

Korea Future Initiative CIO (T/A Korea Future)

Charitable Incorporated Organisation

CIO Registration Number: 1185332

Audited Accounts

Trustees Report and Financial Statements

For the period ended 31 December 2023.

Korea Future Initiative CIO

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## **Korea Future Initiative CIO**

### **Reference and Administration Details for the Period Ended 31 December 2023**

#### **Trustees**

Victoria Nida (Co-Chair)

Oliver Windridge (Co-Chair) (Appointed: 06 February 2023)

Mitra Moadab Motlagh

Jinhee Lee (Resigned: 14 April 2023)

Margaret Ahn (Resigned: 05 July 2023)

Richard Moreton (Resigned: 31 August 2023)

Perpetua Adar (Resigned: 05 October 2023)

Robin Peter Walker (Resigned: 31 December 2023)

#### **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

#### **Auditor**

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

## **Korea Future Initiative CIO**

### **Trustees Report for the Period Ended 31 December 2023.**

The Trustees present their annual report together with the financial statements of the CIO for the year 01 January 2023 to 31 December 2023. 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 3 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 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. 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;
  - 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**

Korea Future is a non-governmental organisation documenting human rights violations and international crimes committed in the penal system of the Democratic People's Republic of Korea (DPRK). Our mission is to undertake credible, high-quality documentation and legal analysis of human rights violations and international crimes in the DPRK penal system and uses this information to support accountability proceedings under national and international law. The vision for our work is to contribute to meaningful justice for victims and accountability for perpetrators of human rights violations and crimes committed in the DPRK penal system.

Korea Future focuses exclusively on the penal system in the DPRK. The reason for this focus is simple: the penal system is the primary tool of the ruling Workers' Party of Korea to oppress citizens deemed a political threat, making it is the most significant site of occurrence for widespread and systematic violations and crimes in the DPRK. Before Korea Future, there was no organisation dedicated to undertaking credible, legally grounded investigations of violations and crimes transpiring in the DPRK penal system for the purpose of supporting efforts to end impunity. This had led to an absence of material that could be used as evidence in accountability proceedings under national and international law. Korea Future exists to fill this gap.

We launched in 2017 and now operate from offices in The Hague, Seoul, London, and Tokyo. Our team is composed of investigators, legal analysts, and expert consultants. Korea Future is or has been supported by a wide range of governments and foundations, notably the United States, United Kingdom, Netherlands, Germany, the National Endowment for Democracy, the International Republican Institute, Stefanus Alliance International, among others.

## **Executive Summary**

The DPRK continues to oversee systematic and widespread human rights violations across the penal system. As of February 2024, we have documented over 8,600 incidents, including over 1,000 perpetrators and 1,300 victims, that are now preserved in the North Korean Prison Database and that constitute serious breaches of international law that should be investigated and, where they amount to international crimes, prosecuted.

In March 2024, it will be a decade since a United Nations Commission of Inquiry (COI) called upon the international community to ensure full accountability for violations of human rights in the DPRK. As the international community prepares to mark this anniversary, impunity for human rights violations and international crimes in the DPRK continues. This poses an acute challenge to the legacy of the commission, to international justice, and ultimately to the DPRK's victims.

Over the previous year, Korea Future has led civil society efforts to ensure that accountability can be delivered in the anniversary year of the COI.

## **Documentation, preservation, and analysis of information**

We interviewed 90 survivors, witnesses, and former state-affiliated agents to document and preserve information to support factual and legal research and analysis on pillars relevant to the commission of violations in the DPRK penal system: 1) the crime base, namely violations such as torture, sexual and gender-based violence, and extrajudicial killings; 2) perpetrator linkage to the underlying acts, including perpetrators as well as those otherwise responsible due to their roles. We safeguarded the well-being of survivors, avoided further traumatising, and worked closely with psychosocial providers who offer medical and psychological support.

## **Support to the European Union and governments with targeted human rights sanctions jurisdictions**

We submitted three separate formal requests to the United States Department of State and Department of the Treasury, the United Kingdom Secretary of State for Foreign, Commonwealth and Development, and the European External Action Service and Council of the European Union recommending sanctions against a high-ranking individual, a Ministry, and a penal facility based on their connection to gross violations of human rights.

## **Support to governments and actors at the United Nations Human Rights Council**

We provided support to 16 governments and four United Nations actors through briefings, information sharing, and other forms of engagement. Two position papers were published concerning the DPRK penal system and sexual and gender-based violence, respectively. A new series of briefing papers intended to provide governments and multilateral institutions with information that can expand opportunities for accountability and the incorporation of credible information of human rights violations within policy development and diplomatic engagements were launched.



## **Mental health and psychosocial support**

We published two reports outlining best practices for survivor-centred and trauma-informed documentation best practices. In doing so we conducted a survey of 75 North Korean women and 75 North Korean men in order to understand the broader diaspora community's attitudes towards and understandings of accountability. And we led four consultations with: 1) organisations led by North Korean women and female activists; 2) organisations led by North Korean men and male activists; 3) psychosocial service providers and; 4) ROK-based civil society organisations focused on accountability and justice in the DPRK.

## **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, but as our projects are funded until the point of closure or completion, there would not be a cost overrun if they shut down. The trustees have, therefore, agreed a reserves target of £61,846 to meet any immediate obligations. We do not expect this to change in the next financial year. Trustees felt that unrestricted funds should be deployed to be able to grow the organisation, meaning we have a limited reserve of £23,247 (2022: £11,313) at this moment. We have developed a new fundraising strategy and pipeline in the past year to achieve 3 months of unrestricted by the end of our current strategic period.

### ***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:

Victoria Nida (Co-Chair)

Oliver Windridge (Co-Chair) (Appointed: 06 February 2023)

Mitra Moadab Motlagh

Jinhee Lee (Resigned: 14 April 2023)

Margaret Ahn (Resigned: 05 July 2023)

Richard Moreton (Resigned: 31 August 2023)

Perpetua Adar (Resigned: 05 October 2023)

Robin Peter Walker (Resigned: 31 December 2023)

### **Statement as to Disclosure to our Auditor**

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 auditor in connection with preparing their report, of which the organisation's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor 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 auditor is aware of that information.

Approved by the Trustees and signed on its behalf:

A handwritten signature in black ink, appearing to read 'V. Nida', written over a horizontal line.

Victoria Jane Nida (Co-Chair)

Date: 29/10/2024

## **Independent Auditor's Report to the Trustees of Korea Future initiative CIO**

### **Opinion**

We have audited the financial statements of Korea Future initiative CIO for the year ended 31 December 2023 which comprise Statement of Financial Activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the trustees' annual report<sup>2</sup>, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety and fundraising practices) and fraud, and review of the reports made by management; and

- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- Identifying and testing journal entries; and
- Challenging assumptions and judgements made by management in its significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads "Kreston Reeves LLP". The signature is written in a cursive, slightly slanted style.

<p>Kreston Reeves LLP Chartered Accountants Statutory Auditor Canterbury Date: 29 October 2024 <i>Kreston Reeves is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.</i></p>
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## Korea Future Initiative CIO

### Statement of Financial Activities for the period ended 31 December 2023

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
<b>Income from:</b>							
Donations and Grants	5	747,856	2,334	750,190	537,130	3,548	540,678
Investments		-	-	-	-	-	-
Other Income	5a	-	20,096	20,096	848	20,014	20,862
<b>Total Income</b>		<b>747,856</b>	<b>22,430</b>	<b>770,286</b>	<b>537,978</b>	<b>23,562</b>	<b>561,540</b>
<b>Expenditure on:</b>							
Raising Funds: Voluntary Income	6	16,197	-	16,197	4,215	-	4,215
Charitable Activities	7	748,008	8,046	756,054	503,733	12,518	516,251
Governance	8	23,553	1,349	24,902	12,600	36	12,636
<b>Total Expenditure</b>		<b>787,758</b>	<b>9,395</b>	<b>797,153</b>	<b>520,548</b>	<b>12,554</b>	<b>533,102</b>
<b>Net Movement in Funds</b>		<b>(39,902)</b>	<b>13,035</b>	<b>(26,867)</b>	<b>17,430</b>	<b>11,008</b>	<b>28,438</b>
Total Funds Brought Forward		82,964	11,453	94,417	65,534	445	65,979
<b>Total Funds Carried Forward</b>		<b>43,062</b>	<b>24,488</b>	<b>67,550</b>	<b>82,964</b>	<b>11,453</b>	<b>94,417</b>

The notes on pages 21 to 30 form part of these financial statements.

## Korea Future Initiative CIO

### Balance Sheet as at 31 December 2023

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
<b>Fixed Assets</b>	9	<b>12,227</b>	<b>104</b>	<b>12,331</b>	<b>9,864</b>	<b>140</b>	<b>10,004</b>
Current Assets							
Debtors	10	55,419	-	55,419	56,525	-	56,525
Cash at Bank and in Hand		(8,411)	28,828	20,417	18,368	15,211	33,579
<b>Current Assets</b>		<b>47,008</b>	<b>28,828</b>	<b>75,836</b>	<b>74,893</b>	<b>15,211</b>	<b>90,104</b>
Creditors: amounts falling due within one year	11	(16,173)	(4,444)	(20,617)	(1,793)	(3,898)	(5,691)
<b>Net Current Assets</b>	12	<b>30,835</b>	<b>24,384</b>	<b>55,219</b>	<b>73,100</b>	<b>11,313</b>	<b>84,413</b>
<b>Net Assets</b>		<b>43,062</b>	<b>24,488</b>	<b>67,550</b>	<b>82,964</b>	<b>11,453</b>	<b>94,417</b>
<b>Total Funds</b>	13	<b>43,062</b>	<b>24,488</b>	<b>67,550</b>	<b>82,964</b>	<b>11,453</b>	<b>94,417</b>

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



Victoria Jane Nida, Co-Chair

Date: 29/10/2024

**Korea Future Initiative CIO**  
**Statement of Cash Flows**

	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>

**Cash flows from operating activities:**

<i>Net cash provided by operating activities</i>	<b><u>(5,495)</u></b>	<b><u>17,373</u></b>
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**Cash flow from investing activities:**

Interest	27	14
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Purchase of property, plant and equipment	(7,694)	(4,749)
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<i>Net cash used in investing activities</i>	(7,667)	(4,735)
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Change in cash and cash equivalents in the reporting period	(13,162)	12,638
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Cash and cash equivalents at 31 December 2022	33,579	20,941
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<b>Cash and cash equivalents at 31 December 2023</b>	<b><u>20,417</u></b>	<b><u>33,579</u></b>
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	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>

**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>	(26,867)	28,438
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**Adjustments for:**

Depreciation	4,800	3,157
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Loss on disposal of asset	566	-
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Interest	(27)	(14)
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(Decrease) / Increase in debtors	1,107	4,043
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(Decrease) / Increase in creditors	14,926	(18,251)
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<i>Net cash provided by (used in) operating activities</i>	<b><u>(5,495)</u></b>	<b><u>17,373</u></b>
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**Korea Future Initiative CIO**  
**Statement of Cash Flows**

	<b>At 1 January 2023 £</b>	<b>Cash flow £</b>	<b>At 31 December 2023 £</b>
<b>Analysis of change in net debt</b>			
Cash in hand	33,579	13,162	20,417
<b>Total cash and cash equivalents</b>	<b>33,579</b>	<b>13,162</b>	<b>20,417</b>

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

## **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 2023 to 31 December 2023.

### **1. Accounting policies**

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

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

#### **1.12 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.

### **1.13 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.

## 2 Staff numbers and costs

The charity had 12 full-time employees in 2023 (2022: 9). Staff costs were as follows:

	2023	2022
	£	£
Wages and Salaries including Donations in Kind	409,462	275,450
Employer's N.I.C.	9,698	12,864
Pension costs	33,144	20,067
Korean and Dutch tax	49,686	21,193
Total	<u>501,990</u>	<u>329,574</u>

  

	2023	2022
	Number	Number
Full time staff	0	1
Costs of generating funds	12	11
Charitable activities	<u>12</u>	<u>11</u>
Total	<u>12</u>	<u>12</u>

No employee received remuneration amounting to more than £60,000 for the year. The total remuneration received by key management personnel was £50,889 (2022: £45,993).

## 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.



#### 4 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.

#### 5 Donations & Grants

	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Donations	-	629	629	-	548	548
Grants	747,856	1,705	749,561	537,130	3,000	540,130
Totals	747,856	2,334	750,190	537,130	3,548	540,678

#### 5a. Other Income

Other income includes the management services provided to Connect: North Korea CIO of £20,000 (2022: £20,000); interest received in the period and exchange rate variances.

#### 6 Cost of Raising Funds

	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Fundraising costs	16,197	-	16,197	4,215	-	4,215
Totals	16,197	-	16,197	4,215	-	4,215

## 7 Charitable Activities

	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Research expenses	5,865	-	5,865	15,792	120	15,912
Advocacy Support	107,493	-	107,493	74,781	100	74,881
Depreciation	3,259	36	3,295	3,121	36	3,157
IT expenses	6,674	-	6,674	8,899	-	8,899
Rent	63,909	-	63,909	32,001	-	32,001
Disbursements	1,481	-	1,481	1,204	69	1,273
Insurance	362	-	362	3,436	-	3,436
Salaries	404,198	5,264	409,462	255,436	20,014	275,450
Employers NI	2,061	2,636	4,698	8,378	4,486	12,864
Staff training	18,133	-	18,133	1,701	-	1,701
Pension costs	31,252	1,892	33,144	19,040	1,027	20,067
Korean and Netherlands Tax	49,686	-	49,686	21,193	-	21,193
Advertising & marketing	-	-	-	718	-	718
Travel expenses	29,110	-	29,110	30,838	424	31,262
Exchange rate variances	10,310	(1,880)	8,430	21,320	(13,880)	7,440
General expenses	12,709	98	12,807	5,875	122	5,997
<b>Totals</b>	<b>748,008</b>	<b>8,046</b>	<b>756,054</b>	<b>503,733</b>	<b>12,518</b>	<b>516,251</b>

## 8 Governance Costs

	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Audit & accountancy	18,595	1,320	19,915	9,769	-	9,769
Bank charges	4,958	29	4,987	2,831	36	2,867
<b>Totals</b>	<b>23,553</b>	<b>1,349</b>	<b>24,902</b>	<b>12,600</b>	<b>36</b>	<b>12,636</b>

The Auditor's remuneration is included in the audit and accounting costs listed above and total £8,100.

## 9 Fixed Assets

	Office Equipment £	2023 £	2022 £
<b>Cost</b>			
Balance as at 31 December 2022	16,856	16,856	12,107
Additions	7,693	7,693	4,749
Disposals	(999)	(999)	-
Balance as at 31 December 2023	23,550	23,550	16,856
<b>Depreciation</b>			
Balance as at 31 December 2022	6,852	6,852	3,695
Additions	4,800	4,800	3,157
Disposals	(433)	(433)	-
Balance as at 31 December 2023	11,219	11,219	6,852
<b>Net book value</b>			
Balance as at 31 December 2023	12,331	12,331	10,004
Balance as at 31 December 2022	10,004	10,004	8,412

## 10 Debtors

	2023 £	2022 £
Trade debtors	47,128	56,525
	8,290	-
Total debtors	55,419	56,525

## 11 Creditors

	2023 £	2022 £
Trade creditors	8,083	473
Social security and other taxes	4,435	3,898
Accruals	8,100	1,320
Total creditors	20,617	5,691

## 12 Fund movements summary

	Restricted funds £	Unrestricted funds £	Total funds £
At 1 January 2023	82,964	11,453	94,417
Incoming resources	747,856	22,430	770,286
Expenditure	(791,391)	(10,532)	(801,903)
At 31 December 2023	39,449	32,691	62,800

## 12 Fund movement summary (continued)

	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	82,964	11,453	94,417

## 13 Restricted funds

	Balance at 1 January 2023 £	Incoming £	Outgoing £	Balance at 31 December 2023 £
NKPD	39,750	486,849	(540,628)	(14,029)
SGBV Project	5,023	-	(5,023)	-
SGBV SP1 Project	-	47,242	(36,053)	11,189
SGBV SP2 Project	12,419	118,409	(109,111)	21,717
NKPD SP3 Project	-	20,463	(20,463)	-
FoRB SP4 Project	672	21,105	(21,435)	342
NKPD SP5 Project	-	13,395	(152)	13,547
NKPD SP6 Project	-	41,113	(38,497)	2,616
SGBV Project	5,023	-	(5,023)	-
Core Costs	1,268	0	17	1,285
Investigating Persecution of Religion or Belief Project 1	7,560	0	(1,164)	6,396
Investigating Persecution of Religion or Belief Project 2	-	720	(720)	-
Fundraising Capacity- Building	16,272	-	(16,272)	-
Totals	82,964	747,856	(787,758)	43,062

### 13 Restricted funds (continued)

	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
Totals	-	5,860	(837)	5,023

### 13 Restricted funds (continued)

Fund	Purpose
NKPD	Funds were received to support investigation into human rights violations in the North Korean penal system.
SGBV SP1 Project	Funds were received to support our project on survivor-informed documentation of sexual and gender-based violence and Community of Practice work involving MHPSS support organisations.
SGBV SP2 Project	Funds were received to support capacity-building within the North Korean diaspora.
NKPD SP3 Project	Funds were received to support investigation into human rights violations in the North Korean penal system.
FoRB SP4 Project	Funds were received to support advocacy and accountability.
NKPD SP5 Project	Funds were received to support investigation into human rights violations in the North Korean penal system.
NKPD SP6 Project	Funds were received to support investigation into human rights violations in the North Korean penal system.
SGBV Project	Funds were received to support our project on survivor-informed documentation of sexual and gender-based violence
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.
Fundraising Capacity-Building	This capacity-building fund was to support the development of our fundraising.

### 14 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.

The Charity has provided management services to Connect: North Korea CIO - £20,000 (2022: £20,000) was received during the period for those services.