

Connect: North Korea
Charitable Incorporated Organisation
CIO Registration Number: 1176563
Unaudited Accounts
Trustees Report and Financial Statements
For the year ended 31 December 2020.

Connect: North Korea

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Connect: North Korea

Reference and Administration Details for the Financial Year Ended December 31, 2020.

Trustees

Robin Peter Walker (Chair)

Richard Moreton (Treasurer)

Sultan Torshkhoev

Margaret Ahn

Jennifer Holroyd

Jinhee Lee (appointed: 27/04/20)

Mario Dunn (appointed: 25/01/21)

Alice Chamberlain (resigned: 26/09/20)

Deborah Moore (resigned: 25/01/21)

Charity Registration Number

1176563

Registered Office

149 High Street, New Malden, Greater London, KT3 4BH

Bank

CAF Bank, 25 Kings Hill Ave, Kings Hill, West Malling, ME19 4JQ

Connect: North Korea

Trustees Report for the Financial Year End December 31, 2020.

The Trustees present their annual report together with the financial statements of the CIO for the year 1 January 2020 to 31 December 2020. The Trustees confirm that the Annual Report and financial statements of the CIO comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective 1 January 2019).

Since the CIO qualifies as small under section 382, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Principle Office: 149 High Street, New Malden, Surrey, KT3 4BH.

Structure, Governance, and Management

Governing Document

Connect: North Korea is constituted as a Charitable Incorporated Organisation registered with the Charity Commission in January 2018 under registration number 1176563. The current constitution was adopted on January 7, 2018.

Organisational Structure

The board of trustees – which currently has 7 members – administers the charity. The trustees receive no financial remuneration for their involvement. The board meets on a quarterly basis and there are sub-committees covering fundraising, audit and risk, and communications which normally meet quarterly. A Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including, finance, employment, and all community-based activities.

Recruitment of Trustees

Existing trustees are responsible for recruiting new trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. Any appointment must be made at a meeting held according to the ordinary practice of the Board of Trustees as outlined in the Constitution. Each appointment is for a term of three years. Potential trustees are invited to attend trustees' meetings as observers and are given more details of the charity's aims and activities and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Trustee Induction and Training

In the first instance, approaches from those wishing to serve as a Trustee shall be made to the Chair. Following further discussion and consideration, prospective Trustees shall be invited to observe at least 1 Board meeting. Subsequently, if willing, the prospective Trustee shall make written representations to the Board, who will decide whether to co-opt the prospective Trustee as a full member of the Board, with all the rights and responsibilities that entails. All Trustees shall subsequently be elected at the next board meeting through a ballot of board members. The ballot shall be administered by the Secretary. Trustees standing for election shall be required to verbally present their reasons for wishing to be elected to the Board. In terms of size, the Board shall not exceed 12 Trustees, and shall seek to be a body which is diverse in terms of skills, experience and professional background. Trustees shall serve for a 3-year term, which may be extended.

To enable him/her to hit the ground running, new trustees must be provided with:

- The constitution (and any supporting guidelines or regulations);
- The last Annual Report (and any other explanatory leaflet, brochure or prospectus issued by the charity);
- The last audited accounts, the current Budget and the most recent (monthly or quarterly) Management Accounts;
- Copies of the last three Board Minutes and the Agenda for the next Board meeting (and a note of any future meeting dates);
- Any Code of Conduct or Board Policies in existence;
- Details of any Conflicts of Interest requirements;
- Details of the Committee and staff structures and reporting processes.
- The essential trustee: what you need to know, what you need to do (CC3)

Trustees are encouraged to attend appropriate external training events to improve their understanding of their role and to improve the skillsets of the board for more effective governance.

Objectives and Activities

The objectives of the CIO are:

- 1) To promote human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) in North Korea by all or any of the following means:
 - monitoring abuses of human rights;
 - educating the public about human rights;
 - raising awareness of human rights issues; and
 - promoting public support for human rights;

In furtherance of that object but not otherwise, the trustees shall have power

- To engage in political activity provided that the trustees are satisfied that the proposed activities will further the purposes of the charity to an extent justified by the resources committed and the activity is not the dominant means by which the charity carries out its objects.
- 2) To advance the education and training of North Koreans granted refugee status and their dependents in need thereof so as to advance them in life and assist them to adapt within a new community.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. The trustees consider that the activities undertaken - as summarised below - provide benefit to the community we serve and the wider public.

Public awareness on human rights

Owing to COVID-19, it was felt that our usual methods of raising public awareness – events – were not safe. The impact of COVID-19 was profound on our community, so we focused all efforts over the year on providing support.

Community Service Provision

Despite the difficulties this year, we were able to continue our programming and support for the community thanks to substantial support from Kingston upon Thames London Borough Council, the National Lottery Community Fund, City Bridge Trust, PayPal, People's Postcode Lottery, The Fore, CAST, and private donations. Our English programme, mental health care, and advice sessions were able to shift online or via phone to continue throughout the year. In response to COVID-19, we also created new programmes to help those who lacked access to food and those suffering from loneliness during the lockdown periods. We were able to provide support for over £6,000 to our community in food aid thanks to public donations and support from City Bridge Trust.

Connections - English-language provision

Connections is our flag-ship programme to support North Korean refugees in learning English. It has 2 main strands:

Twice-weekly English classes

The classes cover practical English language skills. From language they might use in the supermarket to the language used when speaking to their children's school teachers, these group classes will help address some of the barriers to life in New Malden and help them develop a community voice

2 qualified ESOL tutors delivered ESOL classes to 2 levelled group English classes for North Korean refugees throughout the year: 1 intermediate class and 1 beginner class. Each class met twice a week for an hour each time until the lockdown began. As schools closed, our beginner class was sadly suspended as childcare provision made it impossible for our tutor to continue. A target of 16 beneficiaries had been set for the year – unfortunately, lockdown made this impossible and we ended the year with 7 active beneficiaries in the intermediate class. Connect: North Korea had registered 15 individuals prior to lockdown. Given the impossibility of steady participation in the programmes, we opted not to level test our students this year. This service was sponsored for a large part of the year by funding from PayPal Giving Fund.

Befriending sessions with local volunteer mentors

Our clients meet on a fortnightly basis with local volunteer mentors to first of all enable them to practice their new-found skills in real-world settings, and secondly, to build their confidence. From the post office to the dentist, this part of the programme seeks to build the skills North Koreans need on the path to fluency. By focusing part of the programme on practical skills, North Koreans build their confidence and this will contribute to achieving independent lives, as well as enabling them to feel comfortable speaking English to native speakers. This programme shifted online after lockdown. With childcare responsibilities, our beneficiaries dropped, but we were still able to provide support to 10 clients post-lockdown (25 prior to the first lockdown). This part of the project received funding from the National Lottery Community Fund.

Advice

Thanks to support from City Bridge Trust, the National Lottery Community Fund, The Fore, Tesco, and Kingston Council, we were able to sustain and pivot our Advice, Information and Guidance services this year to provide emergency help to our clients online and by telephone during the COVID lockdown. 1 North Korean and 1 South Korean were recruited to provide information, guidance, and advice twice a week. Demand sky-rocketed during the first lockdown – support requests were up over 60% on the previous year. The specific nature of the help given was wide-ranging, covering COVID restrictions, furlough, housing, bills, translation for healthcare purposes, and other issues. We provided support during the year to 110 clients.

Mental Health Care

We have a small team of Korean-speaking mental health professionals working with us to deliver the extremely important mental health care that many in the community struggle to access because of language barriers. Thanks to support from the National Lottery Community Fund, The Fore, and City Bridge Trust, we have been able to continue providing mental health care throughout the year.

This year, we had targeted providing support for 6 clients and we have hit that target.

We were also able to launch a new programme towards the end of the year – Dongmu-Chingu – a new befriending service to provide weekly support for those suffering from loneliness because of COVID. We aim to support 30 clients through this service in the coming months.

Achievements and Performance

In 2020, our big achievement is continuing to meet the needs of our clients through all of our programming.

In particular, our advice sessions and support were tremendously successful, reaching over 110 clients.

We have also launched a new programme, Dongmu-Chingu.

Finally, we have grown our team by 2: both North Koreans. We will add a new North Korean staff member and fundraising officer in 2021.

Future Activities

Recognising that COVID-19 has changed society indefinitely, we want to adapt to this new reality and conceive new ways of achieving impact. Our values, approach and core assistance activities remain steadfast, but COVID-19 has provided us with an opportunity to take stock, to refocus on our vision to break the circle of disadvantage, and enhance the life chances of our severely marginalised, disadvantaged and underserved community. We want to respond positively to those who request help to lift themselves out of poverty by re-evaluating our programming. Our programming will remain as it is for the foreseeable future, but we have a new framework and programme in place for starting in the autumn of 2021.

Financial Review

Reserves Policy

The ultimate aim of our reserves policy is to maintain 3 months of unrestricted reserves to cover any changes in our income. Trustees felt that funds should be deployed to be able to grow the organisation, meaning we have no reserve at this moment. It is our goal to have at least 3 months of unrestricted reserves by the end of the next financial year – we are hiring a fundraising officer in 2021 to make this a reality.

Investment Policy

We have no investments. All cash is held within our CAF Bank account, which earns no interest. We will assess the possibility of investments and creating an investment strategy, policies, and procedures – if required – at the end of the next financial year.

Risk Management

The CIO ensures the highest standards of governance are maintained through its implementation of a robust risk management strategy, which entails:

- a Risk and audit committee which performs a quarterly review of the risks the charity may face and proposes mitigation strategies to the main board;
- an array of policies and procedures, with particular attention to financial policies and health and safety;
- the establishment of a governance checklist with key dates planned a year in advance; and
- the creation and quarterly update of a risk register.

The greatest risk to the organisation has been identified as a lack of funds to meet our obligations. In response, the fundraising subcommittee has developed a detailed fundraising strategy with appropriate funders – both institutional and private – identified and we have recruited a part-time Fundraising Officer to meet our financial objectives.

Statement of Trustees' Responsibilities

The CIO's trustees are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 business.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees and directors in the period and at the report approval date were:

Robin Peter Walker (Chair)

Richard Moreton (Treasurer)

Deborah Moore (resigned: 25/01/2021)

Sultan Torshkhoev

Margaret Ahn

Jennifer Holroyd

Jinhee Lee (appointed: 27/04/2020)

Alice Chamberlain (resigned: 26/09/2020)

Mario Dunn (appointed: 25/01/2021)

Statement as to Disclosure to our Independent Examiner

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the independent examiner in connection with preparing their report, of which the organisation's independent examiner is unaware, and
- the trustees, having made enquiries of fellow directors and the group's independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

Approved by the Trustees and signed on its behalf:

Robin Walker

Robin Peter Walker (Chair)

Dated: 05/04/2021

Independent Examiner's Report to the Trustees of Connect: North Korea CIO

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 13 to 19.

Responsibilities and basis of report

As the charity's trustees 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 charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 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 in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Samantha Rouse FCCA DChA

Certified Chartered Accountant

Kreston Reeves LLP
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Date: 6 April 2021

Connect: North Korea

Statement of Financial Activities for the period ended 31st December 2020

	Note	Restricted Funds	Unrestricted Funds	Total Funds 2020	Restricted Funds	Unrestricted Funds	Total Funds 2019
Income from:							
Donations and Grants	5	61,365	57,191	118,556	34,505	21,770	56,275
Investments		-	-	-	-	-	-
Other Income		-	-	-	-	1,953	1,953
Total Income		61,365	57,191	118,556	34,505	23,723	58,228
Expenditure on:							
Raising Funds: Voluntary Income	6	63	6,124	6,187	-	1,234	1,234
Charitable Activities:	7	29,158	36,682	65,840	-	45,977	45,977
Governance	8	-	800	800	-	251	251
Other Charitable Activities		-	-	-	-	-	-
Total Expenditure		29,221	43,606	72,827	26,655	20,807	47,462
Net Movement in Funds		32,144	13,585	45,729	7,850	2,916	10,766
Total funds brought forward		7,850	5,591	13,441	-	2,675	2,675
Total funds carried forward		39,994	19,176	59,170	7,850	5,591	13,441

The notes on pages 15 to 19 form part of these financial statements.

Connect: North Korea

Balance Sheet

As at 31st December 2020

	Note	Restricted Funds	Unrestricted Funds	Total Funds	Restricted Funds	Unrestricted Funds	Total Funds
				2020			2019
Fixed Assets	9	-	966	966		1,017	1,017
Current Assets Debtors	10	-	8,329	8,329	3,272	5,165	8,437
Cash at Bank and in Hand		39,994	11,578	51,572	4,578	-	4,578
CREDITORS: amounts falling due within one year	11	-	(1,698)	(1,698)	-	591	591
Net Current Assets		39,994	18,210	58,204	7,850	4,574	12,424
Net Assets		39,994	19,176	59,170	7,850	5,591	13,441
Total Funds	12&13	39,994	19,176	59,170	7,850	5,591	13,441

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the CIO to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Robin Walker

Robin Peter Walker, Chair

Dated: 05/04/2021

Notes to the Financial Statements

The registered address for the CIO is: Connect: North Korea, 149 High Street, New Malden, Surrey, KT3 4BH, United Kingdom

Registered as a Charitable Incorporated Organisation in England on 08 January 2018.

These accounts cover the period 01 January 2020 to 31 December 2020.

1. Accounting policies

The principal accounting policies are summarised below.

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, ('FRS 102'), with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires certain critical accounting estimates. It also requires management to exercise judgement in applying the CIO's accounting policies (see note 3).

The financial statements have been prepared on the historical cost basis and are presented in Sterling (£). The accounts are rounded to the nearest pound.

Connect: North Korea meets the definition of a public benefit entity under FRS 102.

1.2 Organisational status

Connect: North Korea is a Charitable Incorporated Organisation. The members of the company are the Trustees named on page 1. In the event of the CIO being wound up, the liability in respect of the guarantee is limited to £1 per member of the CIO.

1.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers is not recognised and refer to the Trustees' report for more information about their contribution. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the CIO which is the amount the CIO would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Governance costs are those incurred in connection with administration of the CIO and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the CIO's operations, including support costs and costs relating to the governance of the CIO apportioned to charitable activities.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

1.6 Value Added Tax

The CIO is not registered for VAT and accordingly, where applicable, all costs and expenditures incurred are inclusive of VAT.

2. Remuneration of trustees and key management personnel

No trustees received remuneration for his services to the company in the period.

3. Staff numbers and costs

The charity had 0 full-time employees in 2020 (2019: 1). We have hired two part-time staff members at the end of the year. Staff costs were as follows:

Wages and Salaries including Donations in Kind	2020	2019
Salaries and pension costs	£1,825	£21,300

No employee received remuneration amounting to more than £60,000 for the year.

Trustees remuneration and expenses

During the year, no Trustees received any remuneration.

During the year, no Trustees received any benefits in kind.

During the year, no Trustees received any reimbursement of expenses.

4. Tax on ordinary activities

Connect: North Korea is a registered CIO and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Section 505 of the Taxes Act 1988 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.

5. Donations & Grants

	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	Total 2019 £
Donations	-	13,841	13,841	23,723
Grants	61,365	18,350	79,715	34,505
Donated services	-	25,000	25,000	-
<u>Totals</u>	<u>61,365</u>	<u>57,191</u>	<u>118,556</u>	<u>56,275</u>

6. Cost of Raising Funds

	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	Total 2019 £
Fundraising costs	63	6,000	6,063	1,180
Bank fees	-	124	124	54
<u>Totals</u>	<u>63</u>	<u>6,124</u>	<u>6,187</u>	<u>1,234</u>

7. Charitable Activities

	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	Total 2019 £
Consultants	8,315	1,825	10,140	16,694
Depreciation	-	350	350	480
IT expenses	210	537	747	-
Donated services	-	25,000	25,000	-
Rent	2,331	1,665	3,996	4,084
Postage & freight	-	220	220	46
Insurance	-	433	432	506
Salaries	1,766	-	1,766	21,300
Pension costs	-	59	59	-
Light & power	-	142	142	188
Repairs & maintenance	-	-	-	600
Telephone & internet	149	155	304	438
General expenses	5,500	2,296	7,796	1,641
Management fees	10,887	4,000	14,888	-
<u>Totals</u>	<u>29,158</u>	<u>36,682</u>	<u>65,840</u>	<u>45,977</u>

8. Governance Costs

	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	Total 2019 £
Audit & accountancy	-	800	800	251
Totals	-	<u>800</u>	<u>800</u>	<u>251</u>

9. Fixed Assets

	Office Equipment £	2020 £	2019 £
Cost			
At 1 January 2020	1,950	1,950	1,950
Additions	299	299	-
At 31 December 2020	<u>2,249</u>	<u>2,249</u>	<u>1,950</u>
Depreciation			
At 1 January 2020	933	933	453
Charge for year	350	350	480
At 31 December 2020	<u>1,283</u>	<u>1,283</u>	<u>933</u>
Net book value			
At 31 December 2020	<u>966</u>	<u>966</u>	<u>1,017</u>

10. Debtors

	2020 £	2019 £
Other debtors	8,329	8,437
Total debtors	<u>8,329</u>	<u>8,437</u>

11. Creditors

	2020 £	2019 £
Trade creditors	1,004	-
Social security and other taxes	94	-
Other creditors	-	591
Accruals	600	-
Total creditors	<u>1,698</u>	<u>591</u>

12. Fund movements summary

	Restricted funds £	Unrestricted funds £	Total funds £
Opening balance	7,850	5,591	13,441
Incoming resources	61,365	57,191	118,556
Expenditure	(29,221)	(43,605)	(72,827)
<u>Totals</u>	<u>39,994</u>	<u>19,176</u>	<u>59,170</u>

13. Restricted funds

	Opening £	Incoming £	Outgoing £	Total funds £
Advice	-	500	(500)	-
Community Aid	-	5,500	(5,500)	-
Community Centre	-	1,500	-	1,500
Community Outreach	-	8,860	(2,875)	5,985
Cross-Activity Support 1	-	10,000	(2,575)	7,425
Cross-Activity Support 2	-	10,000	(3,655)	6,345
Digital, Comms, or Fundraising	-	23,000	(5,200)	17,800
English 1-on-1	7,850	-	(7,766)	84
English Group Classes	-	2,005	(1,150)	855
<u>Totals</u>	<u>7,850</u>	<u>61,365</u>	<u>(29,221)</u>	<u>39,994</u>

14. Related party transactions

Connect: North Korea CIO of which all serving Trustees are also Trustees of Korea Future Initiative CIO has provided loans during the period of £42,663 to Korea Future Initiative CIO, the balance due to the Charity at the 31 December 2020 was £8,329 (2019 £8,437) and is included in Other Debtors. The Charity has received management services from Korea Future Initiative CIO of £14,888 which were paid during the period.