

Korea Future Initiative CIO

Charitable Incorporated Organisation

CIO Registration Number: 1185332

Unaudited Accounts

Trustees Report and Financial Statements

For the period ended 31 December 2022.

Korea Future Initiative CIO

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Korea Future Initiative CIO

Reference and Administration Details for the Period 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

1185332

Registered Office

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

Banks

Triodos Bank, Deanery Road, Bristol, BS1 5AS

HSBC, 54 Clarence Street, Kingston upon Thames, KT1 1NP

Woori Bank, 17 World Cup Buk-ro 60-gil, Mapo-gu, Seoul, Republic of Korea 03921

Independent Examiner

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

Korea Future Initiative CIO

Trustees Report for the Period Ended 31 December 2022.

The Trustees present their annual report together with the financial statements of the CIO for the year 01 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.

Structure, Governance, and Management

Governing Document

Korea Future Initiative CIO is constituted as a Charitable Incorporated Organisation registered with the Charity Commission in September 2019 under registration number 1185332. It also maintains a liaison office in the Republic of Korea, registration number 902-84-00915. The current constitution was adopted on September 1, 2019.

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 is 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 programme 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. All trustees attend safeguarding training within 3 months of appointment.

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;
 - obtaining redress for the victims of human rights abuse;
 - relieving need among the victims of human rights abuse;
 - research into human rights issues;
 - providing technical advice to government and others on human rights matters;
 - raising awareness of human rights issues;
 - international advocacy of human rights; and
 - eliminating infringements of 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) The relief and assistance of North Korean refugees in China and Southeast Asia through the raising and provision of funds to provide safe passage to third-countries.

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.

Achievements and Performance

North Korean Prison Database

A vast system of penal facilities extends across North Korea. The construction of these facilities — capable of detaining hundreds of thousands of people suspected or accused of crimes — has enabled extensive and egregious violations of international law with catastrophic human consequences.

To support and accelerate justice and accountability, Korea Future is undertaking investigations into North Korea's penal system through our North Korean Prison Database (NKPD) project. To date, we have identified 597 perpetrators linked to 5,181 human rights violations committed against 785 detainees in 148 penal facilities.

Launched publicly online and in a report, "[North Korean Prison Database: Volume I](#)" in March 2022, the [North Korean Prison Database](#) provides users with access to a comprehensive and growing archive of violations of international law that have transpired in the North Korean penal system. This includes: 1) evidence pertaining to perpetrators and their links to state organisations, penal facilities, and the violations for which they are responsible; 2) evidence of detainees, including their current status, the violations they experienced, and the facilities in which they were detained, and, uniquely; 3) the database breaks down the specific legal elements of every documented violation of international law, including specific constituting acts. The NKPD is accessible in English and Korean to anyone with an internet connection. Select data is published at the where it is freely available to legal practitioners, policymakers, researchers, civil society organisations, journalists, and more.

To better understand and situate the experiences of North Koreans, we used digital modelling, survivor testimony, memory-based diagrams, and satellite imagery to model the internal architecture of Onsong County MPS Detention Centre. This is the first time anyone has seen inside a North Korean penal facility.

[Our report](#) finds the ruling Workers' Party of Korea, with the Supreme Leader Kim Jong Un at the helm, is responsible for gross violations of international human rights law resulting from its failure to meet its legal obligations to detainees in the penal system.

What we present in our report is plain evidence of incidence — specifically, patterns of human rights violations that have been perpetrated by state agents in state-run penal facilities against detainees. We include four individual cases that shine a light on the devastating human impact of arbitrary mass detention. To expose the insidious and often hidden violence inflicted upon detainees, we also include materials that spotlight systematic brutality. Each of these elements serves the same purpose: to ensure that justice can be served.

Our methods of investigation are well-established across our work and have been developed with and comprehensively reviewed by legal experts with international prosecutorial and analytical experience. During our first nine months of investigations, we undertook 259 detailed in-person interviews with survivors, perpetrators, and witnesses. We documented thousands of pages of testimony and we sourced internal documents and photographic and video evidence from inside North Korea as part of our ongoing investigation.

Our evidence is analysed against an international law framework to establish whether violations of international human rights law took place. We corroborate and verify cases in our database, and we cross-reference and link files on suspects, cases, victims, and penal facilities. Powerful search features let us observe both patterns in our evidence and the granular details within specific cases.

Briefings and meetings were held on NKPD following the launch of the report with various state and multilateral actors, globally and locally significant CSOs, and English-language and Korean-language media.

Korea Future's work has influenced or been cited in numerous works, including the European Parliament resolution (2022/2620(RSP)); US Department of State 2021 Report on International Religious Freedom: Democratic People's Republic of Korea; parliamentary questions in the UK Houses of Parliament; HRNK; and previously mentioned online media in multiple languages. We were also invited to speak at a RightsCon 2022 event hosted by HURIDOCS on the topic of 'Databases as memory objects: perspectives and practices in Asia.'

Investigating Freedom of Religion or Belief in North Korea

Korea Future is investigating and identifying agents of the Workers' Party of Korea responsible for gross violations of international human rights law that target religious minorities.

We intend our evidence gathered on Freedom of Religion or Belief (FoRB) to be used to accelerate, promote, and support national and international justice institutions pursuing accountability through a range of initiatives, including investigations, targeted human rights sanctions, and prosecutions.

Our investigators have independently documented [195 perpetrators](#) responsible for over [1000 violations of international law](#) involving [517 victims](#) in [127 locations](#).

After the successful publication of our FoRB work in 2020 and 2021, we were delighted to author a new report for the [United States Commission on International Religious Freedom](#) (USCIRF). The report, which is titled "[Kimilsungism-Kimjongilism and the Right to Freedom of Religion, Thought, and Conscience in North Korea](#)", explores how ongoing religious freedom violations in North Korea are driven by highly organized efforts of the Workers' Party of Korea to enforce an ideology known as Kimilsungism-Kimjongilism. The report contributes to significant advances in understanding how and why this ideology is implemented across North Korea and presents implications for the deterrence of perpetrators and the pursuit of accountability and justice.

We engaged stakeholders from governments, state ministries, accountability mechanisms, parliamentarians, legal professionals, civil society working groups, and the media throughout 2022 on the evidence we have gathered on FoRB.

Capacity-building in the diaspora

Women comprise 72% of the North Korean diaspora in South Korea. Yet men account for 63% of all leadership roles in organisations working on North Korean human rights. Korea Future is building the capacities of emerging exiled women leaders in the diaspora to increase their involvement in and leadership of human rights investigations, documentation, and organisation.

Building on our work in 2021, in 2022, we supported a core group of emerging women leaders in the diaspora through a monthly series of human rights workshops. Participants were provided with opportunities to strengthen their core human rights skills and grow their practical skills in leadership and organisation.

In September 2022, we released our report, “[Opportunities and Challenges for Exiled North Korean Women in the Human Rights Field](#).” Our findings explore how the human rights movement and, in particular, grant-makers, can deploy their resources to better support the active participation and leadership of exiled women and exiled women-led organisations.

Future Activities

Our work on NKPD will continue for the foreseeable future, as will related targeted engagement and coordination of stakeholders.

In October 2022, we began a long-term project that will support survivor-informed documentation of sexual and gender-based violence in North Korea, putting exiled women and their experiences at the heart of justice conversations and overcoming one of the key barriers surrounding impunity. More information will be released in due course.

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 our current strategic period, which ends in 2024.

Investment Policy

We have no investments. All cash is held within our Woori Bank, HSBC and Triodos accounts, which earns a small amount of interest. There are no investment plans within the current strategic period.

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. Progress was made in the financial year in implementing the detailed fundraising strategy developed in the previous financial year, but greater diversification remains a challenge. We will be recruiting fundraising specialists to help us overcome this challenge in the next 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)

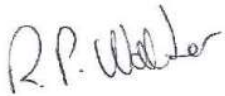
Mario Dunn (Resigned: 22/01/2022)

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:

A handwritten signature in dark ink, appearing to read 'R.P. Walker', is written over a faint, light-colored circular stamp or watermark.

Robin Peter Walker (Chair)

Date: 31/03/2023

Independent Examiner's Report to the Trustees of Korea Future Initiative 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 15 to 28.

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.

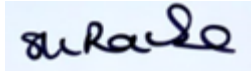
I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

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 within a light blue rectangular box.

Samantha Rouse FCCA DChA

Certified Chartered Accountant

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

Dated: 03/04/2023

Korea Future Initiative CIO

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	537,130	3,548	540,678	470,768	15,851	486,619
Investments		-	-	-	-	-	-
Other Income	5a	848	20,014	20,862	-	20,008	20,008
Total Income		537,978	23,562	561,540	470,768	35,859	506,627
Expenditure on:							
Raising Funds: Voluntary Income	5	4,215	-	4,215	-	10,000	10,000
Charitable Activities	6	503,733	12,518	516,251	436,811	27,243	464,054
Governance	7	12,600	36	12,636	4,945	1,102	6,047
Total Expenditure		520,548	12,554	533,102	441,756	38,345	480,101
Net Movement in Funds		17,430	11,008	28,438	29,012	(2,486)	26,526
Total Funds Brought Forward		65,534	445	65,979	36,522	2,931	39,453
Total Funds Carried Forward		82,964	11,453	94,417	65,534	445	65,979

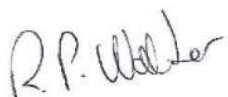
The notes on pages 19 to 28 form part of these financial statements.

Korea Future Initiative CIO

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	9,864	140	10,004	8,236	176	8,412
Current Assets							
Debtors	9	56,525	-	56,525	60,568	-	60,568
Cash at Bank and in Hand		18,368	15,211	33,579	14,085	6,856	20,941
Current Assets		74,893	15,211	90,104	74,653	6,856	81,509
Creditors: amounts falling due within one year	10	(1,7933)	(3,898)	(5,691)	(17,355)	(6,587)	(23,942)
Net Current Assets		73,100	11,313	84,413	57,298	269	57,567
Net Assets		82,964	11,453	94,417	65,534	445	65,979
Total Funds	11&12	82,964	11,453	94,417	65,534	445	65,979

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



Robin Peter Walker, Chair

Date: 31/03/2023

Korea Future Initiative CIO
Statement of Cash Flows

	2022 Total funds £	2021 Total funds £
Cash flows from operating activities:		
<i>Net cash provided by operating activities</i>	<u>17,373</u>	<u>13,626</u>
Cash flow from investing activities:		
Interest	14	8
Purchase of property, plant and equipment	(4,749)	(2,130)
<i>Net cash used in investing activities</i>	(4,735)	(2,122)
Change in cash and cash equivalents in the reporting period	12,638	11,504
Cash and cash equivalents at 31 December 2021	20,941	9,437
Cash and cash equivalents at 31 December 2022	<u>33,579</u>	<u>20,941</u>
	2022 Total funds £	2021 Total funds £
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	28,438	26,527
Adjustments for:		
Depreciation	3,157	3,034
Interest	(14)	(8)
Decrease / (Increase) in debtors	4,043	(24,707)
(Decrease) / Increase in creditors	(18,251)	8,780
<i>Net cash provided by (used in) operating activities</i>	<u>17,373</u>	<u>13,626</u>

Korea Future Initiative CIO
Statement of Cash Flows

	At 1 January 2022 £	Cash flow £	At 31 December 2022 £
Analysis of change in net debt			
Cash in hand	20,941	12,638	33,579
Total cash and cash equivalents	20,941	12,638	33,579

	At 1 January 2021 £	Cash flow £	At 31 December 2021 £
Analysis of change in net debt			
Cash in hand	9,437	11,504	20,941
Total cash and cash equivalents	9,437	11,504	20,941

Notes to the Financial Statements

The registered office for the CIO is 120B Malden Road, New Malden, Surrey, KT3 6DD, United Kingdom.

Registered as a Charitable Incorporated Organisation in England on 16 September 2019.

These accounts cover the period 1 January 2022 to 31 December 2022.

1. Accounting policies

The principle 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 (£). Rounding is to the nearest pound.

Korea Future Initiative CIO meets the definition of a public benefit entity under FRS 102.

1.1.2 Organisational status

Korea Future Initiative CIO 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.

1.2.0 Assets

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

1.2.1 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.

1.2.2 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.

1.2.3 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.

1.2.4 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.

1.2.5 Tax on ordinary activities

Korea Future Initiative CIO 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 Staff numbers and costs

The charity had 9 full-time employees in 2022 (2021: 3). Staff costs were as follows:

	2022	2021
	£	£
Wages and Salaries including Donations in Kind	275,450	93,474
Employer's N.I.C.	12,864	4,999
Pension costs	20,067	2,321
Korean tax	21,193	-
Total	329,574	100,794

	2022	2021
	Number	Number
Full time staff	1	1
Costs of generating funds	11	2
Charitable activities	12	3
Total	12	3

No employee received remuneration amounting to more than £60,000 for the year. The total remuneration received by key management personnel was £40,480 (2021: £38,289).

3 Trustees remuneration and expenses

The Trustees, who are also directors of the Charity, are not entitled to receive any remuneration from the Charity. No expenses were paid to any Trustee or connected person during the period. In the prior year, one Trustee, Robin Walker, was reimbursed £594 for expenses incurred on behalf of the charity.

4 Donations & Grants

	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations	-	548	548	-	12,851	12,851
Grants	537,130	3,000	540,130	470,768	3,000	473,768
Totals	537,130	3,548	540,678	470,768	15,851	486,619

5a. Other Income

Other income includes the management services provided to Connect: North Korea CIO of £20,000 (2021: £20,000) and interest received in the period.

5 Cost of Raising Funds

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
Fundraising costs	4,215	-	4,215	-	10,000	10,000
Totals	4,215	-	4,215	-	10,000	10,000

6 Charitable Activities

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
Research expenses	15,792	120	15,912	43,972	-	43,972
Specialist Support	74,781	100	74,881	239,979	49	240,028
Depreciation	3,121	36	3,157	3,031	3	3,034
IT expenses	8,899	-	8,899	29,044	358	29,402
Rent	32,001	-	32,001	26,896	1,014	27,910
Disbursements	1,204	69	1,273	530	55	585
Insurance	3,436	-	3,436	282	564	846
Salaries	255,436	20,014	275,450	69,382	24,092	93,474
Employers NI	8,378	4,486	12,864	3,734	1,265	4,999
Staff training	1,701	-	1,701	-	-	-
Pension costs	19,040	1,027	20,067	1,969	352	2,321
Korean Tax	21,193	-	21,193	-	-	-
Advertising & marketing	718	-	718	1,176	-	1,176
Travel expenses	30,838	424	31,262	3,342	-	3,342
Exchange rate variances	21,320	(13,880)	7,440	-	-	-
General expenses	5,875	122	5,997	13,474	(509)	12,965
Totals	503,733	12,518	516,251	436,811	27,243	464,054

7 Governance Costs

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
Audit & accountancy	9,769	-	9,769	2,560	910	3,470
Bank charges	2,831	36	2,867	2,385	192	2,577
<u>Totals</u>	<u>12,600</u>	<u>36</u>	<u>12,636</u>	<u>4,945</u>	<u>1,102</u>	<u>6,047</u>

The Independent examiner's remuneration is included in the audit and accounting costs listed above and total £1,320.

8 Fixed Assets

	Office Equipment £	2022 £	2021 £
Cost			
Balance as at 31 December 2021	12,107	12,107	9,977
Additions	4,749	4,749	2,130
Balance as at 31 December 2022	<u>16,856</u>	<u>16,856</u>	<u>12,107</u>
Depreciation			
Balance as at 31 December 2021	3,695	3,695	661
Additions	3,157	3,157	3,034
Balance as at 31 December 2022	<u>6,852</u>	<u>6,852</u>	<u>3,695</u>
Net book value			
Balance as at 31 December 2022	<u>10,004</u>	<u>10,004</u>	<u>8,412</u>
Balance as at 31 December 2021	<u>8,412</u>	<u>8,412</u>	<u>9,316</u>

9 Debtors

	2022 £	2021 £
Trade debtors	56,525	60,568
Total debtors	<u>56,525</u>	<u>60,568</u>

10 Creditors

	2022	2021
	£	£
Trade creditors	473	19,939
Social security and other taxes	3,898	3,253
Accruals	1,320	750
Total creditors	<u>5,691</u>	<u>23,942</u>

11 Fund movements summary

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
At 1 January 2022	65,534	445	65,979
Incoming resources	537,978	23,562	561,540
Expenditure	(520,548)	(12,554)	(533,102)
At 31 December 2022	<u>82,964</u>	<u>11,453</u>	<u>94,417</u>

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
At 1 January 2021	36,522	2,931	39,453
Incoming resources	470,768	35,859	506,627
Expenditure	(441,756)	(38,345)	(480,101)
At 31 December 2021	<u>65,534</u>	<u>445</u>	<u>65,979</u>

12 Restricted funds

	Balance at 1 January 2022 £	Incoming £	Outgoing £	Balance at 31 December 2022 £
Core Costs	1,500	-	(232)	1,268
Investigating Persecution of Religion or Belief Project 1	6,912	848	(200)	7,560
Investigating Persecution of Religion or Belief Project 2	16,682	51,386	(68,068)	-
Investigating Persecution of Religion or Belief Project 3	412	20,963	(20,703)	672
Female Leadership Programme	11,613	70,758	(69,952)	12,419
Documenting Human Rights Violations in North Korean Prisons	15,389	369,463	(345,102)	39,750
Transitional Justice Project	-	-	-	-
Fundraising Capacity- Building	13,026	18,700	(15,454)	16,272
SGBV Project	-	5,860	(837)	5,023
Totals	65,534	537,978	(520,548)	82,964

	Balance at 1 January 2021 £	Incoming £	Outgoing £	Balance at 31 December 2021 £
Core Costs	-	1,500	-	1,500
Investigating Persecution of Religion or Belief Project 1	1	7,250	(339)	6,912
Investigating Persecution of Religion or Belief Project 2	13,678	88,109	(85,105)	16,682
Investigating Persecution of Religion or Belief Project 3	-	17,399	(16,987)	412
Female Leadership Programme	6,447	40,039	(34,873)	11,613
Documenting Human Rights Violations in North Korean Prisons	3	286,768	(271,382)	15,389
Transitional Justice Project	-	12,703	(12,703)	-
Fundraising Capacity- Building	16,393	17,000	(20,367)	13,026
Totals	36,522	470,768	(441,756)	65,534

12 Restricted funds (continued)

Fund	Purpose
Core Costs	Funds were received to support our core costs related to communications.
Investigating Persecution of Religion or Belief Project 1	Funds were received to support our first documentation project on the persecution of religion or belief in North Korea.
Investigating Persecution of Religion or Belief Project 2	Funds were received to support our second documentation project on the persecution of religion or belief in North Korea.
Investigating Persecution of Religion or Belief Project 3	Funds were received to support our third documentation project on the persecution of religion or belief in North Korea.
Female Leadership Programme	Funds were received to support capacity-building within the North Korean diaspora with a particular focus on female leadership.
Documenting Human Rights Violations in North Korean Prisons	Funds were received to support the documentation of human rights violations in North Korean prisons
Transitional Justice Project	Funds were received to support a project on transitional justice in North Korea
Fundraising Capacity-Building	This capacity-building fund was to support the development of our fundraising.
SGBV Project	Funds were received to support our project on survivor-informed documentation of sexual and gender-based violence

13 Related party transactions

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

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

During the prior year, a loan was repaid to the CEO of £1,250. The balance at 31 December 2021 was £nil.

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

The Charity has provided management services to Connect: North Korea CIO - £20,000 (2021: £20,000) was received during the period for those services.