repression of peaceful protests has been widely criticised as a violation of civil and political rights. The President and Aung San Suu Kyi remain in detention in undisclosed locations along with hundreds of other prominent figures, civil servants, journalists, and activists. A countrywide civil disobedience movement continues to grow engaging all walks of society, despite the military crackdown intensifying with increased use of lethal force. Partners are adapting programmes to adapt to the emergency and in Thailand, contingency plans are underway for a potential influx.

The report of the trustees which incorporates the requirements of the Strategic report and the Directors' report as set out in the Companies Act 2006 (strategic Report and Directors' report) Regulations 2013, was approved by the Board, in their capacity as Trustees and company directors, and signed on its behalf on

_____ 7 May, 2021 by



James Thomson
Chair, *Board of Directors*

Independent auditor's report to the members of The Border Consortium Limited

Opinion

We have audited the financial statements of the Border Consortium Limited ("the charitable company") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of policy documentation as to the high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls. Due to the nature of the entity in the not for profit sector, expenditure recognition (existence and accuracy) is also considered as a presumed fraud risk. There is a risk that payment does not exist or is overstated. Therefore, fraud related procedures are designed to address this.

Professional standards require us to make a rebuttable presumption that the fraud risk from income recognition is a significant risk. Since The Border Consortium is a not for profit organisation it is unnecessary to create higher revenue to manipulate the results of operation. We have not identified any other pressures or incentives that would suggest additional risk of fraudulent revenue recognition. Most of the funding is generated from donations and legacies, with limited complexity in the process, and easily verifiable to donor confirmations.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included postings to unrelated/unusual account combinations, those posted by staff who do not usually post journals and journals in the post close period.
- Reviewed of the year end cut-off processes for revenue and expenditure.
- Assessing the completeness of disclosed related party transactions in the financial statements

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards). We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in Trustee's Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 16, the trustees are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

12 May 2021

Audited Financial Statements

Statement of Financial Activities

For the year ended 31 December 2020

	Notes	<u>2020</u>		
		<u>Unrestricted Funds</u>		<u>Total Funds</u>
		<u>General</u>	<u>Designated</u>	
		Thai Baht	Thai Baht	Thai Baht
Income and Endowments				
Income from generated funds:				
Donations and legacies	2	12,339,993	-	572,583,965
Investment income	3	645,900	-	645,900
Other income:	4	600,000	-	600,000
Total income and Endowments		<u>13,585,893</u>	<u>-</u>	<u>572,583,965</u>
Expenditure on				
Costs of generating funds:				
Expenditure on raising funds	2	-	-	-
Charitable activities:				
Humanitarian Need	5	927,403	-	398,262,061
Food Security & Nutrition	5	240,438	-	29,002,662
Protective Environment & Safe Futures	5	171,742	-	33,506,771
Accountability & Partnerships	5	652,617	-	95,120,854
Other expenditure (FX Loss)	8	9,163,991	-	-
Total Expenditure		<u>11,156,191</u>	<u>-</u>	<u>555,892,348</u>
Net income/(expenditure) before transfers		2,429,702	-	16,691,617
Transfers between funds	15	(516,054)	516,054	-
Net movement in funds in period		1,913,648	516,054	16,691,617
Reconciliation of Funds				
Total funds as at beginning of period		25,017,764	57,970,850	90,033,043
Total funds carried forward	18	<u>26,931,412</u>	<u>58,486,904</u>	<u>106,724,660</u>

A comparison is provided for the previous year (2019) as follows:

	Notes	2019		
		Unrestricted Funds		Restricted Funds
		General	Designated	
		Thai Baht	Thai Baht	Thai Baht
Income and Endowments				
Income from generated funds:				
Donations and legacies	2	10,817,862	-	499,093,014
Investment income	3	996,663	-	-
Other income:	4	34,886	-	-
Total income and Endowments		11,849,411	-	499,093,014
Expenditure on				
Costs of generating funds:				
Expenditure on raising funds	2	497,162	-	-
Charitable activities:				
Humanitarian Need	5	13,490,666	-	322,151,310
Food Security & Nutrition	5	3,497,580	-	27,457,095
Protective Environment & Safe Futures	5	2,498,271	-	23,817,936
Accountability & Partnerships	5	9,493,430	-	89,839,173
Other expenditure (FX Loss)	8	17,190,034	-	-
Total Expenditure		46,667,143	-	463,265,514
Net income/(expenditure) before transfers		(34,817,732)	-	35,827,500
Transfers between funds	15	14,593,367	(14,593,367)	-
Net movement in funds in period		(20,224,365)	(14,593,367)	35,827,500
Reconciliation of Funds				
Total funds as at beginning of period		45,242,129	72,564,217	54,205,543
Total funds carried forward	18	25,017,764	57,970,850	90,033,043

All operations are from continuing activities.

The accompanying notes from pages 24 to 33 form an integral part of these financial statements.

TBC initiated its three-year-strategy for 2020-2022, which created a need to regroup its chart of accounts to align with the new strategic objectives. The 2019 figures have been adjusted to show the same comparison of categories in the financial statements.

Balance Sheet

As at 31 December 2020

		2020	2019
	Notes	Thai Baht	Thai Baht
Fixed assets			
Tangible assets	11	1,113,747	653,118
Current assets			
Debtors	12	102,903,634	85,117,870
Cash at banks and in hand		137,783,767	173,208,229
Total current assets		240,687,401	258,326,099
Liabilities			
Creditors falling due within one year	13	(47,261,884)	(84,294,253)
Net Current assets		193,425,517	174,031,846
Total assets less current liabilities		194,539,264	174,684,964
Creditors falling due after more than 1 year	14	(2,396,288)	(1,663,307)
Net assets		192,142,976	173,021,657
The funds of the charity			
Restricted income funds		106,724,661	90,033,046
Unrestricted income funds:			
- General Fund		26,931,411	25,017,761
- Designated funds		58,486,904	57,970,850
Total charity funds	17	192,142,976	173,021,657

The financial statements on pages 21 to 23 were approved by the trustees and were signed on its behalf on 7 May 2021 by:



Alexis Chapman
Trustee, Board of Directors

The accompanying notes from pages 25 to 35 form an integral part of these financial statements

Cash Flow Statement

For the year ended 31 December 2020

		2020	2019
		Thai Baht	Thai Baht
	<i>Note</i>		
Cash flow from operating activities			
Net movement in funds in period		19,121,319	1,009,768
Investment income		(645,900)	(996,663)
Gain on disposal of assets		(600,000)	-
Depreciation charges		531,371	1,041,277
Net changes in working capital	1	(54,085,152)	14,176,014
Net cash provided by (used in) operating activities		(35,678,362)	15,230,396
Cash flows from investing activities			
Interest received		645,900	996,663
Proceeds from sale of fixed assets		600,000	-
Payments to Acquire tangible assets		(992,000)	(390,550)
Net cash provided by investing activities		253,900	606,113
Net change in cash		(35,424,462)	15,836,509
Net funds as at beginning of the period		173,208,229	157,371,720
Net funds as at end of the period		137,783,767	173,208,229

Notes**1. Net change in net working capital**

	2020	2019
	Thai Baht	Thai Baht
(Increase)/Decrease in debtors	(17,785,764)	(14,474,062)
Increase/(Decrease) in creditors	(36,299,388)	28,650,076
Net changes in working capital	(54,085,152)	14,176,014

Accounting Policies and Notes to the Financial Statements

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) (effective 01 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Border Consortium meets the definition of a public benefit entity under FRS 102.

TBC principally operates in Thailand, and its accounting records are maintained in Thai Baht (THB).

Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 5.

The Trustees have reviewed the cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the monetary value of the income can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be expended in future accounting periods.

Voluntary income consists of grants, donations and gifts that provide core funding or are of a general nature. Gifts in kind are valued at estimated fair market value at the time of receipt.

Investment income consists of bank interest and is recognised on a receivable basis.

Other income consists of gains on the disposal of fixed assets and gains on exchange rates.

Expenditure

All expenditure is accounted for on an accrual basis and recognised when there is a legal or constructive commitment to the expenditure.

Irrecoverable VAT in Thailand is charged against the category of expenditure for which it was incurred.

Resource costs consist of salaries, benefits and other indirect costs related to programme implementation. Some resource costs are directly attributable to an activity; others are allocated according to a management estimate of the amount of time staff members spend on different activities. General administration costs are not allocated to activities.

Costs of generating funds are those costs incurred in attracting voluntary income and raising funds.

Costs of Charitable activities comprise all costs incurred in the pursuit of the charitable objects of TBC, including both the direct costs and resource costs relating to these activities.

Governance costs comprise costs attributable to ensuring public accountability and compliance with regulations.

Allocation of General Support Costs

The organisation's general support costs have been allocated between governance costs and other general support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with trustees' expenses and consultancy fees related directly to governance issues.

General support costs (i.e those that are not directly related to an activity) are allocated on the basis of headcount for that particular cost category. Examples of these costs include staff related costs, general office costs, IT costs, vehicle maintenance costs and travel and accommodation expenses are broadly equivalent. The allocation of support and governance costs is analysed in notes 6 and 7.

Tangible Fixed Assets

Tangible fixed assets costing more than THB 60,000 are capitalised at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

<u>Asset Category</u>	<u>Annual rate</u>
Office equipment	20%
Computers	33%
Vehicles	20%

Debtors

Debtors are created when there is a signed contract with a donor to provide funding for a period of time into the future. The timing of receipts from that debtor are variable (monthly, quarterly, annually) or are dependent on certain milestones being reached. The debtor value at the end of the financial year reflects the balance outstanding between the amount contracted and the amount received. No provision is made for doubtful debts.

Creditors

Creditors are created when there is a signed contract with a supplier/service provider whereby the timing of the payment to that contractor is at a point in the future. Normal credit terms granted by the organization are 30 days. At the end of an accounting period the trade creditors figure reflects the amount that has still to be paid to a supplier under a binding contract.

Fund Structure

There are a number of restricted income funds to account for situations where a donor contracts to meet specific expenses, or directs the fund be used for specific purposes.

All other funds are unrestricted income funds. Within unrestricted funds there are two specific designated funds, one of which is set aside for the full potential severance costs in the event that all staff contracts were

to be terminated and the other is set aside to provide the required funds for closedown of both the camps and the organisation.

Foreign Currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date the transaction occurred.

The THB value of foreign currency assets and liabilities as at the period end have been adjusted by using the Bank of Thailand rates for those dates, with differences taken to the Statement of Financial Activities.

The net value of exchange differences for the accounting period is recorded either as an exchange gain under income or as an exchange loss under expenses.

Employee Benefits

TBC operates a Staff Provident Fund by deducting a maximum of 15% from basic salary of the staff participating in the Plan and matching the staff contribution up to 6%. The contributions are invested in a government registered provident fund managed by a recognised financial institution. Staff are entitled to the benefits upon resignation from the organisation. TBC's contributions to the Plan are charged to the Statement of Financial Activities in the year to which they relate.

Legal Status

The Thailand Burma Border Consortium (TBBC) was incorporated in England on 11 October 2004, Charity status was granted on 13 May 2005. The name was changed to The Border Consortium (TBC) on 2 November 2012.

Tax Accounting

TBC is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. VOLUNTARY INCOME AND COST

	Unrestricted	2020	
	Thai Baht	Restricted	Total
		Thai Baht	Thai Baht
Voluntary Income			
Donations	129,044	-	129,044
Grants	12,210,634	572,583,965	584,794,599
Income resulting from marketing events/publications	315	-	315
Total Voluntary Income	12,339,993	572,583,965	584,923,958
Total cost of generating voluntary income			
Donors meeting & Fundraising Marketing	-	-	-
Net voluntary income	12,339,994	572,583,964	584,923,958

	Unrestricted	2019	
	Thai Baht	Restricted	Total
		Thai Baht	Thai Baht
Voluntary Income			
Donations	126,902	-	126,902
Grants	10,690,960	499,093,014	509,783,974
Total Voluntary Income	10,817,862	499,093,014	509,910,876
Total cost of generating voluntary income			
Donors meeting & Fundraising Marketing	497,162	-	497,162
Net voluntary income	10,320,700	499,093,014	509,413,714

3. INVESTMENT INCOME

Investment income of THB 645,900 (previous period THB 996,663) arises from the bank deposit accounts.

4. OTHER INCOME

	2020	2019
	Thai Baht	Thai Baht
Gain on disposal of fixed assets	600,000	-
Other income	-	34,886
Total	600,000	34,886

5. CHARITABLE ACTIVITIES EXPENDITURE

	Direct Cost	Support	2020	
	Thai Baht	Cost	Governance	TOTAL COST
		Thai Baht	allocation	Thai Baht
			Thai Baht	
Humanitarian Need	397,922,644	223,856	1,042,964	399,189,464
Food Security & Nutrition	29,006,996	58,037	178,067	29,243,100
Protective Environment & Safe Futures	33,509,867	41,455	127,191	33,678,513
Accountability & Partnerships	95,452,842	193,439	127,190	95,773,471
Total	555,892,349	516,787	1,475,412	557,884,548

2019

	Direct Cost	Support Cost	Governance allocation	TOTAL COST
	Thai Baht	Thai Baht	Thai Baht	Thai Baht
Humanitarian Need	331,409,547	3,071,892	1,160,537	335,641,976
Food Security & Nutrition	29,960,119	796,416	198,140	30,954,675
Protective Environment & Safe Futures	25,605,809	568,869	141,529	26,316,207
Accountability & Partnerships	96,793,698	2,397,376	141,529	99,332,603
Total	483,769,173	6,834,553	1,641,735	492,245,461

Note 5 above shows direct, support and governance costs per each expense category. The basis for these allocations is outlined in the notes above.

General support costs are further analysed in the table below (note 6) and compared to 2019 costs and Governance costs are similarly presented in note 7.

TBC initiated its three-year-strategy for 2020-2022, which created a need to regroup its chart of accounts to align with the new strategic objectives. The 2019 figures have been adjusted to show the same comparison of categories in the financial statements.

6. GENERAL SUPPORT COSTS

	2020	2019
	Thai Baht	Thai Baht
Staff Related Costs	402,260	5,319,928
Office Related costs (including Rent)	25,290	334,457
IT Related Costs	13,375	176,890
Vehicle Related Costs	24,448	323,328
Travel, accommodation and miscellaneous costs	51,414	679,950
Total	516,787	6,834,553

7. GOVERNANCE COSTS

	2020	2019
	Thai Baht	Thai Baht
Audit fee	1,460,000	1,300,000
Trustees expenses	-	184,674
Meetings	15,412	157,061
Total	1,475,412	1,641,735

8. OTHER EXPENDITURE

	2020	2019
	Thai Baht	Thai Baht
Loss on exchange rate	9,163,991	17,190,034

9. ANALYSIS OF STAFF COSTS

The number of persons employed by the Charity at 31 December was as follows:

	Number of employees	
	2020	2019
Programme and programme support	48	42
Management and administration	10	14
Total	58	56

The aggregate payroll costs of these persons were as follows:

	2020 Thai Baht	2019 Thai Baht
Salaries	53,946,015	52,916,472
Housing, Living and Education allowances	2,460,282	3,022,651
Provident fund	2,428,134	2,413,126
Staff Insurance	3,214,527	2,398,215
Other employee benefits	1,756,222	1,903,293
Social security fund	351,550	416,964
Total	64,156,730	63,070,721

Notes relating to Staff remuneration.

The number of employees whose emoluments in the year as defined for taxation purposes amounted to over the equivalent of £60,000 were as follows:

	2020	2019
£60,001 to £70,000 (Thai Baht 2,397,172 to Thai Baht 2,796,654)	2	2
£70,001 to £80,000 (Thai Baht 2,796,694 to Thai Baht 3,196,176)	1	1
£80,001 to £90,000 (Thai Baht 3,196,216 to Thai Baht 3,595,698)	1	1
£90,001 to £100,000 (Thai Baht 3,595,738 to Thai Baht 3,995,220)	1	1

The emoluments of the highest paid employee were THB 3,629,425 (2019: THB 3,649,913).

The total amount paid to the five key management personnel of the organisation in 2020 was THB 15,106,099. The equivalent figure for 2019 was THB 15,175,372.

TBC pay scale rates are targeted at the 60th percentile for each level of job groupings for national staff and are reviewed annually. For key international management personnel, the pay policy targets the 50th percentile benchmarked against a relevant INGO and NGO comparative set and are also reviewed annually. The amount paid in termination costs to staff in 2020 was THB 756,504 (2019: THB 94,026).

None of the trustees received any remuneration (2019: nil).

Two independent trustees received reimbursement of travel expenses of THB 0 (2019: THB 91,756).

10. AUDITOR'S REMUNERATION

The auditor's remuneration of THB 1,860,000 (2019: THB 1,709,357) related to the statutory audit at THB 1,460,000 (2019: THB 1,309,357) and non-audit service at THB 400,000 (2019: THB 400,000).

11. TANGIBLE FIXED ASSETS

	2020			
	Office Equipment	Computers	Vehicles	Total
	Thai Baht	Thai Baht	Thai Baht	Thai Baht
Cost:				
As at beginning of the period	350,077	1,865,597	20,035,472	22,251,146
Additions	-	-	992,000	992,000
Disposal	-	-	(2,630,645)	(2,630,645)
As at end of the period	<u>350,077</u>	<u>1,865,597</u>	<u>18,396,827</u>	<u>20,612,501</u>
Depreciation:				
As at beginning of the period	264,477	1,597,800	19,735,751	21,598,028
Charge for the year	21,400	94,516	415,455	531,371
Disposal	-	-	(2,630,645)	(2,630,645)
As at end of the period	<u>285,877</u>	<u>1,692,316</u>	<u>17,520,561</u>	<u>19,498,754</u>
Net book value				
As at beginning of the period	85,600	267,797	299,721	653,118
As at end of the period	64,200	173,281	876,266	1,113,747

12. DEBTORS

	2020	2019
	Thai Baht	Thai Baht
Trade debtors	93,581,577	75,052,317
Other debtors	9,322,057	10,065,553
	<u>102,903,634</u>	<u>85,117,870</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	Thai Baht	Thai Baht
Trade creditors	10,761,617	32,792,623
Deferred Income	33,901,115	48,915,893
Accruals	1,606,174	1,551,256
Other creditors	992,978	1,034,481
	<u>47,261,884</u>	<u>84,294,253</u>

Trade creditors at 31 December 2020 represented 30 days past purchases (2019: 30 days).

14. CREDITORS: FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	Thai Baht	Thai Baht
Long term liabilities	2,396,288	1,663,307
	2,396,288	1,663,307

Creditors falling due after more than one year represents provision or provident fund obligations, raised for Burma/Myanmar based staff established in 2015.

15. TRANSFERS BETWEEN FUNDS

As per the Labour Protection Act of 5 April 2019, employees who are terminated after working for the same employer for an uninterrupted period of twenty years or more, receive severance payment of 400 days of wages at the most recent rate.

To remain in compliance, the amount of THB 516,054 was transferred between funds to increase the designated Severance fund by THB 516,054 in order to reflect the increased liability.

In September 2019, TBC Board ratified the decision to book THB 35,000,000 designated for closing activities. TBC Board has agreed to maintain this same level in 2020. These fund are recorded in the Designated General Fund.

16. RELATED PARTY TRANSACTIONS

There were no transactions with Members, other than for funding received.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	2020 Restricted Funds	Total
	Thai Baht	Thai Baht	Thai Baht
Tangible fixed assets	1,113,747	-	1,113,747
Debtors	5,300,936	97,602,698	102,903,634
Cash at banks and in hand	84,537,154	53,246,613	137,783,767
Creditors falling due within one year	(3,137,233)	(44,124,651)	(47,261,884)
Creditors falling due after one year	(2,396,288)	-	(2,396,288)
Net Assets	85,418,316	106,724,660	192,142,976

	Unrestricted Funds	2019 Restricted Funds	Total
	Thai Baht	Thai Baht	Thai Baht
Tangible fixed assets	653,118	-	653,118
Debtors	10,309,539	74,808,331	85,117,870
Cash at banks and in hand	77,914,632	95,293,597	173,208,229
Creditors falling due within one year	(4,225,368)	(80,068,885)	(84,294,253)
Creditors falling due after one year	(1,663,307)	-	(1,663,307)
Net Assets	82,988,614	90,033,043	173,021,657

18. FUND MOVEMENTS IN THE PERIOD

	Balance at 31 Dec 19 Thai Baht	Income Thai Baht	Expenditure Thai Baht	Transfers Thai Baht	Balance at 31 Dec 20 Thai Baht
1. Australia ANCP (Act for Peace-NCCA)	2,216,149	5,115,032	4,743,317	-	2,587,864
2. Australia ANCP GAP (Act for Peace)	2,658,863	173,898	2,832,761	-	-
7. Australia AusAID (DFAT) 2020/2021 IRC	19,752,305	35,916,960	34,313,068	-	21,356,197
3. Canada GAC (Inter Pares) Christian Aid	-	3,636,940	3,636,940	-	-
ICCO -KIA 2019/20	951,567	-	951,567	-	-
ICCO -KIA 2020/21	-	1,792,480	815,315	-	977,165
4. LIFT Fund Phase II (UNOPS) Republic of China (Taiwan)	1,618,780	44,267,193	44,600,849	-	1,285,124
5. UK FCDO - HARP Myanmar	6,966,107	9,645,500	16,611,607	-	-
5. UK FCDO - HARP Thailand	3,605,652	74,988,060	78,593,712	-	-
6. US BPRM (IRC) 2019/20	52,263,620	-	52,263,620	-	-
6. US BPRM (IRC) 2020/21 Kerk in Actie	-	382,222,314	301,727,729	-	80,494,585
Save the Children	-	2,166,000	2,166,000	-	-
8. DANIDA- DCA	-	255,000	255,000	-	-
Church World Service	-	5,928,444	5,928,444	-	-
	-	2,573,268	2,549,543	-	23,725
Total Restricted Funds	90,033,043	572,583,965	555,892,348	-	106,724,660
Designated Fund - Severance Pay & Closedown	57,970,850	-	-	516,054	58,486,904
General Fund	25,017,764	13,585,893	11,156,191	(516,054)	26,931,412
Total Funds	173,021,657	586,169,858	567,048,539	-	192,142,976

1. Australian Government ANCP (Act for Peace) – Support provided specifically to the two camps managed by the Karenni Refugee Committee for both administration of the camps and provision of stipends.
2. Australian Government ANCP (GAP) – Gender Action Platform programme working both in the Thailand camps and in south-eastern Myanmar. 2020 was the final year of the three-year project.
3. Canadian Government (Inter-Pares) – Multiyear funding covering a range of services within the camps. 2020 was the final year of the five-year project.
4. LIFT Phase II fund (UNOPS) – The “inception” phase started in October 2019 with the First full year of a multi-year project in Myanmar starting in 2020 and slated to end in September 2022. The grant provided sub-grants for rehabilitation/peace building activities to local implementing partners. Additional USD 70,000 was added to support emergency relief from the Covid-19 pandemic.
5. United Kingdom- FCDO (HARP) – primarily focused on shelter needs and nutrition programmes in the Thai camps. UK FCDO/HARP-Myanmar emergency response for south eastern Myanmar. Additional GBP 400,000, granted to support increased rations during Covid-19 Pandemic. 2020 is the final year of a two-year grant.

6. United States Government (BPRM) – Multiyear funding. Principal funder for the organization supporting assistance for food and cooking fuel within all 9 camps. Additional funds of USD 1,256,165 donated to support increased rations during the Covid-19 pandemic.
7. Australian Government DFAT (IRC)- First year (FY July 2020-June 2021) of new two-and-a-half-year-grant, funding TBC programme border wide in Thailand.
8. Danish Government-DANIDA (DCA)- in addition to the unrestricted fund donation, restricted funds were donated to support increased food rations for refugees during Covid-19

All of the above funders are institutional donors (either independent governments, the EU or in the case of the LIFT fund board – a consortium of international funders). They are classified as “restricted” in as much as the funding can only be used in specific geographic areas or for specific elements of the overall programme. There are no restrictions of usage in terms of trust law.

Note – the Designated Severance Fund represents an amount that would be required to pay severance compensation to all staff (based on tenure) if the organisation ceased operations. This is consistent with Thai and Myanmar Labour Law requirements. The close-down budget of THB 35M is what TBC estimates it will cost to wind down the TBC programme, not including program costs.

LIST OF ACRONYMS

BBC	Burmese Border Consortium (former name)	IP	Inter Pares
BPRM	Bureau of Population, Refugees, and Migration	IPC	Infection Prevention and Control
CA	Christian Aid	IRC	International Rescue Committee
CBO	Community-Based Organisation	KIA	Kerk in Actie
CCA	Consortium of Christian Agencies	LIFT	Livelihoods and Food Security Trust Fund
CCSDPT	Committee for Coordination of Services to Displaced Persons in Thailand	MOI	Ministry of Interior (Thailand)
CSO	Civil Society Organisation	NCA	Nationwide Ceasefire Agreement (Myanmar)
DCA	Dan Church Aid	NCA	Norwegian Church Aid
DFAT	Department of Foreign Affairs and Trade (Australia)	NCCA	National Council of Churches Australia (Act for Peace)
FCDO	Foreign and Commonwealth Development Office (UK)	NGO	Non-Governmental Organisation
FCS	Food Card System	PPE	Personal Protective Equipment
FRS	Financial Reporting Standard (UK)	RTG	Royal Thai Government
FX	Foreign Exchange	SORP	Statement of Recommended Practice (UK)
GAC	Global Affairs Canada	TBBC	Thailand Burma Border Consortium (former name)
GAP	Gender Action Platform	TBC	The Border Consortium
GBP	British Pound	THB	Thai Baht
GEC	Governance and Elections Committee	UK	United Kingdom
GSV	Go and See Visit	UNHCR	United Nations High Commissioner for Refugees
HARP	Humanitarian Assistance and Resilience Programme	US	United States
ICCO	Inter Church Organisation for Development Cooperation	USG	United States Government
IDP	Internally Displaced Person	USD	US Dollar
INGO	International Non-Governmental Organisation		

Reference and Administrative Details

Name of Charity	The Border Consortium (TBC)
Charity registration number	1109476
Company registration number	05255598 (England and Wales)
Address of registered office	35 Lower Marsh, London SE1 7RL
Address of principal office	12/5 Convent Road, Bangrak, Bangkok 10500, Thailand
Website	www.theborderconsortium.org
Trustees (and Directors) during 2020.	Alexis Chapman (Chair- term ended Oct 2020; assumed Treasurer) Leslie Wilson (Resigned as Vice Chair and Trustee Oct 2020) Leon de Riedmatten James Thomson (Secretary 2020; Elected as Chair Oct 2020) Knut Christiansen (Resigned as Trustee August 2020) Samantha McGavin Andreas Kiaby (voted in as Trustee Oct 2020) Marvin Parnell (voted in as Trustee Oct 2020)
Executive Director – from 1 st January 2013 to date Charity correspondent	Sally Thompson MBE Sally Thompson MBE
Bankers	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD, United Kingdom Standard Chartered Bank 90 North Sathorn Road, Bangrak, Bangkok 10500, Thailand
Auditors	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL United Kingdom
Members	Act for Peace - NCCA, Australia. Christian Aid, United Kingdom Church World Service, USA Diakonia, Sweden DanChurchAid, Denmark ICCO, The Netherlands Inter Pares, Canada International Rescue Committee, USA Norwegian Church Aid, Norway