

Connect: North Korea
Charitable Incorporated Organisation
CIO Registration Number: 1176563
Unaudited Accounts
Trustees Report and Financial Statements
For the year ended 31 December 2022.

Connect: North Korea

Contents

	Page
Reference and Administration Details	3
Trustees Report	4
Independent Examiners Report	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18

Connect: North Korea

Reference and Administration Details for the Financial Year Ended 31 December 2022.

Trustees

Robin Peter Walker (Chair)

Richard Moreton (Treasurer)

Jinhee Lee

Margaret Ahn

Mitra Moadab Motlagh

Victoria Nida (Appointed: 27/04/2022)

Perpetua Adar (Appointed: 11/07/2022)

Jennifer Holroyd (Resigned: 22/01/2022)

Mario Dunn (Resigned: 22/01/2022)

Charity Registration Number

1176563

Registered Office

120B Malden Road, New Malden, Surrey, KT3 6DD

Bank

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

Independent Examiner

Samantha Rouse FCCA DChA, Kreston Reeves LLP, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

Connect: North Korea

Trustees Report for the Financial Year End 31 December 2022.

The Trustees present their annual report together with the financial statements of the CIO for the year 1 January 2022 to 31 December 2022. 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: 120B Malden Road, 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 and communications and audit and risk, which 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. All trustees are independent of each other. We welcome and encourage applicants from all backgrounds and do not discriminate on the basis of age, disability (physical or learning), LGBTQI+ or relationship status, pregnancy and maternity, race, religion and belief, gender or social class. 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 and the cost of living crisis of 2022/2023 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 substantial and generous support from Kingston upon Thames London Borough Council, City Bridge Trust, the National Lottery Community Fund, Foyle Foundation, London Community Foundation, Greater London Authority, London Learning Consortium/European Social Fund, Trust for London, Tudor Trust, other trusts and foundations, and private donations, our new programmes launched in September 2021 – Enabling Resilience and Enabling Freedom – grew rapidly.

Achievements and Performance

Enabling Resilience

Our Enabling Resilience programme is a holistic psycho-social community support programme for North Korean escapees in the UK. We deliver services via two workstreams:

1. Community outreach support, providing translation support, information, advice and guidance to the North Korean community
2. Mental Health activities including 1:1 therapy with trained professionals and group workshops

The aim of this programme is to support North Korean escapees to build their resilience for overcoming the day-to-day barriers to building the new lives they deserve.

We have two main programme goals:

- 1) Enable North Korean escapees to improve their mental health, wellbeing, access relevant advice, and tap into their resilience for overcoming the day-to-day barriers they have to building new lives through mental health care, youth support, community outreach, and advice and guidance
- 2) Enable North Koreans to make better decisions through better understanding how local services work and how challenges can be overcome

Outreach Workstream

- 436 appointments, helping to resolve 487 issues within the community - this is over double the appointments we had in 2021.
- The top three issues clients came to use the service were: Household Bills, Physical Health, and Benefits (incl. Pension). These issues also saw the most repeat clients, many of whom were older and had difficulty in accessing services - particularly digitally - and required our support on a regular basis.

Mental Health Workstream

- We supported 20 clients through our mental health programming in 2022.
- 19 clients received tailored therapy and one extra client received befriending services.
- 89% of our therapy clients are female.
- The age of therapy clients ranged between 12 years and 50 years.
- The average number of sessions per therapy client is 12.
- The attendance rate of therapy clients was 81%

Measuring mental health and wellbeing is a difficult task and by providing tailored mental health support, we recognise that some clients might experience a dip in wellbeing before progressing on their journey to good mental health and resilience. With this in mind, our mental programming is evaluated in three ways:

- 1) Through attendance rate: we believe people are returning because they value the sessions and see them as worthwhile
- 2) Through recommendation of our mental health services to other people: we believe people are recommending our service because they found the sessions beneficial
- 3) Through an 'Adversity Grid': both therapist and client are given the space to reflect upon (their own) positive attributes and Adversity Activated Development (AAD) - positive changes having occurred as a result of facing adversity. This tool also helps to corroborate the need for our other services. See below the top themes from the grids, the particular issues that arise in therapeutic settings and the services we offer as a result:

Theme	Issue	CNK Service
Unable to live	Suicidal	Mental health support
Unable to cope	Overwhelmed	Advice and guidance
Unable to perform	Incapable	Educational support
Unable to meet expectations	Inadequacy	Mentoring and leadership

Enabling Freedom

Enabling Freedom supports North Koreans to gain the knowledge, confidence, skills and qualifications they need to find better jobs and improve their living standards. We deliver services via two workstreams:

- 1) English language lessons, with the aim of attaining a recognised ESOL certificate, and digital literacy training
- 2) Vocational scholarships to courses such as early years education, hairdressing, plumbing or computer coding. This is supported with mentor matching to help with all the aspects of job hunting

The aim of this programme is to support North Korean escapees to take advantage of the opportunities they now have, and to build the fulfilling lives everyone deserves.

We have one main programme goal: North Korean escapees 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

ESOL and Digital Literacy Workstream

- 150 English classes delivered over 2022, with over 600 hours of tuition delivered to over 20 students.
- 12 new ESOL students started in September 2022
- We held our first digital literacy lessons with local partner, Superhighways, over the summer
- 100% of our ESOL students felt that through CNK English lessons they 'are able to learn topics that are useful and relevant to [their] daily lives'

Vocational Scholarship Workstream

- 3 three students during the 2021-2022 academic year for the vocational scholarship
- 100% pass rate for the 3 three students during the 2021-2022 academic year for the vocational scholarship. 2 students progressed to a Level 3 qualification, while the other student progressed onto further training with the NHS.
- 17 individuals expressed interested in our vocational programme (Jan) & 13 individuals applied for our vocational programme (Feb)
- 6 students taken forward to 2022-2023 academic year for the vocational scholarship, 2 of whom study locally at the South Thames Group College
- Organised mentorship for four new clients under the same programme in 2022

Enabling Freedom Network

In September 2022 we launched our third programme: **Enabling Freedom Network**. In partnership with the University of Edinburgh, we are providing two full scholarships to any one-year full-time postgraduate degree for the 2023 academic year, as well as covering travel and living expenses.

Our Enabling Freedom Network Programme builds on our other two programmes and seeks to address structural issues for the international North Korean diaspora community by:

- 1) Removing barriers to higher education by providing full scholarships to undergraduate and postgraduate degrees.
- 2) Providing relevant and effective training to North Koreans on leadership, enabling them to transform the lives of all North Korean escapees, enabling all escapees to build new, fulfilling lives, wherever they are in the world.

Through education, North Koreans will be able to access knowledge and social capital essential for improving their situation. Because we believe that North Koreans are the best placed to understand the challenges the community faces, in combination with leadership training, those who have participated in our programme will be able to represent their community in decision-making circles and bring into fruition innovative social change.

With our support and a positive feedback loop, North Korean change-makers will also encourage the development of a greater climate of support for North Korean escapees, including greater reporting on the ideas, initiatives, and influences implemented by these North Koreans because of the positive change.

To fulfil the aims of our programme we have structured the programme into support delivered prior to starting academic studies, during the studies and after graduation. Once applicants have been selected for the scholarship, they will receive:

- Support to apply to universities
- Pre-departure administrative support to obtain visas and necessary healthcare and/or insurances
- Pre-course support to develop a personalised development plan
- Pre-course support for anxiety, stress, and other ailments before moving

In addition, all course fees are paid for and living support is provided to participants. During studies, participants will engage in the following delivered by Connect: North Korea:

- Termly leadership workshops, based on four pillars of development with reading and exercises to complete
- Mentor matching with individual(s) who can advise and guide on long term goals.

After graduation, participants have access to all other Connect: North Korea services and as part of this programme we will conduct ourselves or via mentors:

- Informal monthly catch ups.
- A 6-month and a 12-month formal check-in
- Graduates of the programme will also be invited back to the annual academic launch event in September.

Future Activities

Enabling Resilience

- Maintain or increase client numbers (both for outreach and mental health)
- Increase number of partners to assess structural issues for the community
- Implement new evaluation methods

Enabling Freedom

- Maintain or increase ESOL client numbers
- Maintain vocational scholarship clients and increase mentorship scheme participation Design new teaching modules on digital literacy and pre-university support
- Implement new evaluation methods

Enabling Freedom Network

- Have a minimum of one client start in September 2023
- Increase university partnerships to a minimum of three total
- Implement new application 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 have hired our first Individual Giving Manager – starting January 2023 – to begin making that a reality.

Investment Policy

We have no investments. All cash is held within our CAF Bank account, which earns no interest. We will be creating our first investment strategy, policies, and procedures within the financial year ending December 31, 2023.

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 developed a detailed fundraising strategy which was implemented this financial year.

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

Victoria Nida (Appointed: 27/04/2022)

Perpetua Adar (Appointed: 11/07/2022)

Jennifer Holroyd (Resigned: 22/01/2022)

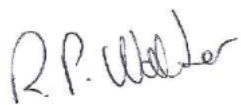
Mario Dunn (Resigned: 22/01/2022)

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:



Robin Peter Walker

Chair

Dated: 03/04/2023

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 2022 which are set out on pages 19 to 27.

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').

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

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 Association of Chartered Certified Accountants, which is one of the listed bodies.

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.

A handwritten signature in blue ink, appearing to read 'S. Rouse', is displayed on a light blue rectangular background.

Samantha Rouse FCCA DChA

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

Date 3 April 2023

Connect: North Korea

Statement of Financial Activities for the period ended 31 December 2022

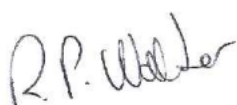
	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £
Income from:							
Donations and Grants	4	192,596	93,135	285,731	78,056	45,515	123,571
Investments		-	105	105	-	-	-
Other Income		-	-	-	-	-	-
Total Income		192,596	93,240	285,836	78,056	45,515	123,571
Expenditure on:							
Raising Funds: Voluntary Income	5	1,436	19,465	20,901	8,916	1,247	10,163
Charitable Activities:	6	166,343	63,200	229,543	81,436	45,916	127,352
Governance	7	-	2,650	2,650	-	1,520	1,520
Other Charitable Activities		-	-	-	-	-	-
Total Expenditure		167,779	85,315	253,094	90,352	48,683	139,035
Net Movement in Funds		24,817	7,925	32,742	(12,296)	(3,168)	(15,464)
Total funds brought forward		27,698	16,008	43,706	39,994	19,176	59,170
Total funds carried forward		52,515	23,933	76,448	27,698	16,008	43,706

The notes on pages 19 to 27 form part of these financial statements.

Connect: North Korea**Balance Sheet****As at 31 December 2022**

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £
Fixed Assets	8	-	1,611	1,611	-	2,990	2,990
Current Assets Debtors	9	1,000	723	1,723	-	1,680	1,680
Cash at Bank and in Hand		51,515	26,185	77,700	28,118	13,189	41,307
Current Assets		52,515	26,908	79,423	28,118	14,869	42,987
CREDITORS: amounts falling due within one year	10	-	(4,586)	(4,586)	(420)	(1,851)	(2,271)
Net Current Assets		52,515	22,322	74,837	27,698	13,018	40,716
Net Assets		52,515	23,933	76,448	27,698	16,008	43,706
Total Funds	11&12	52,515	23,933	76,448	27,698	16,008	43,706

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



Robin Peter Walker, Chair

Dated: 03/04/2023

Notes to the Financial Statements

The registered address for the CIO is: Connect: North Korea, 120B Malden Road, New Malden, Surrey, KT3 6DD, United Kingdom

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

These accounts cover the period 01 January 2022 to 31 December 2022.

1. Accounting policies

The principal accounting policies are summarised below.

1.1.1 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.

1.1.2 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.

1.1.3 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.

1.1.4 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.

1.1.5 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

1.1.6 Value Added Tax

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

1.1.7 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.

1.1.8 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.

1.1.9 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.

1.2.1 Assets

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

1.2.2 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.

1.2.3 Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2.4 Foreign Currency

Transactions in foreign currencies are recognised at the rate of exchange at the date of transaction. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. All exchange differences are recognised through the statement of financial activities.

1.2.5 Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.2.6 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.

2. Remuneration of trustees and key management personnel

The Trustees, who are also directors of the Charity, are not entitled to receive any remuneration from the Charity. No trustees received remuneration for their services to the charity in the period (2021: £nil). No expenses were paid to any Trustee or connected person during the period.

3. Staff numbers and costs

The charity had 5 full-time employees in 2022 (2021: 1). The costs were as follows:

Wages and Salaries including Donations in Kind	2022	2021
	£	£
Salaries	101,265	30,660
Employer's National Insurance	2,043	351
Pension costs	2,146	265
Salaries and pension costs	105,454	31,276
<hr/>		
Full time employees	2022	2021
	Number	Number
Costs of generating funds	-	-
Charitable activities	5	1
Total	5	1

No employee received remuneration amounting to more than £60,000 for the year. We consider no Key Management Personnel to be disclosed.

4. Donations & Grants

	Restricted	Unrestricted	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Donations	812	4,486	5,298	8,075
Grants	191,784	87,968	279,752	107,582
Gift Aid	-	681	681	540
Donated services	-	-	-	7,374
Totals	192,596	93,135	285,731	123,571

5. Cost of Raising Funds

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £	Total 2021 £
Fundraising costs	1,431	19,302	20,733	10,000
Bank fees	5	165	168	163
Totals	1,436	19,465	20,901	10,163

6. Charitable Activities

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £	Total 2021 £
Scholarships	8,373	2,923	11,296	6,421
Advertising	922	3,115	4,037	2,762
Professional Support	43,190	17,299	60,489	48,175
Depreciation	-	2,297	2,297	1,344
IT expenses	347	1,242	1,589	1,314
Donated services	-	-	-	7,374
Rent	4,200	11,234	15,434	5,001
Postage & freight	347	15	362	5
Insurance	-	157	157	385
Printing	229	30	259	119
Salaries	101,265	-	101,265	30,660
Employer's National Insurance	1,304	739	2,043	351
Pension costs	1,115	1,031	2,146	265
Staff Training	1,733	725	2,458	1,473
Light & power	109	98	207	154
Telephone & internet	577	253	830	498
General expenses	2,632	2,042	4,675	1,051
Management fees	-	20,000	20,000	20,000
Totals	166,343	63,200	229,543	127,352

7. Governance Costs

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £	Total 2021 £
Audit & accountancy	-	2,650	2,650	1,520
Totals	-	2,650	2,650	1,520

The Independent examiner's remuneration is included in the audit and accounting costs listed above and total £1,740.

8. Fixed Assets

	Office Equipment £	2022 £	2021 £
Cost			
At 1 January 2022	5,617	5,617	2,249
Additions	917	917	3,368
At 31 December 2022	6,534	6,534	5,617
Depreciation			
At 1 January 2022	2,627	2,627	1,283
Charge for year	2,296	2,296	1,344
At 31 December 2022	4,923	4,923	2,627
Net book value			
At 31 December 2022	1,611	1,611	2,990
At 31 December 2021	2,990	2,990	966

9. Debtors

	Restricted £	Unrestricted £	2022 £	2021 £
Trade debtors	1,000	723	1,723	1,680
Total debtors	1,000	723	1,723	1,680

10. Creditors

	Restricted £	Unrestricted £	2022 £	2021 £
Trade creditors	-	-	-	424
Social security and other taxes	-	2,609	2,609	1,127
Other creditors	-	237	237	-
Accruals	-	1,740	1,740	720
Total creditors	-	4,586	4,586	2,271

11. Fund movements summary

	Restricted funds £	Unrestricted funds £	Total funds £
At 1 January 2022	27,698	16,008	43,706
Incoming resources	192,596	93,240	285,836
Expenditure	(167,779)	(85,315)	(253,094)
At 31 December 2022	52,515	23,933	76,448

	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

12. Restricted funds

	Balance at 1 January 2022 £	Incoming £	Outgoing £	Balance at 31 December 2022 £
Community Centre	1,500	-	-	1,500
ER, Community Support	13,422	50,410	(33,295)	30,537
Cross-Activity Support 1	-	6,500	(6,500)	-
Cross-Activity Support 2	-	-	-	-
Communications and Fundraising	4,337	3,640	(7,977)	-
Lived Experience	7,900	28,057	(24,285)	11,672
English 1-on-1	84	-	-	84
EF, EFN Scholarship	-	5,812	(4,765)	1,047
EF, ESOL	455	23,901	(16,681)	7,675
EF, Overhead and Programme	-	7,410	(7,410)	-
ER, Mental Health	-	8,200	(8,200)	-
ER, Overhead and Programme	-	58,666	(58,666)	-
Totals	27,698	192,596	(167,779)	52,515

	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

12. Restricted funds (continued)

Fund	Purpose
Community Centre	Funds were received to support technology purchase.
Community Support	Funds were received to support community outreach and advice.
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.
EF, EFN Scholarship	Funds were received to support vocational and university scholarship for North Korean refugees.
EF, ESOL	This fund is for funds received to support the ESOL component of our Enabling Freedom Programme.
EF, Overhead and Programme	Funds were received to support our overheads and programme costs for our Enabling Freedom programme.
ER, Mental Health	This fund is for funds received to support the Mental Health component of our Enabling Resilience Programme.
ER, Overhead and Programme	Funds were received to support our overheads and programme costs for our Enabling Resilience programme.

13. Related party transactions

Korea Future Initiative CIO is a related party. All serving trustees of Connect: North Korea CIO are also Trustees of Korea Future Initiative CIO.

The Charity has received management services from Korea Future Initiative CIO of £20,000 (2021: £20,000) which were paid during the period.

During the current year the charity has not entered into any related party loan arrangements.

During the prior year, the trustees of Connect: North Korea provided a loan of £35,000 to Korea Future Initiative. The total balance owed to the charity in 2021 was £43,329, with repayments being made of £43,329. The balance owed to the charity at 31 December 2021 was £nil.