

Registered charity number
1154658

Phan Foundation CIO

Trustees' Report and Financial Statements

For the year ended 31 March 2021

Phan Foundation CIO
Report and Financial Statements
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The Phan Foundation was founded by the four children of Padoh Mahn Sha, the General Secretary of the Karen National Union, and Nant Kyin Shwe, in their memory.

The Phan Foundation is a Charitable Incorporation Organisation, registered charity number 1154658. Our governing document is the constitution of the Phan Foundation.

Charitable objects

- (1) TO PREVENT OR RELIEVE POVERTY IN BURMA.
- (2) TO PREVENT OR RELIEVE POVERTY (INCLUDING THE FINANCIAL NEEDS) OF REFUGEES, ASYLUM SEEKERS, MIGRANT WORKERS AND THEIR DEPENDENTS FROM BURMA.
- (3) TO ADVANCE THE EDUCATION OF PEOPLE OF ALL AGES FROM BURMA.
- (4) TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE SUBJECTS OF ETHNIC KAREN CULTURE, HISTORY AND TRADITIONS.
- (5) TO PROMOTE HUMAN RIGHTS (AS SET OUT IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND SUBSEQUENT UNITED NATIONS CONVENTIONS AND DECLARATIONS) AND TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE SUBJECT OF HUMAN RIGHTS IN BURMA AND SUCH OTHER PARTS OF THE WORLD AS THE TRUSTEES SEE FIT.

Grant-making approach and policy

The founders of the Phan Foundation, being from Karen State Burma, growing up in a conflict zone and having been internally displaced and refugees, have a particular experience, knowledge and expertise in both the needs of the people, and the organisations which are providing effective assistance to them.

Phan Foundation aims to support civil society organisations, specialising in small high impact grants to organisations and areas which struggle to find funding from other donors.

We provide long term commitments to some projects so they do not have to worry about funding year to year and can instead focus on the work they are doing. We also aim to be responsive to events to be able to provide assistance at times of emergency.

At the same time as rigorously ensuring funds are spent as allocated, it is an important and integral principle of the Phan Foundation that we do not place unreasonable and unnecessary reporting burdens of recipients of our grants.

Our partners, their impact and achievements

During 2020 and 2021 our partners faced exceptional challenges with increased conflict attacks and militarisation by the Burmese military, even before the military coup on 1st February 2021. This took place in the context of a global pandemic and continued cuts in international financial assistance to communities in the areas in which they work.

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Phan Foundation is proud to have been able to provide assistance to these organisations and the communities they serve, and to do so in a timely, flexible way without putting unnecessary burdens on them which detract from their ability to provide the support so desperately needed.

Almost half of our expenditure was on education, and the majority of the rest of our grants were on emergency support for internally displaced people.

We are grateful to all our donors for enabling us to be able to provide this life-saving and life-changing support in partnership with the following organisations.

Karen Student Network Group

The Karen Student Network Group (KSNG) was founded by young Karen people in Burma and refugees in Thailand. It engages in advocacy regarding the situation of young Karen refugees, promotes access to education for Karen children and young people, and publishes education materials in the Karen language, teaching young people about Karen history, culture and their rights, as well as information on health issues.

The Phan Foundation provided a grant to KSNG towards the production of a youth magazine. The magazine is published 4 times a year, and is distributed in 7 refugee camps, camps for internally displaced people, and villages in Karen State. Some copies are also distributed to young people in Karen refugee communities internationally. 1,500 copies of each edition are published, with copies being widely shared and re-shared.

The magazine, which is educational, promotes and reserves Karen language and culture and features articles on the environment, health education, health information regarding the COVID pandemic, students stories from students studying higher level education and universities to encourage children to value education and what they can achieve through education, news from Burma and international news, as well as featuring poetry and writing competitions.

Karen Environmental and Social Action Network (KESAN)

The Karen Environmental and Social Action Network is a highly respected organisation established by Karen Refugees in Thailand. It works to protect the environment, provide education, promote peace, and protect and promote the rights of the Karen people.

The Phan Foundation provided KESAN with a grant for a media and communications projects to amplify the voices of communities and the challenges they face including conflict, human rights violations, environmental destruction, land confiscation and natural resource extraction, and challenges in accessing international assistance to meet the challenges.

Training brought together 49 participants from impacted communities, as well as refugees and Karen in exile who have opportunities for communications and media to help bring their story to the world to increase international understanding and support. The training, which took place in the immediate aftermath of the military coup, helped to build networks for communication and advocacy as a critical moment.

Karen Peace Support Network (KPSN)

The Karen Peace Support Network is a coalition of more than 20 ethnic Karen civil society organisations seeking to promote the voices of communities from conflict zones in the current 'peace process' in Burma.

The Phan Foundation provided funding for a laptop for a member of staff. A small thing like this, which other donors would not fund, can make a big difference in the ease of work and efficiency of an organisation's work.

A Karen community in Burma (Name withheld for their security)

The Phan Foundation provided a grant to provide humanitarian support, food, shelter and clothing, for people fleeing the Burma military following the coup on 1st February 2021.

Karen Education and Culture Department

The Karen Education and Culture Department (KECD) provides an essential service to children and youth in areas in eastern Burma not under central government control, and in refugee camps in Thailand. They provide education the hundreds of thousands of children.

A grant was made to KECD for teacher salaries for the provision of education to children in Karen state and for children in refugee camps in Thailand.

A grant was to KECD towards the costs of materials and living expenses for three students studying for a diploma in law.

A grant was made to KECD for emergency food aid for students living in KECD dormitories which faced additional challenges and increased numbers of students because COVID, conflict and the military coup.

A grant was made to KECD for school textbooks.

Karen Women's Organisation

The Karen Women's Organisation (KWO) is an outstanding community organisation with more than 50,000 members. It provides a wide range of services to Karen communities in Burma and refugees in Thailand. These range from the provision of nurseries, women's education and empowerment programmes, development and humanitarian aid, refugee rights, and human rights research and advocacy.

The Phan Foundation provided a grant for emergency aid for IDPs and villagers in Karen state. The support was part of their COVID-19 emergency response.

Support went to 2,229 people in Ei Htu Hta camp, and 17,246 people in seven districts in Karen State. It covered the distribution of food, predominantly rice, as well as some medical expenses and emergency financial support to families.

Karen Office for Relief and Development (KORD)

KORD is a community led humanitarian organisation which provides assistance to and advocates for internally displaced people in eastern Burma.

The Phan Foundation provided a grant to KORD for emergency humanitarian assistance for newly displaced people in Karen State, who were forced to flee their homes because of increased militarisation and attacks by the Burmese military.

Our charitable objectives and the public benefit

The above grants all further the charitable objectives of the Phan Foundation and are undertaken for the public benefit of these objectives.

The Trustees confirm that we have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Financial review

During the year the Charity's income totalled £59,768 (2020: £21,611) and expenditure was £51,733 (2020: £33,196). The charity's funds stood at £9,561 at 31 March 2021, (2020 £1,526) including £6,227 (2020: £Nil) of restricted funds and £3,334 (2020: £1,526) of unrestricted funds.

Investment policy

The charity does not currently hold sufficient funds to warrant investment. However, the charity banks with The Co-op, which has a sound ethical banking policy.

Reserves policy

The charity holds a small cash balance and is yet to reach an operational level where it has been possible to consider establishing a financial reserve. The Trustees will continue to monitor the charity's finances and will establish a reserves policy when funds allow.

Statement of Trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgments and estimates that are reasonable and prudent,
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements,

and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

**Phan Foundation CIO
Trustees' Report
Year ended 31 March 2021**

This report was approved by the board of trustees on 11 September 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'S Bates', with a stylized flourish extending from the end.

Stephen Bates

Trustee

Phan Foundation CIO
Legal and Administrative Information

Charity name:	Phan Foundation CIO
Charity registration number:	1154658
Registered office and operational address:	110 The Bon Marche Centre 241-251 Ferndale Road London SW9 8BJ

Trustees on public record
Stephen Bates

Independent examiner
Frank McDowell
FJM Accountancy Limited
23 Shackleton Court
2 Maritime Quay
London
E14 3QF

Bankers
The Co-operative Bank plc
Head Office
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Phan Foundation CIO
Independent Examiner's report

Independent examiner's report to the Trustees of Phan Foundation CIO

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

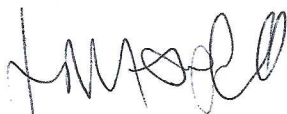
I report in respect of my examination of the CIO's accounts carried out under section 145 of the Act. In carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept as required by section 130 of the Act; or
2. the accounts do not accord with those records.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.



Frank James McDowell FMAAT
FJM Accountancy Limited
23 Shackleton Court
2 Maritime Quay
London
E14 3QF

Date: 11 September 2021



Phan Foundation CIO
Statement of Financial Activities
for the year ended 31 March 2021

	Notes	2021			2020		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Income from:							
Grants and donations	2	49,090	10,678	59,768	-	21,611	21,611
Total income		49,090	10,678	59,768	-	21,611	21,611
Expenditure on:							
Raising funds		-	394	394	-	-	-
Charitable activities	3,4	42,863	8,476	51,339	-	33,196	33,196
Total expenditure		42,863	8,870	51,733	-	33,196	33,196
Net income/(expenditure) for the year	6	6,227	1,808	8,035	-	(11,585)	(11,585)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		6,227	1,808	8,035	-	(11,585)	(11,585)
Reconciliation of funds:							
Total funds brought forward		-	1,526	1,526	-	13,111	13,111
Total funds carried forward	11	6,227	3,334	9,561	-	1,526	1,526

The statement of financial activities includes all gains or losses for the year. All income and expenditure derives from continuing activities.

Phan Foundation CIO
Balance Sheet
as at 31 March 2021

	Notes	2021 £	2020 £
Current assets			
Cash at bank and in hand		28,054	1,526
Creditors: amounts falling due within one year	8	18,493	-
Net current assets and net assets	10	<u>9,561</u>	<u>1,526</u>
The funds of the charity:	11		
Restricted income funds		6,227	-
Unrestricted funds		3,334	1,526
Total funds		<u>9,561</u>	<u>1,526</u>

The financial statements were approved by the trustees on 11 September 2021 and signed on their behalf by:



Stephen Bates

Trustee

Phan Foundation CIO
Notes to the Accounts
for the year ended 31 March 2021

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Funds structure and accounting

Restricted grants and donations are available for the charity's use only in accordance with the terms under which, and for the purposes which, the funds were donated to the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Income recognition

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants and donations are included in full in the statement of financial activities when receivable.

Donated services and facilities

In accordance with the Charities SORP (FRS 102), the general volunteer time of the charity is not recognised. The trustees' annual report provides more information about the contribution of volunteers.

Expenditure recognition

Expenditure is recognised on an accrual basis as a liability is incurred. Where expenditure includes VAT which can only be partially recovered, the irrecoverable VAT is reported as part of the expenditure to which it relates.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity.

Costs of generating funds comprise the costs associated with attracting voluntary income and fundraising trading costs.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Phan Foundation CIO
Notes to the Accounts
for the year ended 31 March 2021

1 Accounting policies

Expenditure recognition (continued)

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor area or estimated usage, as set out in Notes 3 and 4.

2 Grants and donations receivable

			2021	2020
	Restricted	Unrestricted	Total	Total
	£	£	£	£
Anonymity requested by donors	20,562	2,000	22,562	20,580
The Barbara & Dennis Weeden Charitable Trust	-	7,000	7,000	-
Kachin Relief Fund	2,000	-	2,000	-
First Burmese Baptist Church of San Francisco	8,468	-	8,468	-
KCA - London	710	-	710	-
Advance Myanmar	2,500	-	2,500	-
Other grants and donations	14,850	1,678	16,528	1,031
	49,090	10,678	59,768	21,611

3 Analysis of expenditure on charitable activities

	Grant-		Total 2021	Total 2020
	making	Fund-raising		
	£	£	£	£
Grants paid (Note 4)	50,472	-	50,472	31,427
Publicity	238	-	238	1,309
Bank charges	269	394	663	160
Other expenses	-	-	-	300
Governance costs - accountancy	360	-	360	-
	51,339	394	51,733	33,196

Expenditure on charitable activities was £51,339 (2020: £33,196) of which £8,476 (2020: £33,196) was unrestricted and £42,863 (2020: £Nil) was restricted.

Phan Foundation CIO
Notes to the Accounts
for the year ended 31 March 2021

4 Grants paid	2021 £	2020 £
Karen Education and Culture Department	21,667	-
Karen Environmental and Social Action Network	1,416	-
Karen Office for Relief and Development	14,905	-
Karen Peace Support Network	1,034	-
Karen Student Network Group	3,000	-
Karen Women's Organisation	5,964	-
Anonymity of organisation protected	2,486	-
2020 grants	-	31,427
	<u>50,472</u>	<u>31,427</u>

5 Net income/(expenditure) for the year	2021 £	2020 £
This is stated after charging:		
Independent examiner's fees	<u>360</u>	<u>-</u>

6 Related party transactions and trustees' expenses and remuneration

The trustees all give their time and expertise freely without any form of remuneration or other benefit in cash or kind. No trustees claimed any expenses in the year or the preceding year.

Trustees made donations to the charity during the year totalling £290 (2020: £300).

7 Taxation

As a registered charity, Phan Foundation is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The charity is registered for Gift Aid with HM Revenue & Customs under reference number W56202.

8 Creditors: amounts falling due within one year	2021 £	2020 £
Deferred income (Note 9)	18,133	
Accrued expenses	360	-
	<u>18,493</u>	<u>-</u>

9 Deferred income

Grants received in advance for the year ended 31 March 2022	<u>18,133</u>	<u>-</u>
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Phan Foundation CIO
Notes to the Accounts
for the year ended 31 March 2021

10 Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Current year			
Net current assets	6,227	3,334	9,561
	<u>6,227</u>	<u>3,334</u>	<u>9,561</u>
Prior year			
Net current assets	-	1,526	1,526
	<u>-</u>	<u>1,526</u>	<u>1,526</u>

11 Movement in funds

	At 1 April 20	Incoming resources	Outgoing resources	Transfers	At 31 March 21
	£	£	£	£	£
Current year					
Restricted funds:					
Karen Education and Culture Department	-	15,818	(15,818)	-	-
Karen Student Network Group	-	3,000	(3,000)	-	-
Karen Women's Organisation	-	5,964	(5,964)	-	-
Karen Office for Relief and Development	-	20,890	(14,983)	-	5,907
Anonymity of organisation protected	-	2,820	(2,500)	-	320
Overheads	-	598	(598)	-	-
Total restricted funds	<u>-</u>	<u>49,090</u>	<u>(42,863)</u>	<u>-</u>	<u>6,227</u>
Unrestricted funds	<u>1,526</u>	<u>10,678</u>	<u>(8,870)</u>	<u>-</u>	<u>3,334</u>
Total funds	<u>1,526</u>	<u>59,768</u>	<u>(51,733)</u>	<u>-</u>	<u>9,561</u>
Prior year					
Unrestricted funds	<u>13,111</u>	<u>21,611</u>	<u>(33,196)</u>	<u>-</u>	<u>1,526</u>

Phan Foundation CIO
Notes to the Accounts
for the year ended 31 March 2021

11 Movement in funds (continued)

Restricted funds (continued):

Karen Education and Culture Department (KECD)

Three grants were provided to the KECD:

- 1) A grant of £8,000 was made for teacher salaries for the provision of education to children in Karen State and for children in refugee camps in Thailand.
- 2) A grant of £2,000 was made towards the costs of materials and living expenses for three students studying for a diploma in law.
- 3) A grant of £5,818 was made for emergency food aid for students living in KECD dormitories which faced additional challenges and increased numbers of students because of COVID, conflict and the military coup.

Karen Student Network Group (KSNG)

A grant of £3,000 was made to KSNG towards the production of a youth magazine. The magazine is published four times a year, and is distributed in seven refugee camps, camps for internally displaced people, and villages in Karen State. Some copies are also distributed to young people in Karen refugee communities internationally. 1,500 copies of each edition are published, with copies being widely shared and re-shared.

The magazine, which is educational, promotes and preserves Karen language and culture and features articles on the environment, health education, health information regarding the COVID pandemic, students' stories from students studying higher level education and universities to encourage children to value education and what they can achieve through education, news from Burma and international news, as well as featuring poetry and writing competitions.

Karen Women's Organisation (KWO)

A grant of £5,964 was provided to the KWO for emergency aid for IDPs and villagers in Karen state. The support was part of their COVID-19 emergency response.

Support went to 2,229 people in Ei Htu Hta camp, and 17,246 people in seven districts in Karen State. It covered the distribution of food, predominantly rice, as well as some medical expenses and emergency financial support to families.

Karen Office for Relief and Development (KORD)

A grant of £14,983 was given to KORD for emergency humanitarian assistance for newly displaced people in Karen State, who were forced to flee their homes because of increased militarisation and attacks by the Burmese military.

A Karen civil society group in Burma

A grant of £2,500 was made to provide humanitarian support, food, shelter and clothing, for people fleeing the Burma military following the coup on 1 February 2021.