

Connect: North Korea  
Charitable Incorporated Organisation  
CIO Registration Number: 1176563  
Unaudited Accounts  
Trustees Report and Financial Statements  
For the year ended 31 December 2021.

**Connect: North Korea**

**Contents**

Reference and Administration Details	Page 3
Trustees Report	4
Independent Examiners Report	13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16

**Connect: North Korea**

**Reference and Administration Details for the Financial Year Ended 31 December 2021.**

**Trustees**

Robin Peter Walker (Chair)

Richard Moreton (Treasurer)

Jinhee Lee

Margaret Ahn

Mitra Moadab Motlagh (Appointed: 12/04/2021)

Sultan Torshkhoev (resigned: 01/05/2021)

Jennifer Holroyd (resigned: 22/01/2022)

Mario Dunn (resigned: 22/01/2022)

**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 31 December 2021.**

The Trustees present their annual report together with the financial statements of the CIO for the year 1 January 2021 to 31 December 2021. 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.

Principal 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 5 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 Chief Executive Officer and Director-Designate have been appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer 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

The implications of the COVID pandemic made it clear that we needed to focus our work on community support for North Korean escapees wherever they are to help them build the new lives they deserve. As such, we are not undertaking any work on public awareness on human rights at this moment in time.

## Community Service Provision

Thanks to the substantial support from Kingston upon Thames London Borough Council, the National Lottery Community Fund, Leathersellers' Company Charitable Fund, BME Health Forum/Comic Relief, Hillcote Foundation, Marsh Charitable Trust, Trust for London, Tudor Trust, CAST, and private donations, we have been able to grow our support for the North Korean refugee community this year.

Since the onset of the pandemic, our Community Outreach team have repeatedly highlighted how forced isolation, stress, fear, anxieties and uncertainty surrounding COVID-19 has triggered – and exacerbated – existing mental health conditions across the community.

Other day-to-day issues caused by low levels of English – accessing benefits, support for paying bills, GP appointments – exacerbate mental health and wellbeing problems caused in and when leaving North Korea.

In response to these new and existing problems, a new holistic and integrated intervention was needed in order to build the resilience, skills, and qualifications of the North Korean community to enable them to build new lives. In September 2021 – and after a long period of consultation – Connect: North Korea launched two out of three new programming streams (the third, Enabling Freedom Network, will formally begin in 2023):

- 1) Enabling Resilience
- 2) Enabling Freedom

Enabling Resilience is a holistic psycho-social community support programme for North Korean escapees. Enabling Resilience combines community outreach, youth support, mental health care, and advice, information, and guidance services to support North Korean escapees to build their resilience for overcoming the day-to-day barriers they have to building new lives.

This programme supports the step change needed to prepare to join Enabling Freedom and the Enabling Freedom Network.

In 2021, demand for day-to-day support through Enabling Resilience was exceptionally high. Demand was so high that we had to hire three additional Community Support Officers to keep up. Our community support team met, triaged, and supported over 100 North Korean escapees to build their resilience. From booking and attending medical appointments to support with banking services to identifying North Koreans needing help with their mental wellbeing and connecting them to our mental health team, our Community Support Officers have excelled in providing support to the North Korean community.

Complex mental health problems developed from life in such an oppressive state, coupled with traumas from their experiences escaping the country, are also a significant barrier to North Korean escapees being able to move forward positively in their new lives. So they often arrive in a new country with mental health problems and support needs that further exacerbate their challenges.

As well as continuing to provide support for the wellbeing and resilience of the adults in the North Korean community, 2021 saw Connect: North Korea begin trials of support for the wellbeing of younger North Koreans.

Through ongoing consultations with the North Korean escapee community, we identified that younger North Koreans often had problems with their identity and often had miscommunication problems with their parents due to language differences. We provided 10 young North Koreans with group music therapy in order to express themselves freely and to resolve their conflicts with the above matters.

The final component of our work in 2021 for Enabling Resilience was the beginning of the development of a comprehensive overview of the support services available to North Korean escapees. Through this process, we are identifying support services, building partnerships, and creating an integrated and wider support network for all North Koreans.

### Enabling Freedom

North Koreans leaving the country all face unique and significant economic, political, cultural and societal differences which are barriers to them building new lives. From language barriers to using ATMs to qualifications, there are many barriers to overcome for North Koreans to integrate and improve their circumstances.

The cultivation of the Kim regime is so central to North Korean life that educational qualifications are geared towards serving the leadership rather than empowering North Korean people. These unusable qualifications ensure North Korean escapees struggle to find good jobs after finding freedom.

Language is also a barrier to finding freedom for North Korean escapees. In daily life, North Korean escapees often do not have the second language skills to be able to integrate, make friendships, access education or training, make informed choices about their lives and careers, and take their full place in society.

These barriers result in North Koreans being employed in low paid work with few opportunities to make the most of their new-found freedom.

In response to these challenges, we established Enabling Freedom. **Enabling Freedom** is focused on transforming the lives and prospects of North Korean escapees through an innovative training and education programme, which runs throughout the academic year.



Connect: North Korea provides the holistic educational, well-being, and financial support needed for North Korean escapees to gain recognised vocational and professional qualifications and choose a career path that will enable them to transform their lives, support themselves and their families, work towards their dreams and potential, make the most of their new freedoms, and *choose* the lives they want to live.

Since launching in September 2021, Enabling Freedom has supported 8 escapees to improve their language skills, employment preparation, and qualifications.

Finally, as strong advocates that North Koreans themselves are best placed to understand the challenges they face and find the best solutions to overcome those problems, Enabling Freedom Network is a new programme launching in 2023 to support North Koreans in those endeavours.

This programme enhances the leadership and organisational management skills of key North Korean escapee change-makers – from lawyers to academics and from doctors to civil society and community leaders – enabling them to gain a university qualification from a leading university and participate in a leadership programme. They will then take those skills back to their communities to transform the lives of all North Korean escapees, enabling all escapees to build new, fulfilling lives, wherever they are in the world, with lasting impact for generations to come.

Towards the end of 2021, we started building relationships with NGOs and universities to begin the process of signing MOUs with partner institutions.

## **Achievements and Performance**

Our major achievement in 2021 was the complete revisioning of our programming to create a greater impact for North Koreans around the world. To that end, we launched 2 new holistic support programmes designed to enable North Korean escapees to build the new lives they deserve: Enabling Resilience and Enabling Freedom.

These programmes launched in September and are in a pilot phase. We will add a third programme stream - Enabling Freedom Network - in 2023. Finally, our team grew again in 2022. We have added 6 new staff members this past year in communications, fundraising, community outreach, and programme management.

## **Future Activities**

Our future activities will be guided by close evaluation of the impact of our two new programmes. The design and implementation of the third programme will be shaped by that process.

## **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)

Jinhee Lee

Margaret Ahn

Mitra Moadab Motlagh (Appointed: 12/04/2021)

Sultan Torshkhoev (resigned: 01/05/2021)

Jennifer Holroyd (resigned: 22/01/2022)

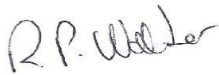
Mario Dunn (resigned: 22/01/2022)

## **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:

A handwritten signature in dark ink, appearing to read 'R.P. Walker', written over a horizontal line.

Robin Peter Walker, Chair

Dated: 26/04/2022

## **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 2021 which are set out on pages 14 to 24.

### **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 2011 Act').

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

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**

Your attention is drawn to the fact that the Charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

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 2011 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.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or this report.



Samantha Rouse FCCA DChA

Kreston Reeves LLP  
Chartered Accountants  
37 St Margarets Street  
Canterbury  
Kent  
CT1 2TU

Date 29/04/2022

## Connect: North Korea

### Statement of Financial Activities for the period ended 31 December 2021

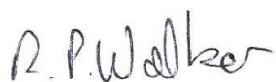
	Note	Restricted Funds £	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Restricted Funds £	Unrestricted Funds £	<b>Total Funds 2020 £</b>
Income from:							
Donations and Grants	5	78,056	45,515	<b>123,571</b>	61,365	57,191	<b>118,556</b>
Investments		-	-	-	-	-	-
Other Income		-	-	-	-	-	-
<b>Total Income</b>		<b>78,056</b>	<b>45,515</b>	<b>123,571</b>	<b>61,365</b>	<b>57,191</b>	<b>118,556</b>
Expenditure on:							
Raising Funds: Voluntary Income	6	8,916	1,247	<b>10,163</b>	63	6,124	<b>6,187</b>
Charitable Activities:	7	81,436	45,916	<b>127,352</b>	29,158	36,682	<b>65,840</b>
Governance	8	-	1,520	<b>1,520</b>	-	800	<b>800</b>
Other Charitable Activities		-	-	-	-	-	-
<b>Total Expenditure</b>		<b>90,352</b>	<b>48,683</b>	<b>139,035</b>	<b>29,221</b>	<b>43,606</b>	<b>72,827</b>
<b>Net Movement in Funds</b>		<b>(12,296)</b>	<b>(3,168)</b>	<b>(15,464)</b>	<b>32,144</b>	<b>13,585</b>	<b>45,729</b>
Total funds brought forward		39,994	19,176	<b>59,170</b>	7,850	5,591	<b>13,441</b>
<b>Total funds carried forward</b>		<b>27,698</b>	<b>16,008</b>	<b>43,706</b>	<b>39,994</b>	<b>19,176</b>	<b>59,170</b>

The notes on pages 16 to 24 form part of these financial statements.

**Connect: North Korea****Balance Sheet****As at 31 December 2021**

	Note	Restricted Funds £	Unrestricted Funds £	<b>Total Funds £</b>	Restricted Funds £	Unrestricted Funds £	<b>Total Funds £</b>
				<b>2021</b>			<b>2020</b>
Fixed Assets	9	-	2,990	<b>2,990</b>	-	966	<b>966</b>
Current Assets Debtors	10	-	1,680	<b>1,680</b>	-	8,329	<b>8,329</b>
Cash at Bank and in Hand		28,118	13,189	<b>41,307</b>	39,994	11,578	<b>51,572</b>
Current Assets		28,118	14,869	<b>42,987</b>	39,994	19,907	<b>59,901</b>
CREDITORS: amounts falling due within one year	11	(420)	(1,851)	<b>(2,271)</b>	-	(1,698)	<b>(1,698)</b>
Net Current Assets		27,698	13,018	<b>40,716</b>	39,994	18,210	<b>58,204</b>
<b>Net Assets</b>		<b>27,698</b>	<b>16,008</b>	<b>43,706</b>	<b>39,994</b>	<b>19,176</b>	<b>59,170</b>
<b>Total Funds</b>	12&13	<b>27,698</b>	<b>16,008</b>	<b>43,706</b>	<b>39,994</b>	<b>19,176</b>	<b>59,170</b>

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



Robin Peter Walker, Chair

Date: 26/04/2022

## **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 2021 to 31 December 2021.

### **1. Accounting policies**

The principal accounting policies are summarised below.

#### **1.11 Basis of preparation**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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.

#### **1.12 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.



### **1.13 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.

### **1.14 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.

### **1.15 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.

### **1.16 Value Added Tax**

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

### **1.17 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **1.18 Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **1.19 Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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.

### **1.20 Assets**

Assets are recognised when there is a legal and constructive right to the asset.

### **1.21 Tangible Fixed Assets and Depreciation**

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £100 and are stated at cost net of depreciation.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures, fittings and kitchen/office equipment over 2 years, on a straight-line basis Computer equipment and software over 5 years, on a straight-line basis.

### **1.22 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 their services to the company in the period (2020: £nil).

No trustees received benefits-in-kind for their services to the company in the period (2020: £nil).

No trustees received re-imbursement of their expenses from the company in the period (2020: £nil).

### 3. Staff numbers and costs

The charity had 1 full-time employees in 2021 (2020: 0). We have hired new staff members towards the end of the year. The costs were as follows:

Wages and Salaries including Donations in Kind	2021	2020
	£	£
Salaries	30,660	1,766
Employer's National Insurance	351	-
Pension costs	265	59
Salaries and pension costs	<u>31,276</u>	<u>1,825</u>
Full time employees	2021	2020
	Number	Number
Costs of generating funds	-	-
Charitable activities	1	-
Total	<u>1</u>	<u>-</u>

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

### 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	Unrestricted	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Donations	-	8,075	8,075	13,841
Grants	78,056	29,526	107,582	79,715
Gift Aid	-	540	540	-
Donated services	-	7,374	7,374	25,000
Totals	<u>78,056</u>	<u>45,515</u>	<u>123,571</u>	<u>118,556</u>

## 6. Cost of Raising Funds

	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Fundraising costs	8,916	1,084	10,000	6,063
Bank fees	-	163	163	124
Totals	8,916	1,247	10,163	6,187

## 7. Charitable Activities

	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Scholarships	-	6,421	6,421	-
Advertising	1,414	1,348	2,762	-
Consultants	41,989	6,186	48,175	10,140
Depreciation	-	1,344	1,344	350
IT expenses	517	797	1,314	747
Donated services	-	7,374	7,374	25,000
Rent	999	4,002	5,001	3,996
Postage & freight	-	5	5	220
Insurance	-	385	385	432
Printing	-	119	119	-
Salaries	24,827	5,833	30,660	1,766
Employer's National Insurance	305	46	351	-
Pension costs	193	72	265	59
Staff Training	848	625	1,473	-
Light & power	-	154	154	142
Repairs & maintenance	-	-	-	-
Telephone & internet	294	204	498	304
General expenses	50	1,001	1,051	7,796
Management fees	10,000	10,000	20,000	14,888
Totals	81,436	45,916	127,352	65,840

## 8. Governance Costs

	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Audit & accountancy	-	1,520	800	800
Totals	-	1,520	800	800

The Independent examiner's remuneration is included in the audit and accounting costs listed above and total £750.

## 9. Fixed Assets

	Office Equipment £	2021 £	2020 £
<b>Cost</b>			
At 1 January 2021	2,249	2,249	1,950
Additions	3,368	3,368	299
At 31 December 2021	5,617	5,617	2,249
<b>Depreciation</b>			
At 1 January 2021	1,283	1,283	933
Charge for year	1,344	1,344	350
At 31 December 2021	2,627	2,627	1,283
<b>Net book value</b>			
At 31 December 2021	2,990	2,990	966
At 31 December 2020	966	966	1,017

## 10. Debtors

	Restricted £	Unrestricted £	2021 £	2020 £
Prepayments	-	1,680	1,680	-
Other debtors	-	-	-	8,329
Total debtors	-	1,680	1,680	8,329

## 11. Creditors

	Restricted £	Unrestricted £	2021 £	2020 £
Trade creditors	420	4	424	1,004
Social security and other taxes	-	1,127	1,127	94
Other creditors	-	-	-	-
Accruals	-	720	720	600
Total creditors	420	1,851	2,271	1,698

## 12. Fund movements summary

	Restricted funds £	Unrestricted funds £	Total funds £
At 1 January 2021	39,994	19,176	59,170
Incoming resources	78,056	45,515	123,571
Expenditure	(90,352)	(48,683)	(139,035)
At 31 December 2021	27,698	16,008	43,706

	Restricted funds £	Unrestricted funds £	Total funds £
At 1 January 2020	7,850	5,591	13,441
Incoming resources	61,365	57,191	118,556
Expenditure	(29,221)	(43,605)	(72,827)
At 31 December 2020	39,994	19,176	59,170

### 13. Restricted funds

	Balance at 1 January 2021 £	Incoming £	Outgoing £	Balance at 31 December 2021 £
Community Centre	1,500	-	-	1,500
ER, Community Support	5,985	32,925	(25,488)	13,422
Cross-Activity Support 1	7,425	-	(7,425)	-
Cross-Activity Support 2	6,345	-	(6,345)	-
Communications and Fundraising	17,800	16,994	(30,457)	4,337
Lived Experience	-	28,057	(20,157)	7,900
English 1-on-1	84	-	-	84
EF, ESOL	855	-	(400)	455
ER, Mental Health	-	80	(80)	-
Totals	39,994	78,056	(90,352)	27,698

	Balance at 1 January 2020 £	Incoming £	Outgoing £	Balance at 31 December 2020 £
Advice	-	500	(500)	-
Community Aid	-	5,500	(5,500)	-
Community Centre	-	1,500	-	1,500
ER, Community Support	-	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
Communications and Fundraising	-	23,000	(5,200)	17,800
Lived Experience	-	-	-	-
English 1-on-1	7,850	-	(7,766)	84
EF, ESOL	-	2,005	(1,150)	855
ER, Mental Health	-	-	-	-
Totals	7,850	61,365	(29,221)	39,994

### 13. Restricted funds (continued)

Fund	Purpose
Community Support	Funds were received to support community outreach and advice.
Community Centre	Funds were received to support the purchase of equipment for the organisation.
Cross-Activity Support 1	Funds were received to support multiple different activities, including mental health and community advice.
Cross-Activity Support 2	Funds were received to support multiple different activities, including mental health and community advice.
Communications and Fundraising	Capacity-building funds were received to support our fundraising and communications.
Lived Experience	Funds were received to support lived experience within the organisation.
English 1-on-1	Funds were received to support 1-on-1 tutoring for North Korean refugees.
ER, ESOL	This fund is for funds received to support the ESOL component of our Enabling Freedom Programme.
ER, Mental Health	This fund is for funds received to support the Mental Health component of our Enabling Resilience Programme.

### 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 £35,000 (2020: £42,663) to Korea Future Initiative CIO, the balance due to the Charity at the 31 December 2021 was £nil (2020: £8,329).

The Charity has received management services from Korea Future Initiative CIO of £20,000 (2020: £14,888) which were paid during the period.