

# THE KARUNA TRUST

England & Wales · Charity number 327461

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [02132178](#)

**Registered** 1987-06-05

**Register** [View on the Charity Commission register](#)

## Contact

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**Website** [www.karuna.org](http://www.karuna.org)

## Activities

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**Objects:** (1) THE RELIEF OF POVERTY (2) THE ADVANCEMENT OF EDUCATION (3) THE ADVANCEMENT OF THE BUDDHIST RELIGION (4) THE ADVANCEMENT OF OTHER CHARITABLE PURPOSES ANYWHERE IN THE WORLD.

**Activities:** Karuna works alongside the most excluded people in South Asia, overcoming discrimination with locally-led education, gender equality and sustainable livelihood projects.

## Classification

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- **How:** Makes Grants To Organisations, Provides Services, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities, Environment/conservation/heritage, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

## Geography

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- **Area of benefit:** ANYWHERE IN THE WORLD
- Bangladesh
- India
- Nepal

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,100,568	£2,209,906	£1,087,312	24
2024-03-31	£2,182,784	£2,231,425	£1,196,650	24
2023-03-31	£2,198,853	£2,209,936	£1,245,291	23
2022-03-31	£2,296,485	£2,157,761	£1,256,374	23
2021-03-31	£2,288,912	£1,934,071	£1,117,650	23

## Trustees

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Name	Role	Appointed
<b>Peter David White</b>	Chair	2022-08-02
Carolyn Olga Milosevic		2022-08-02
Dishir Thakkar		2026-03-05
Sundeep Kaur Grewal		2022-04-27

**THE KARUNA TRUST**

England & Wales - Charity number 327461

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# Accounts

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**Charity registration number 327461 (England and Wales)**

**Company registration number 02132178**

**THE KARUNA TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

# THE KARUNA TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Su Yen Tan (Treasurer) Sundeep Grewal Carolyn Milosevic MBE Peter White (Chair)
<b>Secretary</b>	M C Baird
<b>Charity number (England and Wales)</b>	327461
<b>Company number</b>	02132178
<b>Principal address</b>	72 Holloway Road Holloway London N7 8JG
<b>Registered office</b>	72 Holloway Road Holloway London N7 8JG
<b>Auditor</b>	Gravita Audit II Limited Aldgate Tower 2 Lemn Street London United Kingdom E1 8FA
<b>Bankers</b>	Clydesdale Bank Plc Studio B 146-158 Kensington High Street London W8 7RL
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

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# THE KARUNA TRUST

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 18
Independent auditor's report	19 - 21
Statement of financial activities	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 35

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2025

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The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Deed of Trust, the Companies Act 2006 and "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)" as amended for accounting periods beginning after 01 January 2016.

#### **Objectives and activities**

Karuna works alongside the most excluded people in South Asia, overcoming poverty and discrimination with locally led education, gender equality and sustainable livelihood projects.

We support locally led Civil Society Organisations (CSO) to become more self-reliant and sustainable, fostering a cycle of empowerment and transformation within communities by focusing on both financial support and capacity building. This multi-faceted approach ensures a broad impact by addressing immediate needs while building long-term resilience and capability among partner organisations and communities.

#### **International Development and Grant-Making**

We make grants to a range of in-country and locally-led partner CSOs in India, Nepal, and Bangladesh. By providing people with access to tools, support, and skills, they become champions of their communities and support others. Working with locally led organisations within the affected communities, we support self-reliance and sustainability. We facilitate the formation of networks between these organisations, enabling them to extend their impact to even more individuals and extend the cycle of transformation beyond their communities.

Over the past year we have continued our strategy of broadening the geographical focus of our work by reaching out to more communities in Nepal and Bangladesh.

#### **Building a strong vibrant community-led voluntary sector**

Grassroots CSOs, especially those led by historically marginalised communities, face disproportionate challenges in sustaining and growing their work. The impact of the pandemic, combined with tougher Government regulations for Indian non-profits and cuts in overseas development funding, has meant that many of these organisations are struggling to sustain their work, with larger funders often unable to support them.

In addition to funding projects, we support our project partners and other grassroots CSOs to become more effective and sustainable, combining the expertise of local trainers, capacity builders and advisors with our knowledge and networks. Our partners lead the way in this process, while we provide the necessary resources and assistance. A considerable proportion of our work goes towards partner and other grassroots CSOs training in effective project management including strategic planning, financial management, monitoring and evaluation. We also support mentoring and training in good governance, leadership development, safeguarding children and vulnerable adults and fundraising from in-country and overseas sources. In this way, Karuna is helping to build a strong, vibrant community-led voluntary sector that is capable of empowering people from marginalised communities and bringing about sustainable change at a local level.

Since 2007, Karuna has invested a small part of its unrestricted funds into the development of sister organisations in Germany and, more recently, in the US, opening access to new audiences and funding sources for our work with marginalised communities.

After 17 years in operation, Karuna Germany has grown to become a key contributor to our overall programme, leveraging major grant funds from German-based sources such as BMZ (the German Government's agency for International Development) and the European Union. This year, Karuna Germany's contribution of £1.1 million was almost half of our total combined programmes grant funding.

The Karuna Trust is investing in salary and running costs of these sister Karuna organisations, as well as providing technical support in Programmes, Communications, Legal and Fundraising. For this reason, we present figures that show the consolidated income and expenditure for all three organisations together, as this presents a picture of the actual income and costs of our fundraising and programmes work, taken as a whole.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### **Awareness-Raising**

Through our website, annual review, social media channels, public talks, networks, and other events, we aim to raise awareness of the impact of poverty, inequality, and discrimination in South Asia.

### **Fundraising**

Fundraising is conducted through several different streams: door-to-door campaigns, phone campaigns, digital platforms, one-off donations and grant applications to charitable trusts and institutional donors. In recent years, Karuna Germany has contributed significantly due to major grants from BMZ and the EU.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what fundraising activities the charity should undertake.

## **Programmes Annual Report**

### **Introduction**

Over the past year, Karuna has expanded and strengthened its programmes, launching new projects in India, Nepal and Bangladesh at a time when the global context for international development has become increasingly unstable and uncertain. In recent months, the UK and US governments have announced unprecedented cuts to their aid budgets, threatening future humanitarian and development programmes across the world. But, despite the global downturn in aid and ongoing political unpredictability, Karuna's programmes have achieved excellent results.

In 2024/25, we worked with 24 local partner organisations to deliver 43 projects across India, Nepal and Bangladesh, directly reaching 115,000 people and benefitting a wider community of 1.2 million. Our partners have provided critical support in the areas of education, gender equality and climate resilience, and have strengthened the capacity of a further 26 grassroots organisations through training and mentoring.

This success was largely due to our locally-led way of working with community-based partner organisations. Their well-developed networks within the most excluded communities mean they are directly informed by the lived experience of the issues facing those communities. As a result, our support can be delivered where it is needed most. Not only does this ensure that even the most disadvantaged get access to the support they need, it also means that even relatively small grants can translate into significant impact on the ground and significant changes in peoples' lives.

We continued to prioritise organisational capacity building, supporting partner organisations to become more resilient through in-country fundraising and leadership. This work helps to build a strong, vibrant voluntary sector that can identify and respond to the needs of the most vulnerable groups. Our network of in-country consultants has also grown, with the recruitment of specialists focusing on finance, safeguarding, fundraising and evaluation, enabling us to shift more of the programme leadership from UK-based programme managers to local experts.

These achievements highlight the effectiveness of Karuna's community-based partnership model, which ensures that the most marginalised and hard-to-reach communities are not left behind, even in this most challenging global environment. Looking ahead, we are focussed on consolidating our existing projects in India, Nepal and Bangladesh, actively seeking new sources of funding to support future initiatives and reach more communities, while ensuring that our work continues to prioritise those most at risk.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Overview

In 2024/25, the Karuna Trust provided grant funding to our network of 24 local partner organisations across India, Nepal and Bangladesh. These partners implemented a total of 43 separate projects:

- 30 projects in India (reaching 76,000 people)
- 8 projects in Nepal (reaching 26,000 people)
- 5 projects in Bangladesh (reaching 13,000 people)

Through these initiatives, Karuna directly reached 115,000 people from marginalised communities and positively impacted a wider community of 1.2 million individuals.

As well as supporting 24 Civil Society Organisations (CSOs) directly through grant funding, we have facilitated capacity building support for a further 26 organisations, covering strategic planning, financial management, monitoring and evaluation, governance, leadership development, safeguarding, project management and fundraising. Our partners have benefited from training delivered by in-country experts, advisors and mentors with funding and support provided by Karuna.

#### Progress Against our Strategy in 2024-25

In the second year of our ambitious three-year strategy, we focused our grant funding on four key priorities designed to create lasting change for the most marginalised communities. Our strategy was developed in close consultation with our partners and in-country advisors, who helped us identify the priority development needs of historically excluded communities, especially in the years of recovery following the Covid pandemic. Our current key priorities are:

1. To support children, especially girls, to get back into full-time education, avoid dropping out of school and stay free from early marriage and child labour.
2. To protect women from violence and trafficking by improving their access to justice and legal protection.
3. To support migrant workers and people from other marginalised communities to develop safe, sustainable livelihoods and gain access to government welfare schemes.
4. To work with those marginalised communities most affected by the impacts of climate change, improving disaster preparedness and promoting climate-adapted livelihoods.

Indicator of progress 2024/25	Target	Actual
1. Number of girls supported to stay in school and avoid early marriage.	14,000	16,000
2. Number of women and girls protected from violence and trafficking.	34,000	35,000
3. Number of migrant workers and people from marginalised communities supported to access improved livelihoods and welfare entitlements.	55,000	45,000
4. Number of people from vulnerable communities supported to adapt to climate change.	18,000	19,000

These results highlight the remarkable progress Karuna has made in the second year of our three-year strategy, not only meeting but exceeding most of our ambitious targets. By supporting more girls than expected to stay in school, protecting thousands of women and girls from violence and trafficking and helping vulnerable communities adapt to climate change, we have delivered real, measurable changes in the lives of those most at risk.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Our Programmes by Theme

Our mission is to reach out to people from the most excluded communities, particularly those most affected by poverty and deeply entrenched forms of stigma and social discrimination. Our work focuses on Education, Gender Equality, Sustainable Livelihoods and Climate Change, supporting people to free themselves from poverty and access lives of opportunity and freedom. Our experience is that when an individual's life changes, they can change their community – and that when a community changes, they can start to transform the wider society. At the heart of this approach is a commitment to partnership and community-based working. Projects are designed by our partners working alongside people from the communities themselves, and community members are involved in every stage of project planning, implementation and evaluation.

### Children and Education

Education is often the first step in supporting people to escape from poverty. Yet, in all the areas where we work, children from disadvantaged and historically excluded communities – especially adolescent girls – struggle to either access or stay in fulltime education. As a result, they remain at increased risk of dropping out and are forced into child labour and early marriage instead.

Until recently, education was seen as exclusive to privileged communities, and people from marginalised communities were often excluded. That has now changed, and education is treated as a legal right in all the countries where we work. However, the legacy of traditional discrimination lives on, particularly in social practices that value the education of boys more highly than that of girls. This puts increased pressure on adolescent girls from excluded backgrounds to drop out of school for early marriage or to focus on domestic work.

Over the past year, our partners supported 16,000 girls to stay in school, giving them the opportunity to complete their education and build brighter futures, free from child labour and early marriage.

#### **Strong Girls/Learning Champions - Partner: Green Tara and REED, Nepal**

This initiative gives girls from marginalised Dalit and tribal communities in remote areas of Southern Nepal access to quality education, enabling them to complete primary school and transition to secondary education.

The project aims to engage students and their parents more fully in the education process by introducing innovative, child-centred approaches to teaching and learning. Teachers are trained to deliver more interesting and culturally relevant classroom activities, parents are enrolled to act as school inspectors and governors, children are formed into student groups for mutual support and school facilities are upgraded with low-cost, locally available teaching materials. The work is implemented with the close involvement of the local Rural Municipalities and Education Authorities, ensuring that its achievements become embedded in long-term local strategies for educational delivery.

In the last year, the project engaged directly with 6,517 girls in 55 schools and brought positive benefits to a further 30,769 parents and other family members.

#### **Child Protection and Preventing Trafficking - Partner: Future Generation Nepal, Kathmandu**

This new pilot initiative addresses the serious and growing problem of children from rural areas in Nepal being trafficked through networks of bogus orphanages. Traffickers often prey on families facing poverty or hardship, promising parents that their children will receive a better education and future in the city. In reality, these so-called "orphanages" are frequently a front for exploitative child labour and, in some cases, sexual abuse. Many children are kept in extremely poor conditions, denied education and forced to beg or work, while their families are deceived and sometimes prevented from reclaiming their children. The rise in such trafficking has been fuelled by the demand for "orphanage tourism" and a lack of effective oversight.

The innovative new project aims to train 3,500 community members and 530 local government officials in Kalika municipality to the issues and dangers of child trafficking and will work to prosecute perpetrators. 19 children trafficking survivors will receive mentoring support for their continued reintegration and 15 further children will be rescued from abusive situations and reintegrated into their families. The Karuna grant commitment is £15,000 over two years, with plans to scale up in future years as funds become available.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### **Education for NT/DNT Communities - Partner: Nirman**

Nirman is a community-based organisation working with some of the most excluded and discriminated-against groups in India: The Notified and De-notified Tribal (NT/DNT) Communities. These communities were once classified by British colonial authorities under the "Criminal Tribes Act" of 1871, which branded entire groups as "criminal castes" by birth, a label that led to generations of stigma and exclusion. Although the Act was repealed in 1952 and these groups were officially "de-notified," the legacy of discrimination persists, with many NT/DNT communities still facing extreme poverty, social ostracism and lack of access to most basic services.

Over the past year, this project has supported 1,919 children from these very disadvantaged communities to continue their education. By providing educational access and support, Nirman is helping to break the cycle of stigma and exclusion that NT/DNT communities have faced for generations.

### **Inclusion of Disabled Children - Partner: AAINA**

Aaina is one of the leading organisations in Odisha working for the inclusion of people with disabilities. The disabled community in Odisha, as in many parts of India, faces substantial barriers to accessing quality education and livelihood opportunities. These barriers include societal stigma, inadequate infrastructure, lack of specialized training programmes and limited access to resources tailored to their specific needs. Disabled children often struggle with accessing mainstream education due to a lack of inclusive school environments, specially trained teachers and adaptive learning materials. Inclusive education programs that address these challenges by providing accessible infrastructure, curriculum modifications and teacher training are urgently needed to bridge this gap.

By forming Disabled People's Groups and working with teachers, parents and school management committees, this project gives 250 children with physical and learning disabilities the opportunity to become integrated into the mainstream school system. Over the past year, the project engaged directly with 809 children in the area around Bhubaneswar in Odisha, India, bringing benefits to 2,107 family and other community members.

### **Women's Empowerment & Gender Equality**

Violence against women continues to be a huge problem both globally and across South Asia, affecting women and girls at all levels of society. Those living in the poorest or most excluded communities are especially vulnerable to domestic violence, caste or descent-based abuse, trafficking and other forms of exploitation. All too often, women from disadvantaged communities struggle to access legal protection, while survivors of violence seeking legal redress face multiple barriers at every stage of the legal process. The families themselves may be reluctant to report cases due to shame or fears of victim blaming. Police may be unwilling to register cases, especially when the perpetrator is from a powerful family. Families may come under pressure, including threats of further violence, to force them to settle out of court, while the legal system itself may be compromised or corrupted by the influence of external powers.

Over the past year, our partners have worked directly with 35,000 women and girls, supporting them to protect themselves from gender-based violence and trafficking through increased awareness of legal provisions, training on safe approaches to migration and improved access to legal protection.

### **Women's Empowerment Network - Partner: Maitri, India**

The Maitri Network, started by Karuna in 2009, is an alliance of Indian civil society organisations working to build women's leadership and prevent violence against women and girls, particularly among Dalit and other excluded communities. Currently, the network consists of eight Karuna-supported partners operating across nine states in India. Maitri's core activities include annual campaigns, leadership development, advocacy and community mobilisation, all focused on empowering women and preventing gender-based violence.

Over the past year, the Maitri Network engaged directly with 12,062 people, with a further 34,051 benefitting more broadly from its initiatives. Through this collaborative approach, Maitri has reached tens of thousands of women and girls since its inception.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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#### **Building Resilient Communities to Combat Sexual Violence against Women and Children - Partner: Maitri Women's Network, India**

In 2024/25, Karuna Germany secured a major grant of €1,140,000 from BMZ for the third phase of the Maitri Network project, with a total budget of €1,390,000. This new funding enables the Maitri Network to expand its work across 22 districts in seven states of India, strengthening grassroots civil society organisations to prevent violence against women and children. The project runs from May 2024 through to June 2028 and empowers women and girls, trains boys in positive masculinity and ensures survivors receive comprehensive psycho-social, medical and legal support.

#### **Dignity for Women – Challenging Chhaupadi - Partner: Green Tara/REED Nepal**

This initiative sets out to challenge the traditional and degrading practice of *Chhaupadi* (Menstrual Exile). In remote areas of Western Nepal, women are excluded from their homes and forced to live in unsafe huts during their menstruation, often at considerable risk to their health and safety. Through a series of targeted information and awareness-raising campaigns with key stakeholders (including mothers and local community leaders), the project works directly with women and girls from 36 villages in Western Nepal promoting safe menstruation practices. The project, which started in 2021, is a joint initiative between Karuna Trust and Karuna Germany with BMZ, providing 75% funding of the total four-year budget of £535,000. Over the past year, they have worked with 12,658, girls, mothers and other stakeholders, with a wider impact on 19,154 community members.

#### **Voice of Women - Partner: Jan Sahas, India**

This programme provides legal and counselling support for women victims of violence across four states in Western and Central India, enabling them to access justice and legal protection through a criminal justice system that often doubly discriminates against women from marginalised communities (i.e. based on both caste and gender). By training volunteer paralegals, known as “barefoot lawyers”, and providing access to free legal representation, the project aims to provide readily accessible legal aid for women in need. Over the past year, it has worked directly with 9,606 women and engaged with a further 26,118 through training and awareness-raising campaigns.

#### **Safe Migration - Partner: Pragya**

This project, which started in 2021, aims to provide 15,000 women and girls from vulnerable border areas of West Bengal with protection from gender-based violence and human trafficking. The border areas between India and Bangladesh are economically very deprived and have become a hotspot for trafficking with many thousands of women and girls being trafficked every year from both sides of the border, most often into the cities of Mumbai and Kolkata. Families in the border areas are targeted by traffickers who prey on the economically most vulnerable, offering the promise of good jobs in the cities. But, in reality, trafficked women and girls are sold into underpaid domestic work, labour work on construction sites or, in the worst cases, into prostitution.

This initiative focuses on prevention, focusing on women and girls in vulnerable areas, raising awareness of migration risks and providing advice on safe migration practices. In the past year, 5,925 women have received training and counselling in safe migration, while awareness campaigns have reached a further 14,350 people in the region.

#### **Shelter for Homeless Women - Partner: URJA, Mumbai**

This project provides safe shelter and rehabilitation to women and girls who arrive at Dadar, one of the main railway stations in Mumbai, having run away from home, often to escape domestic violence and abuse. Most of the girls need psychological counselling to recover from trauma as well as vocational skills training for employment. In 2024/25, it enabled 1,329 homeless young women and survivors of gender-based violence to access safe spaces and sheltered accommodation, where they received the support needed to build healthy relationships and develop coping strategies which enhance their quality of life and resilience.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Sustainable Livelihoods

Our Livelihoods programmes focus especially on the needs of migrant and daily wage labourers, who typically lack protection and work security under employment legislation, making them vulnerable to extreme exploitation. India is home to an estimated 140 million migrant workers, many of whom work in agriculture, construction and domestic labour sectors often in different States far away from their home villages. One of our partners, Jan Sahas, operates a helpline for migrant workers. They receive more than 12,000 calls per month from migrant workers in distress, including cases of kidnapping, trafficking, sexual abuse, injury and disablement, non-payment of wages and non-provision of even basic amenities such as access to food or clean drinking water. The work supported by Karuna includes:

- **Prevention:** Working with vulnerable communities to raise awareness of the dangers of migration.
- **Rescue:** In some cases, partners work with police and courts to rescue migrant workers from situations of extreme exploitation.
- **Rehabilitation:** Partners provide returning migrants with psychosocial rehabilitation and support with accessing financial compensation, helping them recover from trauma and re-integrate into their home communities.
- **Reform:** Working with Government agencies and duty bearers for strengthened state protection for vulnerable migrants.

Over the past year, our partners have provided direct support to 50,000 migrant workers and daily wage labourers, supporting them to develop more secure livelihoods as well as access government entitlements and welfare schemes.

### Reintegration of Returnee Migrant Workers - Partner: OKUP, Dhaka Bangladesh

This new project, implemented by our Bangladeshi partner 'OKUP', offers livelihood, medical, counselling and legal support to 2,500 migrant workers returning from overseas (mostly from Gulf States), enabling them to reintegrate into their families and society. As well as offering support and rehabilitation to returning migrants, the project creates a network of returned migrants who offer pre-departure training and advice to people planning to migrate who are at risk of exploitation. Karuna offers a grant commitment of £25,000 per year for four years.

### Migrant Labourer Resilience - Partner: Jan Sahas, India

Migrant labourers are among the most vulnerable groups across South Asia, often working without contracts on a daily wage basis, and lacking access to basic employment rights available to other types of workers. All too often, migrant workers are subject to extreme exploitation. Over the past year, the project has worked in 600 villages across six Indian states to help unemployed migrants access government welfare schemes, such as the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGREGA) which guarantees a basic level income to unemployed daily wage labourers. A team of 60 community mobilisers based in six regional migration centres have provided outreach to 120,000 households, helping a total of 16,371 families register for government welfare payments. In addition, a helpline offering advice and counselling to returning migrants has received 144,000 calls over the past year. Karuna supports with a grant of £25,000 per year.

### Participatory Climate Change Adaptation - Partner: Pragya, India & Bangladesh

This project works with cyclone affected households in 400 villages across four districts of Bangladesh and West Bengal in Eastern India. The focus is on supporting smallholder farmers to adapt their agricultural livelihoods to the changing weather patterns caused by climate change. Altogether, 4,000 smallholder farmers are being equipped to develop new climate-adapted livelihoods by providing access to targeted information about climate adapted agricultural practices. In addition, 4,000 women are being mobilised and organised into peer support groups for training in livelihood skills and protection from gender-based violence.

### Programme Funding

Karuna budgets its Indian programme funding at an exchange rate of ₹100 to £1 to ensure stability and predictability for our partners. Last year, the actual exchange rate was more favourable than predicted. As a result, while the reported value of grant payments in pounds appears lower than budgeted, the rupee value received by our partners matched our original plans exactly. This meant that all partner organisations were fully funded and able to deliver their projects as intended.

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### A Full List of Karuna-Supported Projects 2024/25

Partner/ Project Name/Location	Overall Project Objective
<b>INDIA</b>	
AAINA: Odisha	Supports 250 children with disabilities to attend mainstream schools.
Aryaloka: Raipur, Chhattisgarh	Provides computer education and IT training to 243 children.
Aryaloka: Nagpur	Provides computer education and IT training to 2,225 children from Nagpur.
Bahujan Hitay: Amravati	1,500 children from 20 Amravati schools receive training in prevention of gender-based violence.
TBMSG Nagpur: Women's Social Project	Early education support, health and livelihoods training for 2,500 women and girls.
ITBCI: Kalimpong	Ongoing support for a library and visitors' centre on the site of the former ITBCI school.
Jan Sahas: Child Rights Project, Dewas, Madhya Pradesh.	Provision of quality education and rights awareness among 4,200 children from Dalit communities.
Jan Sahas: Livelihoods Development	Provision of skills training and enterprise support to 600 women from ex-manual scavenger communities.
Jan Sahas: Migrant Labourers, Madhya Pradesh	Empowering 40,000 migrant workers and their families across three districts by providing access to social security schemes, raising awareness on safe migration and providing access to legal services.
Jan Sahas: Voice of Women	8,000 Dalit and Adivasi women in 12 districts and four states affected by violence have access to legal services and are supported by competent civil society organisations.
SoulScale: Grassroots Resilience Initiative	To capacity build 40 newly established grassroots Civil Society Organisations so they can work effectively with most marginalised communities.
Maitri Women's Network: India	A network of 22 Civil Society Organisations working across eight states to combat gender-based violence reaching 20,200 women from Dalit and other marginalised communities.
NIRMAN: Educate and Empower NT/DNT, rural Maharashtra	Supporting 400 children from Notified / De-Notified Tribal children (NT/DNT) Communities to complete their education.
NIRMAN: Livelihoods NT/DNT	200 families from NT/DNT tribal communities achieve improved food security through support for rural livelihoods.
NISD: Girls' Education Project, rural Maharashtra	Enabling 2,455 girls from marginalised communities to get the education they need to transform their lives and secure their future.
Nishtha: Bhalobasha, Baruipur, West Bengal	100 children with severe disabilities are supported to attend a day care centre providing professional support and rehabilitation.
Nishtha: Higher Secondary Girls, West Bengal	320 girls from marginalised communities are supported to complete higher secondary education.
Nishtha: Natun Diganta (post-cyclone) Project, Namkhana, West Bengal	645 girls and their mothers supported to remain in school and avoid early marriage.
Nishtha: Sikhai Hatiyar, West Bengal	800 girls and their parents supported to stay in school and avoid early marriage.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Pragya: Ending Violence Against Women in West Bengal	Providing 15,000 women and girls from vulnerable border areas of West Bengal protection from gender-based violence and human trafficking.
Pragya: India Climate Adaptation, Assam and West Bengal	The project empowers communities to manage climate risks and disasters benefitting 20,000 households in vulnerable river and coastal regions.
SSEVS: SLIDE Livelihoods, West Champaran, Bihar	500 Dalit farmers are being trained to achieve sustainable income through vegetable farming in 12 villages.
URJA: Journey with Homeless Young Women, Dardar, Mumbai	800 homeless young women and survivors of gender-based violence enabled to access safe spaces and build healthy relationships and coping strategies that enhance their quality of life and resilience.
<b>NEPAL</b>	
Green Tara Nepal: Dignity for Women, Bhajan and Bhadura, Western Nepal	4,000 women and adolescent girls from 36 villages in rural Western Nepal are empowered to make well-informed decisions about their menstrual practices and health in supportive environments.
Green Tara Nepal: Strong Girls, Palpa, Rupandehi, Southern Nepal	To support 1,577 girls from marginalised communities to stay in school.
REED: Learning Champions Education, Southern Nepal	9,500 girls from rural marginalised communities are supported to stay in school, complete their education and avoid early marriage.
Pragya Solutions: Climate Resilience, Sindalpalchuk	Promoting disaster resilience and climate adaptation among marginalised communities in two districts that are most vulnerable to adverse effects of climate change, directly benefitting 2,000 smallholder households with outreach to an estimated 20,000 households in target area.
REED: Strengthening Climate Resilience, Melamchi	The project works with 4,900 children and young people in schools to raise awareness of climate change and strengthen the climate resilience of local communities.
FEDO: Mahila Saman: Education and Women's Empowerment, Kapilvastu	The project works with 1,000 children and adults from marginalised communities to support children's access to education and increase participation of women in local governance.
Future Generation Nepal: Prevention of Child Trafficking, Kalika	Awareness-raising to prevent child trafficking and rescue and rehabilitation of 34 child survivors.
<b>BANGLADESH</b>	
Pragya Solutions: Participatory Climate Change Adaptation, Khulna, Munchiganj and Narayanganj	The project spans three districts of Bangladesh, empowering communities to manage climate risks and disasters, benefitting 20,000 households in vulnerable river and coastal regions.
Grambangla: Education for Children of Waste Pickers, Dhaka	Informal primary education is provided to 215 children of waste pickers at an education centre near the waste site (with the nearest school located four kilometres away), alongside advocacy efforts for improved welfare provisions for waste picker communities.
OKUP: Rehabilitation of Returning Migrants, Dhaka and Munshiganj	Resettlement and rehabilitation of 2,500 migrant workers returning from overseas, providing pre-departure training and support for migrants vulnerable to exploitation.
Nari Maitri: Livelihoods and Education for Slum-Dwelling Migrant Communities, Dhaka	Livelihoods and entrepreneurship training to 500 women from urban slum districts and secure daycare and early childhood education for 45 children.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### The Karuna Family

Since 1980, Karuna (previously Aid for India) has mobilised resources to transform the lives of people in South Asia. We have grown and now have two sister charities—Karuna Germany (since 2007) and Karuna USA (since 2021). Together, we have built a network of organisations that work together and share resources and skills to support our programmes in South Asia. Collaborating in this way has enabled us to significantly expand the scale of the projects we fund and build new ones.

### Karuna Germany

The Karuna Trust and Karuna Germany have a close working relationship and jointly fund and manage many of the same projects. We collaborate on funding applications and last year secured funding for a third phase of our Maitri Women's Empowerment programme and a new phase of funding for our Participatory Climate Change Adaptation Project.

In the year 2024, Karuna Germany was able to invest a record sum of over €1.3 million (£1.1 million) into 12 projects in India, Nepal and Bangladesh. These initiatives reached more than 98,000 people, making a significant difference in challenging areas, such as tackling violence against women and addressing the impacts of climate change.

Karuna Germany's total income rose by 21% over the previous year, reaching €1,489,532. This growth was largely driven by securing two new projects funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). As a result, BMZ grants increased by 33%, with Karuna Germany receiving a total of €926,335 government funding.

The "Nirbhaya: Empowering Women and Girls to End Sexual Violence in India" project received €319,595 in EU funding to continue its work in India, which began in 2023. Nirbhaya is a consortium of five organisations: Jan Sahas, Nirman, Adecom, Gramin Swavlambhan Samiti (GSS) and Yuva Vikas Mandal (YVM). Together, they focus on strengthening the resilience of women and girls against sexual violence across eight districts in four states. Building on the approach of the groundbreaking Voice of Women project, Nirbhaya also provides training and sensitisation for key stakeholders, including police and Legal Service Authorities. Over the past year, 10,271 people have taken part in these activities, among them 4,031 girls and 2,832 women.

In the year 2024, Karuna Germany received a total of €85,736 in individual and multiple donations from private individuals and organisations. That is 21% more than in the previous year. In addition, it was able to receive grants of €142,144 from charitable foundations (up 20%).

The Karuna Trust's financial year runs from April to March, while Karuna Germany's financial year is January to December. As a result, the figures presented in this section reflect different reporting periods for each organisation, and direct comparisons should take these different financial year-ends into account.

### Karuna USA

In 2021, we established Karuna USA with the purpose of widening our base, reaching new funders and generating more support for our work. Karuna USA attracted a highly skilled and innovative Board of Trustees and, having met the relevant legal requirements, was formally registered in November 2022.

Karuna USA aimed to identify resources and champions of our work and engage partners with similar operations to uplift marginalised groups in South Asia and eventually in the United States itself. In 2022, the focus of Karuna USA was establishing itself legally, creating a new website and social media presence, hiring staff and initial fundraising campaigns. It formally launched in November 2022.

Since then, Karuna USA has made £167,948 in grants to Karuna UK but at the same time has relied on financial support from Karuna UK to cover operational costs.

In the year 24/25, Karuna Trust made the difficult decision to reduce funding for Karuna US and ultimately transition to a minimal model. This decision followed a period of unprecedented upheaval in the global aid sector, triggered by the new US administration's policies and the abrupt USAID funding freeze.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

In January 2025, the new US administration imposed a 90-day freeze on all US foreign development aid. This was soon extended, resulting in the termination of over 80% of USAID programmes, with only a small minority of activities continuing under the State Department. The US also announced plans to withdraw from key multilateral bodies and halt funding to major UN agencies. As the US previously provided nearly a third of all OECD aid, these moves have destabilised the global aid landscape. The impact has been immediate and severe: worldwide, thousands of aid contracts have been cancelled and staff laid off, with critical health, education and humanitarian projects suspended or shut down. The impact on the aid sector within the US has also been devastating.

Smaller and new organisations like KUSA, which lack substantial reserves or a longstanding and committed donor base, have been disproportionately affected. Despite efforts to diversify income, KUSA was unable to meet revised fundraising targets, and the prospects for future US-based institutional funding have completely dried up. In this context, the Karuna Trust Board agreed to a four-month tapered reduction in support, after which KUSA would run as much smaller organisation which keeps its US charity registration and ability to receive donations but will have no paid staff or active programmes.

Throughout this transition, the Karuna Trust has prioritised the stewardship of KUSA's 23 regular donors, including their major supporters. Our team in the UK is also actively following up on promising leads and relationships with US-based trusts, while ensuring that donors stay informed and engaged. Looking ahead, the Karuna will continue to nurture these donor relationships and pursue new opportunities with new US-based partners.

<b>CONSOLIDATED ACCOUNTS FOR KARUNA UK, KARUNA GERMANY &amp; KARUNA USA</b>					
<b>FOR THE YEAR ENDED 31 MARCH 2025</b>	<b>Karuna UK</b>	<b>Karuna DE</b>	<b>Karuna USA</b>	<b>Total funds</b>	<b>Total funds</b>
<b>Income from:</b>	<b>2024/25</b>	<b>2024/25</b>	<b>2024/25</b>	<b>2024/25</b>	<b>2023/24</b>
Donations and legacies	1,996,826	1,369,929	21,904	3,388,659	2,921,563
Grants K UK/K USA	20,905	-	76,674	-	10,547
Other income	82,845	-	-	82,845	71,582
	<b>2,100,576</b>	<b>1,369,929</b>	<b>98,578</b>	<b>3,471,504</b>	<b>3,003,692</b>
<b>Expenditure on:</b>					
Raising funds	839,092	27,617	68,751	935,460	895,303
Charitable activities	1,294,149	1,278,429	10,630	2,583,209	2,418,300
Grants K UK/K USA	76,674	-	20,905	-	10,547
Total resources expended	<b>2,209,916</b>	<b>1,306,046</b>	<b>100,286</b>	<b>3,518,669</b>	<b>3,324,150</b>
Net Income/(expenditure)	<b>-109,340</b>	<b>63,883</b>	<b>-1,708</b>	<b>-47,165</b>	<b>-320,458</b>
Fund balances at 1 April 2024	1,196,650	153,488	9,108	1,359,246	1,679,704
<b>Fund balances at 31 March 2025</b>	<b>1,087,310</b>	<b>217,371</b>	<b>7,400</b>	<b>1,312,081</b>	<b>1,359,246</b>

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

CONSOLIDATED BALANCE SHEET					
AS AT 31 MARCH 2025	Karuna UK	Karuna DE	Karuna USA	Total funds	Total funds
	2024/25	2024/25	2024/25	2024/25	2023/24
<b>Fixed Asset</b>					
Tangible assets	230,216	-	-	230,216	227,784
<b>Current Assets</b>					
Debtors	151,283	-	-	151,283	398,100
Cash at bank and in hand	779,773	217,371	7,400	1,004,544	799,252
	931,056	217,371	7,400	1,155,827	1,197,352
Creditors: amounts due within one year	73,961	-	-	73,961	65,889
<b>Total Assets less Current Liabilities</b>	<b>1,087,311</b>	<b>217,371</b>	<b>7,400</b>	<b>1,312,082</b>	<b>1,359,247</b>
<b>Funds</b>					
Unrestricted funds	1,006,102	-	7,400	1,013,501	1,112,388
Restricted funds	81,209	217,371	-	298,580	246,859
	1,087,311	217,371	7,400	1,312,081	1,359,247

Note: Figures for Karuna DE & Karuna USA are drawn from unaudited accounts, contain inter-organisational transactions and exchange rate estimates and are provided for indicative purposes only.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Charitable Activities including Grants to Partners					
	Karuna UK	Karuna DE	Karuna USA	Total 2024/25	Total 2023/24
<b>Grants to Indian partners</b>					
AAINA	30,806	-	-	30,806	29,679
Adecom	-	8,112	-	8,112	18,949
Aryaloka	28,827	-	-	28,827	27,259
Aryaloka - Chhattisgarh	22,349	-	-	22,349	10,804
BH Amravati	24,683	12,650	-	37,333	53,128
Green Tara Foundation	-	-	-	-	6,416
ITBCI	4,443	-	-	4,443	4,613
Jambudvipa	6,356	-	-	6,356	-
Jan Sahas	154,039	453,073	-	607,111	606,524
Maitri Network	17,831	226,299	-	244,130	165,519
Nirman	59,762	10,833	-	70,595	79,846
NISD	31,195	-	-	31,195	44,381
Nishtha	154,587	-	-	154,587	129,967
PHIA Foundation	3,402	15,220	-	18,622	7,699
Pragya	93,476	158,261	-	251,737	151,216
Soulscale	90,821	-	-	90,821	165,834
SSEVS Bihar	8,387	-	-	8,387	19,487
Sukhavati Trust	-	-	-	-	4,802
TBMSG Nagpur	25,181	5,245	-	30,427	29,652
Urja	40,470	-	-	40,470	52,502
<b>Grants to Nepalese partners</b>					
ADWAN	15,546	-	-	15,546	-
FEDO	30,241	-	-	30,241	20,261
Future Generation	20,013	-	-	20,013	-
Green Tara Trust Nepal	84,507	64,235	-	148,742	239,329
Pragya	46,839	66,829	-	113,668	71,491
REED	89,832	128,999	-	218,831	238,433
<b>Grants to Bangladeshi partners</b>					
Grambangala Uhnayan Committee	27,831	-	-	27,831	33,087
Nari Maitree	29,371	-	-	29,371	-
OKUP	34,047	-	-	34,047	-
Pragya Solutions	21,614	127,784	-	149,397	88,557
<b>Grants to German partners</b>					
Karuna DE (BMZ match funding)	14,019	-	-	14,019	18,618
<b>Grants US partners</b>					
Karuna USA (adjusted for support costs & reciprocal grant)	81,392	-	-	81,392	40,006
<b>Sub-totals</b>	<b>1,291,868</b>	<b>1,277,539</b>	<b>-</b>	<b>2,569,407</b>	<b>2,358,059</b>
Governance & other charitable costs	58,050	891	10,630	69,571	70,788
<b>Totals</b>	<b>1,349,918</b>	<b>1,278,429</b>	<b>10,630</b>	<b>2,638,977</b>	<b>2,428,847</b>

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Financial review

#### Income

The total income received by The Karuna Trust for the year ended 31 March 2025 was £2,100,576 (2023/24: £2,182,785), a decrease of £82,209 year-on-year.

In the year to 31 March 2025, total income from Regular Giving was £1,455,851 (2023/24: £1,431,184). Our Regular Giving income is typically derived from door-to-door campaigns, give-as-you-earn, telephone upgrade campaigns and online giving. We rely heavily on volunteers to run most of these campaigns, all of whom are connected to the Triratna Buddhist community. Despite a challenging economic climate, we were able to run four door-to-door appeals and one telephone upgrade appeal.

One-off donations from individual donors raised £141,939 (2023/24: £101,809).

Our Christmas Appeal 2024 raised a further £78,967 plus Gift Aid (2023/24: £77,680) to support vulnerable families to build generational resilience to climate change.

We have been developing our online presence through digital campaigns, including via email, social media and the Global Giving platform which is based in the USA. This year income from digital campaigns was £10,964 (2023/24: £34,793).

During the year we received £20,087 in legacy gifts (2023/24: £68,119). We deeply appreciate that Karuna is considered for gifts left in wills, no matter how large or small; they make a significant impact on our work.

Income from grant-giving trusts was £264,641 (2023/24: £318,113) of which £241,041 was restricted income. We are deeply grateful to our Trust partners, with whom we work closely, for their ongoing support of our work in India, Nepal and Bangladesh.

#### Expenditure

Our expenditure for the year was £2,209,916 (2023/24: £2,231,425).

Over the past year, The Karuna Trust committed £1,312,773 to programmes delivery, a decrease of £53,207 from the previous year (2023/24: £1,365,980). Of this total, direct grants to partners totalled £983,948 for the year (2023/24: £1,011,300).

During the year, The Karuna Trust increased its grant expenditure to Bangladeshi partners to £84,593 in (2023/24: £38,070), an increased investment in our work in Bangladesh of £46,523.

We increased grant payments to Nepalese partners during the year to £215,096 (2023/24: £121,088), an additional £94,008.

Grant payments to partner organisations working in India were £597,078 (£2023/24: £754,361).

Programme management expenditure was £328,285 (2023/24: £354,680). This includes partner training, partner workshops, capacity building and awareness-raising activities carried out by in-country professional consultants and UK and Germany-based programmes managers. Over the past year, we have strengthened the support we give to partners, particularly emphasising financial management, compliance and the safeguarding of children and vulnerable adults.

We also made grant payments of £76,674 to Karuna USA (2023/24 £83,997) and £10,508 to Karuna Germany(2023/24 £13,784). During the year, Karuna USA made grants of £20,905 to The Karuna Trust which were applied to our overall programme grants.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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At the year-end, we carried £1,109,260 in future grant commitments to partners (2023/24: £1,668,122). These are contingent liabilities, not contractual, and therefore do not appear on our balance sheet and are not included in the reserve calculation. Nonetheless, they represent a very real responsibility for The Karuna Trust.

Combined programme expenditure delivered by both The Karuna Trust and Karuna Germany totalled £2,638,977 (2023/24: £2,428,847), an increase of £210,130.

The cost of generating funds for The Karuna Trust for the year was £839,092 (2023/24: £806,318). Of this figure, £558,805 (2023/24: £482,390) was incurred in direct fundraising costs and the balance of £280,585 (2023/24: £323,929) in administrative support costs (including IT, financial processing, and communications). This means that our direct fundraising costs this year were 26.6% of income (2024/25: 22%), a tremendous achievement by our fundraising team in what continues to be a challenging and unpredictable fundraising environment.

Governance costs for the year were £58,050 (2023/24: £59,126).

Overall, the charity recorded a deficit for the year of £109,340 (2023/24: £48,640) drawn from reserves.

#### **Reserves policy**

At the end of the year, the charity had total reserves of £1,087,311 a decrease of £109,340 against the previous year. An analysis of the reserve amount is as follows:

- Unrestricted Operating reserve: £775,886 (funds for the general operation of the charity)
- Unrestricted Fixed Asset reserve: £230,216 (tangible net assets net of bank loan)
- Restricted funds: £81,209 (funds for specific projects)

The charity's reserves policy aims to maintain an operating reserve equivalent to 4 months' costs, which, on 31 March 2025, equated to approximately £748,000.

#### **Investment Policy and Performance**

The charity's surplus funds are held in interest-bearing accounts with our bankers. We continue to do all we can to obtain the best rates of interest.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Looking Ahead

As we enter the final year of our current three-year strategy, Karuna remains focused on deepening our impact across India, Nepal, and Bangladesh, while keeping a disciplined approach to costs and sustainability.

The global context for international aid has become increasingly challenging, with historic cuts to international aid budgets and shifting geopolitical priorities making the task of securing new funding ever more difficult. Despite these trends, Karuna's distinctive approach – rooted in our strong partnerships, local leadership, locally-led development and connection to the Buddhist community – continues to deliver measurable results for those most in need.

However, it is important to acknowledge that the world has changed dramatically since we set out this strategy nearly three years ago. Income levels have not kept pace with our original projections, mainly due to the tougher funding environment and shifting donor priorities.

Given the unprecedented levels of change and uncertainty in the external environment, the Trustees have agreed that, following the conclusion of the current strategy period, Karuna will adopt a one-year organisational plan for 2026/27. This will allow us to remain agile and responsive to emerging risks and opportunities, while we assess the longer-term landscape for international development.

Our priorities for the year ahead are clear. We will consolidate and strengthen our existing programmes, ensuring that our work in girls' education, prevention of violence against women, protection of migrant workers and climate resilience continues to reach those at greatest risk. Capacity building for grassroots civil society organisations will remain central, through initiatives like the Grassroots Resilience Initiative, which has already empowered 26 local partners to reach over half a million people and secure nearly £1 million in independent new funding.

We are also committed to building on our strong financial foundation. Our stable reserves and largely unrestricted income – underpinned by the enduring support of the Buddhist community and our successful door-to-door appeals – provide us with the flexibility to adapt to external shocks and take new opportunities as they arise. Nonetheless, we recognise that the landscape is volatile and that competition for resources is increasing. Diversifying our funding base, engaging new supporters and amplifying our voice will be essential to sustaining and growing our impact.

Our original plan was that by the end of 2026, we would have invested £8.8 million in our programmes, strengthened our relationships with our sister charities in Germany and the USA and increased our income by reaching new audiences and deepening engagement with existing supporters. As of 31 March 2025, we have invested £4.9 million in programme delivery, or 55% of our three-year target.

Karuna's dedicated team, strong planning and governance and Buddhist ethos remain our greatest assets. Together, they enable us to weather uncertainty and deliver life-changing support to communities that are too often overlooked. As we look ahead, our commitment is unwavering: to continue reaching those facing the greatest barriers, to adapt with resilience and to ensure that Karuna's work is a ray of hope in this increasingly complex world.

### Structure, governance and management

The Karuna Trust is a company limited by guarantee and registered with the Charity Commission as a charity.

The Trustees, who are also the directors for the purposes of company law and served during the year, were:

Peter White, Chair (from 31 December 2024)  
Su Yen Tan, Treasurer  
Sundeep Grewal  
Carolyn Milosevic MBE  
Vajramudita Armstrong (resigned as Trustee 06 January 2025)

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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The Trustees give their time on a voluntary basis to the management and governance of the charity. They meet four times a year to review the progress of the charity in all its activities and to make major decisions about direction, policy, staffing and grants to partner projects. When needed, the Trustees establish working groups to address specific issues and report their findings to the full board.

The Trustees of The Karuna Trust are also Trustees of Aid for India (founded 1980), which is the original name for the Trust. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. None of the Trustees has any beneficial interest in the company.

Through the CEO, the Trustees liaise closely with the Senior Management Team, Fundraising, Programmes and Finance Teams, who are paid staff and are responsible for ensuring that the standard of care required by the Trustees is carried out in the areas of grant management, governance, fundraising and publicity. The Trustees are all members of the Triratna Buddhist Order.

The day-to-day management of the charity is delegated to the Chief Executive Officer, who serves as the primary liaison with the Trustee body. The CEO ensures the effective implementation of the charity's strategic plans and policies, providing regular updates and feedback to the Trustees. This role is crucial in maintaining a cohesive and transparent relationship between the operational team and the governance structure.

New Trustees attend an induction meeting with the Chair and CEO where they receive briefings on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Business Plan and the current financial situation as set out in the latest published accounts. During the induction, the Trustee may also meet other senior staff. Trustees are encouraged to attend appropriate external training events so they may keep abreast of their duties and current developments.

### **Risk Management**

The Trustees have carefully assessed the major risks facing the charity and are confident that systems and procedures are in place to mitigate these risks effectively.

Karuna's Management Team conducts a comprehensive annual review of all significant risks supplemented by regular interim assessments throughout the year. The findings are reported to the Trustees, and the risk register is updated accordingly. The risk review for the year 2025/26 has been completed and approved by the Trustees in May 2025, with the next full review scheduled for June 2026.

### **Statement of trustees' responsibilities**

The trustees, who are also the directors of The Karuna Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

In preparing these 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 UK 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### **Auditor**

In accordance with the company's articles, a resolution proposing that Gravita Audit II Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

.....  
Su Yen Tan (Treasurer)  
**Trustee**

.....  
Peter White (Chair)  
**Trustee**

Date: 31/7/2025 .....

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KARUNA TRUST

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### Opinion

We have audited the financial statements of The Karuna Trust (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, 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 Companies Act 2006.

### 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's 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; 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.

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KARUNA TRUST

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#### **Responsibilities of trustees**

As explained more fully in the sstatement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the charity were identified through discussions with trustees and other management, and from our commercial knowledge and experience of The Karuna Trust. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KARUNA TRUST

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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.

#### Paul Woosey FCA, FCCA (Senior Statutory Auditor)

For and on behalf of Gravita Audit II Limited, Statutory Auditor

Chartered Accountants

Aldgate Tower

2 Leman Street

London

E1 8FA

United Kingdom

Date: .....

18/8/2025

Gravita Audit II Limited 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.

# THE KARUNA TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	Notes	£	£	£	£	£	£
<b>Income from:</b>							
Donations and legacies	2	1,747,159	270,564	2,017,723	1,771,164	340,038	2,111,202
Investments	3	82,845	-	82,845	71,582	-	71,582
<b>Total income</b>		<u>1,830,004</u>	<u>270,564</u>	<u>2,100,568</u>	<u>1,842,746</u>	<u>340,038</u>	<u>2,182,784</u>
<b>Expenditure on:</b>							
Raising funds	4	826,754	12,338	839,092	788,886	17,433	806,319
Charitable activities	5	1,100,427	270,387	1,370,814	1,138,069	287,037	1,425,106
<b>Total expenditure</b>		<u>1,927,181</u>	<u>282,725</u>	<u>2,209,906</u>	<u>1,926,955</u>	<u>304,470</u>	<u>2,231,425</u>
<b>Net expenditure and movement in funds</b>		(97,177)	(12,161)	(109,338)	(84,209)	35,568	(48,641)
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2024		<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>	<u>1,187,489</u>	<u>57,802</u>	<u>1,245,291</u>
<b>Fund balances at 31 March 2025</b>		<u>1,006,103</u>	<u>81,209</u>	<u>1,087,312</u>	<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# THE KARUNA TRUST

## BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		230,215		227,784
<b>Current assets</b>					
Debtors	14	151,283		398,100	
Cash at bank and in hand		779,773		636,655	
		931,056		1,034,755	
<b>Creditors: amounts falling due within one year</b>	15	(73,959)		(65,889)	
<b>Net current assets</b>			857,097		968,866
<b>Total assets less current liabilities</b>			1,087,312		1,196,650
<b>The funds of the charity</b>					
Restricted income funds	17		81,209		93,370
Unrestricted funds	18		1,006,103		1,103,280
			1,087,312		1,196,650

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

31/7/2025

The financial statements were approved by the trustees on .....

.....  
Su Yen Tan (Treasurer)  
**Trustee**

.....  
Peter White (Chair)  
**Trustee**

Company registration number 02132178 (England and Wales)

# THE KARUNA TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

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	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	23		72,367		(163,859)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(12,094)		(5,192)	
Investment income received		82,845		71,582	
<b>Net cash generated from investing activities</b>			70,751		66,390
<b>Financing activities</b>					
Purchase of derivatives		-		(5,696)	
<b>Net cash used in financing activities</b>			-		(5,696)
<b>Net increase/(decrease) in cash and cash equivalents</b>			143,118		(103,165)
Cash and cash equivalents at beginning of year			636,655		739,820
<b>Cash and cash equivalents at end of year</b>			<u>779,773</u>		<u>636,655</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

##### Charity information

The Karuna Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 72 Holloway Road, Holloway, London, N7 8JG.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies (Continued)

#### 1.5 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Property over 100 years
Plant and machinery	Straight line between 3 and 5 years
Fixtures, fittings & equipment	Straight line between 3 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 1 Accounting policies

(Continued)

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income and expenditure in support costs or other income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	1,727,072	270,564	1,997,636	1,702,045	340,038	2,042,083
Legacies	20,087	-	20,087	69,119	-	69,119
	<u>1,747,159</u>	<u>270,564</u>	<u>2,017,723</u>	<u>1,771,164</u>	<u>340,038</u>	<u>2,111,202</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 3 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	39,104	39,760
Interest receivable	43,741	31,822
	<u>82,845</u>	<u>71,582</u>

### 4 Expenditure on raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>Fundraising and publicity</b>						
Bank charges	12,562	-	12,562	11,968	-	11,968
Newsletters, printing and postage	15,461	-	15,461	8,473	-	8,473
Fundraising expenses	190,855	-	190,855	208,100	-	208,100
Rent and hire	23,279	-	23,279	26,352	-	26,352
Staff costs	577,383	12,338	589,721	525,978	17,433	543,411
Depreciation and impairment	7,214	-	7,214	8,015	-	8,015
	<u>826,754</u>	<u>12,338</u>	<u>839,092</u>	<u>788,886</u>	<u>17,433</u>	<u>806,319</u>

### 5 Expenditure on charitable activities

	Charitable activities 2025 £	Charitable activities 2024 £
<b>Direct costs</b>		
Grant funding of activities (see note 6)	983,942	1,011,300
<b>Share of support and governance costs (see note 9)</b>		
Support	328,822	354,678
Governance	58,050	59,128
	<u>1,370,814</u>	<u>1,425,106</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,100,427	1,138,069
Restricted funds	270,387	287,037
	<u>1,370,814</u>	<u>1,425,106</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 6 Grants payable

	Charitable activities 2025 £	Charitable activities 2024 £
Grants to institutions:		
Other	983,942	1,011,300
	<u>983,942</u>	<u>1,011,300</u>

Please see Note 8 for detail.

### 7 Grants to programme partners

Charitable Activities	Unrestricted grants	Restricted grants	Total grants	Support & development costs	Total funds 2025	Total funds 2024
	£	£	£	£	£	£
<b>Grants to Indian partners</b>						
AAINA	23,090	-	23,090	7,716	30,806	29,679
Aryaloka	21,606	-	21,606	7,221	28,827	27,259
Aryaloka - Chhattisgarh	16,751	-	16,751	5,598	22,349	10,804
BH Amravati	1,628	16,872	18,500	6,183	24,682	44,609
Green Tara Foundation						
Vishrantwadi	-	-	-	-	-	6,416
ITBCI	-	3,330	3,330	1,113	4,443	4,613
Jambudvipa	-	4,764	4,764	1,592	6,356	-
Jan Sahas	53,066	62,389	115,455	38,584	154,039	240,324
Maitri Network	13,365	-	13,365	4,466	17,831	49,994
Nirman	32,758	12,035	44,793	14,969	59,762	79,846
NISD	16,483	6,898	23,381	7,814	31,195	44,381
Nishtha	34,641	81,225	115,866	38,721	154,587	129,967
PHIA Foundation	2,550	-	2,550	852	3,402	3,444
Pragya	68,262	1,800	70,062	23,414	93,476	80,994
Soulscale	68,072	-	68,072	22,749	90,821	165,834
SSEVS Bihar	6,286	-	6,286	2,101	8,387	19,487
Sukhavati Trust	-	-	-	-	-	4,802
TBMSG Nagpur	12,484	6,390	18,874	6,307	25,181	23,973
Urja	19,649	10,684	30,333	10,137	40,470	52,502
<b>Grants to Nepalese partners</b>						
ADWAN	9,509	2,143	11,652	3,894	15,546	-
FEDO	20,523	2,143	22,666	7,575	30,241	20,261
Future Generation	12,857	2,143	15,000	5,013	20,013	-
Green Tara Trust Nepal	25,948	37,392	63,340	21,167	84,507	15,784
Pragya	32,964	2,143	35,107	11,732	46,839	71,491
Reed	59,801	7,530	67,331	22,501	89,832	56,020
<b>Grants to Bangladeshi partners</b>						
Grambangala Unnayan Committee	20,860	-	20,860	6,971	27,831	33,087
Nari Maitree	22,014	-	22,014	7,357	29,371	-

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 7 Grants to programme partners (Continued)

OKUP	25,519	-	25,519	8,528	34,047	-
Pragya Solutions	16,200	-	16,200	5,414	21,614	18,335
<b>Grants to German partners</b>						
Karuna DE	-	10,502	10,502	3,508	14,010	18,618
<b>Grants to US partners</b>						
Karuna USA	76,674	-	76,674	25,624	102,297	113,456
<b>Totals</b>	<b>713,561</b>	<b>270,381</b>	<b>983,942</b>	<b>328,822</b>	<b>1,312,764</b>	<b>1,365,980</b>

### 8 Net movement in funds 2025 £ 2024 £

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	19,179	15,620
Depreciation of owned tangible fixed assets	9,662	10,830
Operating lease charges	-	5,980

### 9 Support costs allocated to activities 2025 £ 2024 £

Staff costs	232,098	230,910
Depreciation	2,113	2,325
Operating lease charges	-	5,980
Training and development	5,729	8,350
Consultants	32,244	38,121
Exchange losses	6,953	-
Other costs	29,623	51,565
Loan interest	-	58
Travel and subsistence	15,723	12,401
Programmes communication & publicity	4,339	4,968
Governance costs	58,050	59,128
	<b>386,872</b>	<b>413,806</b>
<b>Analysed between:</b>		
Charitable activities	<b>386,872</b>	<b>413,806</b>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 9 Support costs allocated to activities

(Continued)

	2025	2024
	£	£
<b>Governance costs comprise:</b>		
Staff costs	25,279	23,144
Depreciation	335	490
Audit fees	19,179	15,620
Legal and professional	518	6,987
Office costs	8,962	11,145
Travel	3,400	1,323
Bank charges	32	43
Consultancy	345	376
	<u>58,050</u>	<u>59,128</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 3 of them were reimbursed a total of £2,496 expenses (2024: 3 were reimbursed £1,105)

### 11 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Grant management	7	7
Fundraising	16	16
Governance	1	1
Total	<u>24</u>	<u>24</u>

### Employment costs

	2025	2024
	£	£
Wages and salaries	758,463	720,949
Social security costs	67,680	56,522
Other pension costs	20,955	19,994
	<u>847,098</u>	<u>797,465</u>

There were no employees whose annual remuneration was more than £60,000.

### 12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 13 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2024	295,100	30,211	35,582	360,893
Additions	-	12,094	-	12,094
At 31 March 2025	295,100	42,305	35,582	372,987
<b>Depreciation and impairment</b>				
At 1 April 2024	77,037	21,781	34,292	133,110
Depreciation charged in the year	2,101	6,271	1,290	9,662
At 31 March 2025	79,138	28,052	35,582	142,772
<b>Carrying amount</b>				
At 31 March 2025	215,962	14,253	-	230,215
At 31 March 2024	218,063	8,431	1,290	227,784

### 14 Debtors

	2025	2024
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	114,733	312,309
Prepayments and accrued income	36,550	85,791
	151,283	398,100

### 15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	9,438	7,309
Other creditors	15,451	9,406
Accruals and deferred income	49,070	49,174
	73,959	65,889

### 16 Retirement benefit schemes

	2025	2024
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	20,955	19,994

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General Restricted Fund	93,370	270,564	(282,725)	81,209
<b>Previous year:</b>				
	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General Restricted Fund	57,802	340,038	(304,470)	93,370

### 18 Unrestricted funds

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General funds	1,103,280	1,830,004	(1,927,181)	1,006,103
<b>Previous year:</b>				
	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	1,187,489	1,842,746	(1,926,955)	1,103,280

### 19 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
<b>At 31 March 2025:</b>			
Tangible assets	230,215	-	230,215
Current assets/(liabilities)	775,888	81,209	857,097
	<u>1,006,103</u>	<u>81,209</u>	<u>1,087,312</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>At 31 March 2024:</b>			
Tangible assets	227,784	-	227,784
Current assets/(liabilities)	875,496	93,370	968,866
	<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>

### 20 Financial commitments, guarantees and contingent liabilities

Karuna Trust had contingent liabilities of £1,109,260 (2024: £1,668,122) for charitable projects at the financial year end. Contingent liabilities were lower than usual because a number of funding agreements with Project Partners reach the end of their four-year cycle in 2025-26 and are subject to renewal. New four-year funding agreements will be negotiated and commissioned during 2025-26. The figures and financial impact on the charity is still to be calculated.

### 21 Operating lease commitments

#### Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	26,265	25,625
Between two and five years	-	26,265
	<u>26,265</u>	<u>51,890</u>

### 22 Related party transactions

The charity is controlled by the trustees who are all directors of the company. The trustees of the charity are also the trustees for another charity, Aid for India.

During the year Aid for India paid £2,000 (2024: £6,796) as a management fee to The Karuna Trust. At the year end the charitable company owed £0 (2024: £0) to Aid to India.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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<b>23 Cash generated from/(absorbed by) operations</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deficit for the year	(109,338)	(48,641)
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(82,845)	(71,582)
Depreciation and impairment of tangible fixed assets	9,662	10,830
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	246,818	(74,448)
Increase in creditors	8,070	19,982
<b>Cash generated from/(absorbed by) operations</b>	<u>72,367</u>	<u>(163,859)</u>

## 24 Analysis of changes in net funds

The charity had no material debt during the year.

**THE KARUNA TRUST**

England & Wales - Charity number 327461

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# Accounts

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Charity registration number 327461

Company registration number 02132178 (England and Wales)

**THE KARUNA TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

# THE KARUNA TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Vajramudita Armstrong (Chair) Su Yen Tan (Treasurer) Sundeep Grewal Carolyn Milosevic MBE Peter White
<b>Secretary</b>	Mark C Baird
<b>Charity number</b>	327461
<b>Company number</b>	02132178
<b>Principal address</b>	72 Holloway Road Holloway London N7 8JG
<b>Registered office</b>	72 Holloway Road Holloway London N7 8JG
<b>Auditor</b>	Gravita Audit II Limited Aldgate Tower 2 Lemn Street London E1 8FA
<b>Bankers</b>	Clydesdale Bank Plc Studio B 146-158 Kensington High Street London W8 7RL
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

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# THE KARUNA TRUST

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 18
Independent auditor's report	19 - 21
Statement of financial activities	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 35

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Trust, the Companies Act 2006 and "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).

### **Objectives and activities**

Karuna works alongside the most excluded people in South Asia, overcoming poverty and discrimination with locally led education, gender equality and sustainable livelihood projects.

We support locally led Civil Society Organisations (CSO) to become more self-reliant and sustainable, fostering a cycle of empowerment and transformation within communities by focusing on both financial support and capacity building. This multi-faceted approach ensures a broad impact by addressing immediate needs while building long-term resilience and capability among partner organisations and communities.

### **International Development and Grant-Making**

We make grants to a range of in-country and locally led partner CSOs in India, Nepal, and Bangladesh. By providing people with tools, support, and skills, they become champions of their communities and support others. Working with locally led organisations within the affected communities, we support self-reliance and sustainability. We facilitate the formation of networks among these organisations, enabling them to extend their impact to more individuals and extend the cycle of transformation beyond their communities.

Over the past year we have continued our strategy of broadening the geographical focus of our work by reaching out to more communities in Nepal and Bangladesh.

### **Building a strong vibrant community-led voluntary sector**

Grassroots CSOs, especially those led by historically marginalised communities, face disproportionate challenges in sustaining and growing their work. The impact of the pandemic, combined with tougher Government regulations for Indian non-profits and cuts in overseas development funding, has meant that many of these organisations are struggling to sustain their work, with larger funders often unable to support them.

In addition to funding projects, we support our project partners and other grassroots CSOs to become more effective and sustainable, combining the expertise of local trainers, capacity builders and advisors with our knowledge and networks. Our partners lead the way in this process, while we provide the necessary resources and assistance. A considerable proportion of our work goes towards partner and other grassroots CSOs training in effective project management including strategic planning, financial management, monitoring and evaluation. We also support and training in good governance, leadership development, safeguarding children and vulnerable adults, and fundraising from in-country and overseas sources.

In this way, Karuna is helping to build a strong, vibrant community-led voluntary sector that is capable of empowering people from marginalised communities and bringing about sustainable change at a local level.

### **Investing in New International Funding Streams**

Since 2007, Karuna has invested a small part of its unrestricted funds into the development of sister organisations in Germany and, more recently, in the US, opening access to new audiences and funding sources for our work with marginalised communities.

After 17 years in operation, Karuna Germany has grown to become a key contributor to our overall Programme, leveraging major grant funds from German-based sources such as BMZ (the German Government's agency for International Development) and the European Union. This year, Karuna Germany's contribution of £1,066,466 was almost half of our total combined programmes grant funding. Three years since its establishment, Karuna US has made considerable progress and is now contributing £73,450 to our income.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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The Karuna Trust is investing in salary and running costs of these sister Karuna organisations, as well as providing technical support in Programmes, Communications, Legal and Fundraising. For this reason, we present figures that show the consolidated income and expenditure for all three organisations together, as this presents a picture of the actual income and costs of our fundraising and programmes work, taken as a whole.

#### **Awareness-Raising**

Through our website, annual review, social media channels, public talks, networks, and other events, we aim to raise awareness of the impact of poverty, inequality, and discrimination in South Asia.

#### **Fundraising**

Fundraising is conducted through several different streams: door-to-door campaigns, phone campaigns, digital platforms, one-off donations and grant applications to charitable trusts and institutional donors. In recent years, Karuna Germany has contributed significantly due to major grants from BMZ and the EU.

#### **Public benefit**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

## **Programmes Annual Report**

### **Introduction**

As well as providing direct support to projects, Karuna supports and enables local grassroots CSOs with training and mentoring, typically facilitated by in-country experts. This work enables our partners to be part of a strong, vibrant voluntary sector that can identify and respond to the needs of the most marginalised.

In 2023/24 Karuna worked directly with 15 community-led partners in India, Nepal and Bangladesh. These local grassroots organisations have well-developed networks within the most marginalised communities, informed by the lived experience of the issues facing those communities. This means we can target our support directly to the most urgent needs of the most disadvantaged and difficult to reach communities.

At the same time, we aim to collaborate with our own partners and the wider voluntary sector to help smaller grassroots organisations become more resilient and sustainable, so that they can continue to deliver crucial services in an increasingly challenging environment.

As well as directly supporting 15 CSOs, we have facilitated capacity building support for a further 24 organisations, covering strategic planning, financial management, monitoring and evaluation, governance, leadership development, safeguarding, project management and fundraising. Our partners have benefited from training delivered by in-country experts, advisors and mentors with funding and support provided by Karuna.

#### **Progress Against our Strategy in 2023-24**

This was the first year of our current three-year strategy and our priorities for project funding were:

- To support children, especially girls, to get back into full-time education, to avoid dropping out of school into child labour and avoid early marriage.
- To protect women from violence by giving them improved access to justice and legal protection. Studies have shown that the Covid years saw a sharp increase in cases of violence and numbers of women from marginalised communities being lured into becoming victims of human trafficking.
- To support migrant workers and people from other marginalised communities to improve their livelihoods and gain access to government welfare schemes. The pandemic led to a livelihoods crisis significantly affecting already vulnerable migrant and daily wage labourers.
- To work with the marginalised communities most affected by the impacts of climate change for improved disaster preparedness and climate adapted livelihoods. Dalit and other marginalised communities are on the frontlines of climate change, facing life-threatening extreme heatwaves, droughts and floods that jeopardise their lives, livelihoods, and food security.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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Indicator of progress	Overall Target 23-24	Actual 23-24
Number of girls supported to stay in school and avoid early marriage.	14,000	17,379
Number of women and girls protected from violence and trafficking.	34,000	31,000
Number of migrants and people from marginalised communities supported for improved livelihoods and access to welfare entitlements.	55,000	75,394
Number of people from vulnerable communities supported to adapt to climate change.	18,000	25,912

### Project Overview and Impact

Our mission is to reach out to people from the most marginalised communities, particularly those most affected by poverty and deeply entrenched forms of social and gender discrimination. Our work focuses on Gender Equality, Education and Sustainable Livelihoods, supporting people to free themselves from poverty and access lives of opportunity and freedom.

During the year 2023/24, Karuna directly supported 30 projects run by 15 locally based partner organisations across nine states in India, five districts in Nepal and three districts in Bangladesh.

Karuna also supported a further 24 grassroots partner organisations through our Maitri Women's Empowerment Network (nine partner organisations) and through our funding of the Grassroots Resilience Initiative (15 partner organisations).

During this time, our partners worked directly with a combined total of 151,000 people from marginalised communities and more widely impacted a broader community of 813,000 people.

### Education

Education is often the first step in supporting people to escape from poverty. Yet, in all the areas where we work, children from marginalised communities – especially adolescent girls – struggle to either access or stay in fulltime education, remaining at increased risk of dropping out into child labour and forced early marriage.

Over the past year, our partners supported 17,379 girls and 10,700 boys to stay in school, giving them the opportunity to complete their education and build brighter futures, free from child labour and early marriage.

### Gender Equality

Violence against women continues to be a huge problem, especially in marginalised communities. Women and girls are especially vulnerable to domestic or descent-based violence and trafficking, while those in the poorest communities' struggle to access legal protection or seek justice for their abuse.

Over the past year, our partners have worked directly with 31,000 women and girls, supporting them to protect themselves from gender-based violence and trafficking through increased awareness of legal provisions, training on safe approaches to migration and improved access to legal protection.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Livelihoods

In recent years, our programmes have focused increasingly on the plight of migrant and daily wage labourers, who all-too-often lack protection and work security under employment legislation, making them vulnerable to extreme exploitation. Most live close to complete destitution, making our support more crucial than ever.

**Over the past year, our partners have provided direct support to 75,394 migrant workers and daily wage labourers, supporting them to develop more secure livelihoods as well as access government entitlements and welfare schemes.**

The marginalised communities we work alongside are among the most vulnerable to climate change globally. Typically living in remote, rural areas puts them on the front line of shifting climates, while dependence on fragile agriculture makes heatwaves, droughts and flooding especially devastating. Without methods of climate resilience and adaptive livelihoods, their situation will only worsen.

**In the last year, our programmes have supported 25,912 people in India, Nepal, and Bangladesh to become more resilient to the effects of climate change through adapted farming techniques and community-based disaster preparedness.**

#### Project Highlights

##### Networking and Civil Society Development

Grassroots Resilience Initiative Project. Partner: SoulScale

This newly established project aims to provide much needed training and capacity building support to leaders from 40 CSOs working directly with marginalised communities across seven states in India. In recent years, the environment for local community-based organisations has become much harder with new Indian Government restrictions and tighter regulations affecting the receipt and use of funds from overseas funding organisations like Karuna. The project aims to equip a new generation of community leaders with the Financial and Leadership skills they need to run effective organisations and maximise their impact in their target communities.

**In its second year of operation, the project worked with 35 organisations with a combined impact on 296,521 direct beneficiaries from the most marginalised communities. The project has been particularly successful in empowering partner organisations leverage new funding and so far, participating organisations have been supported to raise an additional £611,000 from local and international sources.**

##### Education

Strong Girls/Learning Champions Project. Partner: Green Tara/REED, Nepal

The project gives girls from marginalised Dalit and tribal communities in Southern Nepal access to quality education, enabling them to complete primary school and transition to secondary education. **In the last year, the project engaged directly with 5,983 girls and brought positive benefits to a further 12,889 parents and other family members.**

Inclusion of Disabled Children. Partner: AAINA

This project, which Karuna started supporting in 2022, gives 250 children with disability the opportunity to become integrated into the mainstream school system. **Over the past year the project engaged directly with 430 children in the area around Bhubaneswar in Odisha, India, bringing benefits to 1,065 family and other community members.**

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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#### Education for NT/DNT Communities. Partner: Nirman

Nirman is a community-based organisation working with some of the most marginalised and discriminated-against communities in India: The Notified and De-notified Tribal Communities, who were previously designated as "criminal castes." **Over the past year, this project has worked to support 987 children from these very disadvantaged communities to continue their education, benefitting a wider community of 1,605 people.**

#### Women's Empowerment

##### Women's Empowerment Network. Partner: Maitri

The Maitri Women's Empowerment Network was initiated in 2009 and currently consists of nine Karuna-supported Civil Society Organisations working with women from marginalised communities in nine States in India. Maitri Campaigns focus on building women's leadership capacity and prevention of violence against women. **Over the past year the network has engaged directly with 31,242 people and a further 76,465 benefitting more broadly.**

##### Dignity for Women – Challenging Chhaupadi. Partner: Green Tara/REED Nepal

This project sets out to challenge the traditional and degrading practice of Chhaupadi (Menstrual Exile). In remote areas of Western Nepal, women are excluded from their homes and forced to live in unsafe huts during their menstruation, often at considerable risk to their health and safety. Through a series of targeted information and awareness raising campaigns with key stakeholders (including mothers and local community leaders) the project works directly with women and girls from 36 villages in Western Nepal promoting safe menstruation practices. The project, which started in 2021, is a joint initiative between Karuna Trust and Karuna Germany with BMZ providing 75% funding of the total four-year budget of £535,000. **Over the past year the project has worked with 12,734, girls, mothers, and other stakeholders, with a wider impact on 17,331 indirect beneficiaries.**

##### Voice of Women Project. Partner: Jan Sahas

This project provides legal and counselling support for women victims of violence across four states in Western and Central India, enabling them to access justice and legal protection through a criminal justice system that all too often doubly discriminates against women from marginalised communities (based on both caste and gender). By training volunteer paralegals, known as barefoot lawyers, and providing access to free legal representation, the project aims to provide readily accessible legal aid for women in need. **Over the past year, the project has worked directly with 1,084 women and engaged with a further 4,344 through training and awareness raising campaigns.**

##### Safe Migration Project. Partner: Pragya

This project, which started in 2021, aims to provide 15,000 women and girls from vulnerable border areas of West Bengal protection from Gender-Based Violence and human trafficking. **In the past year, 9,033 women have received training and counselling in Safe Migration, while awareness campaigns have reached out to a further 3,505 people in areas close to the India-Bangladesh border.**

##### Shelter for Homeless Women. Partner: URJA, Mumbai

This project provides safe shelter and rehabilitation to women and girls who arrive at Dadar one of the main railway stations in Mumbai having run away from home, often to escape domestic violence and abuse. Most of the girls need psychological counselling to recover from trauma as well as vocational skills training for employment. **In 2023/24, the project enabled 1,329 homeless young women and survivors of gender-based violence to access safe spaces, to build healthy relationships and develop coping strategies to enhance their quality of life and resilience.**

## THE KARUNA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024

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### Sustainable Livelihoods

Participatory Climate Adaptation. Partner: Pragya, India & Bangladesh

This project, which started in 2021, works with cyclone affected households in 400 villages across four districts of Bangladesh and West Bengal in Eastern India. The project supports smallholder farmers to adapt their agricultural livelihoods to the changing weather patterns caused by climate change. Altogether, the project aims to support 4,000 smallholder farmers to develop new climate-adapted livelihoods by providing access to targeted information about climate adapted agricultural practices. In addition, 4,000 women are being mobilised and organised into peer support groups for training in livelihood skills and protection from gender-based violence. The project is a joint initiative between Karuna Trust and Karuna Germany with major funding coming from BMZ. **Over the past year the project has worked directly with 10,528 villagers in four districts of India and Bangladesh, with a further 52,640 people from marginalised communities benefitting indirectly from better disaster preparedness and increased family incomes.**

Migrant Labourer Resilience Project. Partner: Jan Sahas

This project, started in June 2020, was a response to the plight of millions of migrant labourers who had lost their jobs as result of nationwide lockdowns and had been forced to return, often on foot, to their home villages. Over the past year, the project has worked in 600 villages across six Indian states helping unemployed migrants access government welfare schemes such as the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGREGA) which guarantees a basic level income to unemployed daily wage labourers. **A team of 60 community mobilisers based in six regional migration centres have provided outreach to 120,000 households, helping a total of 57,697 families register for government welfare payments. In addition, a helpline offering advice and counselling to returning migrants has received 250,000 calls over the past year.**

Sustainable Livelihoods Project. Partner: SSEVS, Bihar

Located in the remote rural West Champaran district of Bihar, this project supports smallholder farmers from very marginalised communities achieve greater economic security through improved sustainable farming methods and the formation of producer federations. **Over the past year, the project worked directly with 286 farmers benefitting a wider community of 1,144.**

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Karuna supported projects	
Project Names	Overall Project Objectives
	<b>INDIA</b>
AAINA: Odisha	Supports 250 children with disabilities to attend mainstream schools.
Aryaloka: Chhattisgarh	Provides Computer Education and IT Training to 243 children from Raipur slum districts.
Aryaloka: Nagpur	Provides Computer Education and IT Training to 2,225 children from Nagpur slum districts.
Bahujan Hitay: Amravati	1,500 children from 20 Amravati schools receive training in prevention of gender-based violence.
TBMSG Nagpur: Women's Social Project	Early education support, health, and livelihoods training for 2,500 women and girls.
ITBCI: Kalimpong	Ongoing support for a library and visitors' centre on the site of the former ITBCI school.
Jan Sahas: Child Rights Project	Provision of quality education and rights awareness among 4,200 children from Dalit communities around Dewas in MP.
Jan Sahas: Livelihoods Development	Provision of skills training and enterprise support to 600 women from ex-manual scavenger communities.
Jan Sahas: Migrant Labourers	Empower 40,000 migrant workers and their families across three Madhya Pradesh districts, by providing access to social security schemes, raise awareness on safe migration and provide access to legal services.
Jan Sahas: Voice of Women	8,000 Dalit and Adivasi (DA) women in 12 districts and four states affected by violence have access to legal services and are supported by competent civil society organisations.
SoulScale: Grassroots Resilience Initiative	To capacity build 40 newly established grassroots Civil Society Organisations so they can work effectively with most marginalised communities.
Maitri Women's Network: India	A network of 22 Civil Society Organisations working across eight states to combat gender-based violence reaching 20,200 women from Dalit and other marginalised communities.
NIRMAN: Educate and Empower NT/DNT	Supporting 400 children from Notified / De-Notified Tribal children (NT/DNT) Communities in rural Maharashtra to complete their education
NIRMAN: Livelihoods NT/DNT	200 families from NT/DNT tribal communities achieve improved food security through support for rural livelihoods.
NISD: Girls' Education project	Enabling 2,455 girls from marginalised communities in rural Maharashtra to get the education they need to transform their lives and secure their future.
Nishtha: Bhalobasha, West Bengal	100 children with severe disabilities are supported to attend a day care centre providing care and rehabilitation.
Nishtha: Higher Secondary Girls	320 girls from marginalised communities in West Bengal are supported to complete higher secondary Education.
Nishtha: Natun Diganta (post cyclone) project	645 girls and their mothers supported to remain in school and avoid early marriage.
Nishtha: Sikhai Hatiyar	800 girls and their parents supported to stay in school and avoid early marriage.
Pragya: Ending Violence Against Women in West Bengal	Providing 15,000 women and girls from vulnerable border areas of West Bengal protection from Gender Based Violence and human trafficking.
Pragya: India Climate Adaptation	The project takes place in two districts in Eastern India and empowers communities to manage climate risks and disasters benefitting 20,000 households in vulnerable river and coastal regions.
SSEVS: SLIDE Livelihoods, Bihar	500 Dalit farmers are being trained to achieve sustainable income through vegetable farming in 12 villages of West Champaran district in Bihar.
URJA: Journey with Homeless Young Women	800 homeless young women and survivors of gender-based violence enabled to access safe spaces and build healthy relationships and coping strategies that enhance their quality of life and resilience.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### NEPAL

Green Tara Nepal: Dignity for Women	4,000 women and adolescent girls from 36 villages in rural Western Nepal are empowered to make well-informed decisions about their menstrual practices and health in supportive environments.
Green Tara Nepal: Strong Girls	To support 1,577 girls from marginalised communities in Southern Nepal to stay in school.
REED: Learning Champions/SG	9,500 girls from marginalised communities in Southern Nepal are supported to stay in school, complete their education and avoid early marriage.
Pragya Solutions: Climate Resilience	Promoting disaster resilience and climate adaptation among marginalised communities in two districts that are most vulnerable to adverse effects of climate change, directly benefiting 2,000 smallholder households with outreach to an estimated 20,000 households in target area.
REED: Strengthening Climate Resilience	The project works with 4,900 children and young people in schools in Southern Nepal to raise awareness of climate change and strengthen the climate resilience of local communities.
FEDO: Mahila Saman	The project works with 1,000 children and adults from marginalised communities in Kapilvastu district, to support children's access to education and increase participation of women in local governance.

#### BANGLADESH

Pragya Solutions: Climate Adaptation	The project spans three districts of Bangladesh, empowering communities to manage climate risks and disasters, benefiting 20,000 households in vulnerable river and coastal regions.
Grambangla: Education for children of waste pickers. Dhaka	Informal primary education is provided to 215 children of waste pickers at an education center near the waste site (with the nearest school located four km away), alongside advocacy efforts for improved provisions for waste picker communities.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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#### The Karuna Family

Since 1980, Karuna (previously Aid for India) has mobilised resources to transform the lives of people in South Asia. We have grown and now have two sister charities - Karuna Germany and Karuna USA. Together, we have built a network of organisations that work together and share resources and skills to support our programs in South Asia. Collaborating in this way has enabled us to significantly expand the scale of the projects we fund and build new ones.

We have been collaborating with Karuna Germany since 2007, funding several major projects together. This successful partnership inspired us to set up and launch Karuna USA, with the goal of widening our base, reaching new funders, and generating more support. Like Karuna Germany, Karuna USA has attracted a highly skilled staff and Board of Trustees.

#### Karuna Germany

Karuna Germany's income for last year was €945,715 (2022/23: €1,332,354) and supported a total of 86,000 people directly (2022/23: 67,401) through 11 projects in India, Nepal and Bangladesh with 242,500 benefitting more broadly (2022/23: 239,600). The Karuna Trust and Karuna Germany have a close working relationship and jointly fund and manage many of the same projects. We collaborate on funding applications and last year secured funding for a Third Phase of our Maitri Women's Empowerment Project. Project highlights include:

**Maitri Network Project Phase three:** Budget of €1,340,000 for the period 2024-2028, comprising €1,000,000 from BMZ and €340,000 in matched funding from Karuna Trust and Karuna Germany.

**Dignity for Women Project Nepal:** prevention of menstrual exile. Budget of €633,000 over 3 years during 2021-24, funded by €475,000 from BMZ and €158,000 in matched funding from Karuna Trust and Karuna Germany.

**Participatory Climate Change Adaptation:** India and Bangladesh. Budget of €670,000 over three years (2021-2024), with €499,000 provided by BMZ and €171,000 in matched funding from Karuna Trust and Karuna Germany.

**Learning Champions Nepal:** Education for Girls Budget of €853,000 over four years (2022-2026), funded by €640,000 from BMZ and €213,000 in matched funding from Karuna Trust and Karuna Germany.

**Voice of Women Project:** Prevention of Gender Based Violence. Budget of €551,000 over four years (2023-2027), comprising €416,000 from BMZ and €139,000 in matched funding from Karuna Trust and Karuna Germany.

#### Karuna USA

Karuna USA stands in solidarity with communities barred from achieving a fair and decent life and collaborates with local partners to address these challenges. The goal is to ensure that those living in poverty and insecurity, with limited access to education, most affected by climate change or denied their rights, can access opportunities for a better life. Karuna USA mobilises support from people in the United States, identifying resources and engaging partners to uplift marginalised groups in South Asia.

During its third year of operations, Karuna USA raised £75,852 (2022/23: £63,207) in donations of which £1,059 (2022/23: £30,081) came from Trusts and Foundations and £54,253 (2022/23: £20,325) from Major Donors. This performance enabled Karuna USA to make grant payments to The Karuna Trust of £73,450 (2022/23: £68,681). The Karuna Trust continued to support Karuna USA with grants to cover start-up and operating costs, totaling £83,997 (2022/23: £84,921). This represented a net contribution from The Karuna Trust to Karuna USA of £10,547 (2022/23: £16,240).

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

<b>CONSOLIDATED ACCOUNTS FOR KARUNA UK, GERMANY &amp; USA</b>					
<b>FOR THE YEAR ENDED 31 MARCH 2024</b>	<b>31 Karuna UK</b>	<b>Karuna DE</b>	<b>Karuna USA</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>2023/24</b>	<b>2023/24</b>	<b>2023/24</b>	<b>2023/24</b>	<b>2022/23</b>
<b>Income from:</b>					
Donations and legacies	2,037,752	807,958	75,852	<b>2,921,563</b>	3,370,835
Grants K-UK/K-USA	73,450	-	83,997	<b>10,547</b>	16,240
Other income	71,582	-	-	<b>71,582</b>	40,801
	<b>2,182,784</b>	<b>807,958</b>	<b>159,849</b>	<b>3,003,692</b>	3,427,876
<b>Expenditure on:</b>					
Raising funds	806,319	10,901	78,084	<b>895,304</b>	807,243
Grants K-UK/K-USA	83,996	-	73,450	<b>10,547</b>	16,240
Charitable activities	1,341,110	1,066,446	10,744	<b>2,418,300</b>	2,325,253
Total resources expended	<b>2,231,425</b>	<b>1,077,348</b>	<b>162,278</b>	<b>3,324,151</b>	3,148,735
Net Income / expenditure	<b>-48,641</b>	<b>-269,389</b>	<b>-2,428</b>	<b>-320,460</b>	279,141
Fund balances at 1 April 2023	1,245,291	422,877	11,536	<b>1,679,704</b>	1,400,563
<b>Fund balances at 31 March 2024</b>	<b>1,196,650</b>	<b>153,488</b>	<b>9,108</b>	<b>1,359,246</b>	1,679,704

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

CONSOLIDATED BALANCE SHEET FOR KARUNA UK, GERMANY & USA					
AS AT 31 MARCH 2024	Karuna UK 2023/24	Karuna DE 2023/24	Karuna USA 2023/24	Total funds 2023/24	Total funds 2022/23
<b>Fixed Assets</b>					
Tangible assets	227,784	-	-	227,784	233,422
<b>Current Assets</b>					
Debtors	398,100	-	-	398,100	323,652
Cash at bank and in hand	636,655	153,488	9,108	799,252	1,174,233
	<b>1,034,755</b>	<b>153,488</b>	<b>9,108</b>	<b>1,197,353</b>	<b>1,497,885</b>
Creditors: amounts due within one year	65,889	-	-	65,889	51,603
<b>Total Assets less Current Liabilities</b>	<b>1,196,651</b>	<b>153,488</b>	<b>9,108</b>	<b>1,359,247</b>	<b>1,679,704</b>
<b>Funds</b>					
Unrestricted funds	1,103,280	-	9,108	1,112,388	1,199,025
Restricted funds	93,371	153,488	-	246,859	480,679
	<b>1,196,651</b>	<b>153,488</b>	<b>9,108</b>	<b>1,359,247</b>	<b>1,679,704</b>

Note: Figures for Karuna DE & USA are from pre-audited accounts, contain interorganisational transactions, exchange rate estimates and are indicative only.

The accounts of the individual charities include transactions within the "group". The total funds are the consolidated position of the "group" with any group transactions removed and as such do not reflect the total of the three individual charities combined.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Charitable Activities including Grants to Partners					
	Karuna UK	Karuna DE	Karuna USA	Total 2023/ 24	Total 2022 /23
<b>Grants to Indian partners</b>					
AAINA	29,679	-	-	29,679	12,013
Adecom	-	-	-	-	25,762
Aryaloka – Nagpur	27,259	-	-	27,259	28,996
Aryaloka – Chhattisgarh	10,804	-	-	10,804	11,490
BH Amravati	44,609	8,519	-	53,128	49,754
FHSM	-	18,949	-	18,949	413
Green Tara Foundation Vishrantwadi	6,416	-	-	6,416	12,603
ITBCI	4,613	-	-	4,613	4,655
Jan Sahas	240,324	112,672	-	352,996	288,394
Maitri Network	49,994	115,525	-	165,519	182,929
Nirbhaya	-	253,528	-	253,528	72,242
Nirman	79,846	-	-	79,846	59,611
NISD	44,381	-	-	44,381	39,711
Nishtha	129,967	-	-	129,967	140,393
PHIA Foundation	3,444	4,255	-	7,699	30,372
Prabodhini self-defence training	-	5,679	-	5,679	5,975
Pragya	80,994	70,222	-	151,216	210,899
SoulScale	165,834	-	-	165,834	103,984
SSEVS Bihar	19,487	-	-	19,487	32,890
Sukhavati Trust	4,802	-	-	4,802	4,688
TBMSG Nagpur	23,973	-	-	23,973	36,478
TBC India Covid Emergency Relief	-	-	-	-	1,842
Urja	52,502	-	-	52,502	54,406

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

<b>Grants to Nepalese partners</b>					
FEDO	20,261	-	-	20,261	19,883
Green Tara Trust Nepal	15,784	223,545	-	239,329	348,515
NNDSWO Nepal	-	-	-	-	15,427
Pragya	71,491	-	-	71,491	70,159
REED	56,020	182,413	-	238,433	233,162
<b>Grants to Bangladeshi partners</b>					
Grambangala Unnayan Committee	33,087	-	-	33,087	-
Pragya Solutions	18,335	70,222	-	88,557	120,279
<b>Grants to German partners</b>					
FEB Educational Project in Germany	-	-	-	-	2,525
Karuna DE	18,618	-	-	18,618	4,772
<b>Grants US partners</b>					
Karuna USA	40,006	-	-	40,006	43,888
<b>Sub-totals</b>	<b>1,292,530</b>	<b>1,065,529</b>	<b>-</b>	<b>2,358,059</b>	<b>2,269,110</b>
Governance & other charitable costs	59,126	918	10,744	70,788	72,383
<b>Totals</b>	<b>1,351,656</b>	<b>1,066,446</b>	<b>10,744</b>	<b>2,428,847</b>	<b>2,341,493</b>

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### Financial review

#### Income

The total income received by The Karuna Trust for the year ended 31 March 2024 was £2,182,784 (2022/23: £2,198,853), a slight decrease of £16,069 year-on-year.

In the year to 31 March 2024, total income from Regular Giving was £1,431,184 (2022/23: £1,419,919). Our Regular Giving income is typically derived from several sources: primarily door-to-door campaigns, give-as-you-earn, telephone upgrade campaigns and online giving. We rely heavily on volunteers to run these campaigns. Despite a challenging economic climate, we were able to run three door-to-door appeals and one telephone upgrade appeal.

One-off donations from individual donors raised £101,809 (2022/23: £210,143).

Our Christmas Appeal 2023 raised a further £77,680 plus Gift Aid (2022/23: £94,111) for Girls' Education projects in India.

We have been developing our online presence through digital campaigns, including via the Global Giving platform which is based in the USA. This year income from digital campaigns was £34,793 (2022/23: £91,387).

During the year we received £69,119 in legacy gifts (2022/23: £58,265). We deeply appreciate that Karuna is considered for gifts left in wills, no matter how large or small; they make a significant impact on our work.

Income from grant giving trusts was £318,113 (2022/23: £211,571) of which £289,913 was restricted income. We are deeply grateful to our Trust partners, with whom we work closely, for their ongoing support of our work in India, Nepal, and Bangladesh.

#### Expenditure

Our expenditure for the year was £2,231,425 (2022/23: £2,209,933).

Over the past year, The Karuna Trust committed £1,365,980 to programmes delivery, a decrease of £67,985 from the previous year (2022/23: £1,433,965). The reduction in programme spending reflects a shift in funding responsibilities from The Karuna Trust to Karuna Germany for our work in Nepal. Of this total, direct grants to partners totalled £1,011,300 for the year (2022/23: £1,081,790).

During the year Karuna Germany increased its grant expenditure to Nepalese Partners from £196,177 in 2022/23 to £367,574 an increase in investment in our work in Nepal of £171,397. This has enabled us to expand our programme of work in Nepal and reach out to many more marginalised and remote communities.

Grant payments to Partner organisations working in India was £754,361 (£2022/23: £759,152).

Programme management expenditure was £354,680 (2022/23: £352,175). This includes partner training, partner workshops, capacity building and awareness-raising activities carried out by in-country professional consultants and UK and Germany-based programmes team. Over the past year, we have strengthened the support we give to partners, particularly emphasising financial management, compliance and the safeguarding of children and vulnerable adults.

For many years, we have paid grants to Indian partner organisations in Indian Rupees. This has helped us with monitoring budgets and protected partners from variations in exchange rate changes. However, during the year, new banking regulations in India required all foreign-made grant payments to be paid in Sterling rather than Indian Rupees. Our accounts for 2023-24 include an exchange rate loss of £11,103 incurred when we closed out a forward contract due to this regulatory change.

We also made grant payments of £83,997 to Karuna USA (2022/23 £84,921) and Karuna Germany of £13,784 (2022/23 £3,600). During the year, Karuna USA made grants of £73,450 to The Karuna Trust which was applied to our overall programme grants.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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At the year-end, we carried £1,668,122 in future grant commitments to partners (2022/23: £1,621,521). These are contingent liabilities, not contractual, and therefore do not appear on our balance sheet and are not included in the reserve calculation. Nonetheless, they represent a very real responsibility for The Karuna Trust.

The cost of generating funds for the year was £806,318 (2022/23: £714,521). Of this figure, £482,390 (2022/23: £428,640) was incurred in direct fundraising costs and the balance of £323,929 (2022/23: £285,881) in administrative support costs (including IT, financial processing, and communications). This means that our direct fundraising costs this year were 22% of income (2022/23: 19.8%), a tremendous achievement by our fundraising team in what continues to be a challenging and unpredictable fundraising environment.

Governance costs for the year were £59,126 (2022/23: £61,450).

Overall, the charity recorded a small deficit for the year of £48,640 (2022/23: £11,083) drawn from reserves.

### Reserves Policy

At the end of the year, the charity had total reserves of £1,196,651, a decrease of £48,640 against the previous year. An analysis of the reserve amount is as follows:

- Unrestricted Operating reserve: £875,497 (funds for the general operation of the charity)
- Unrestricted Fixed Asset reserve: £227,784 (tangible net assets net of bank loan)
- Restricted funds: £93,370 (funds for specific projects)

The charity's reserves policy aims to maintain an operating reserve equivalent to 4 months costs, which, on 31 March 2024, equated to approximately £740,000.

### Investment Policy and Performance

The charity's surplus funds are held in interest-bearing accounts with our bankers. We continue to do all we can to obtain the best rates of interest.

### Risk Management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate the major risks.

The Management undertakes a full annual review and regular periodic reviews of the risks that the Charity is exposed to and reports back to the Trustees accordingly. The risk register is then updated. The review for the year 2024-25 will be conducted in June-July 2024. The next full review thereafter is scheduled for June 2025.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### Looking Ahead: the next two years

Since 1980, The Karuna Trust has mobilised resources to transform the lives of people in India, and, more recently, in Nepal and Bangladesh. Now, supported by our two *sister charities* Karuna Germany and Karuna USA, we collaborate closely to support marginalised communities in the region.

As we enter the second year of our three-year strategy period, our focus remains on enhancing our impact without significantly increasing costs. To ensure sustainability, we will continue diversifying our funding, amplifying our voice, and increasing our outreach.

By end of 2026 we aim to have:

1. Developed and strengthened the relationships with Karuna's sister charities.
2. Increased our income by reaching new audiences and deepening our connection with our existing supporters, as well as increasing support by inviting people to fundraise for us.
3. Developed fundraising expertise by protecting, deepening, and sharing our unique approach, while also connecting with the wider fundraising world to draw on best practice.
4. Engaged the wider Buddhist community to help champion our work.

Collectively, Karuna (The Karuna Trust, Karuna Germany and Karuna USA) is in a stable financial position. This foundation provides us with the resources needed to continue our work and make a positive impact on the lives of those we serve. To ensure our continued success and growth, we have ambitious goals to increase our income by 20% during this three-year period. This will require a focused effort to expand the organisation's reach, deepen its impact and secure new resources.

Our aim during this three-year period (2023-26) is to invest **£8.8 million** in our programmes. Last year, we made significant progress by achieving 28% of this target, with an actual investment of £2,428,847.

Our strategic programmes priorities for the next three years will focus on the key areas of girls' education, prevention of violence against women, protection of migrant workers and their livelihoods and enhancing climate resilience of marginalised communities. Our strong community connections in some of the most-overlooked and hard-to-reach places mean that we can mobilise our resources and reach those that others cannot.

In addition, we will continue to strengthen and extend capacity building and mentoring support to increasing numbers of grassroots and community led CSOs, helping them become more sustainable and contributing to a vibrant and responsive civil society in the countries where we work.

### Structure, governance and management

The charity is a company limited by guarantee and registered with the Charity Commission as a charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Vajramudita Armstrong (Chair)  
Su Yen Tan (Treasurer)  
Sundeep Grewal  
Carolyn Milosevic MBE  
Peter White

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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The Trustees give their time on a voluntary basis to the management and governance of the charity. They meet four times a year to review the progress of the charity in all its activities and to make major decisions about direction, policy, staffing and grants to partner projects. When needed, the Trustees establish working groups to address specific issues and report their findings to the full board.

The Trustees of The Karuna Trust are also Trustees of Aid for India (founded 1980), which is the original name for the Trust. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. None of the Trustees has any beneficial interest in the company.

Through the CEO, the Trustees liaise closely with the Senior Management Team, Fundraising, Programmes and Finance Teams, who are paid staff and are responsible for ensuring that the standard of care required by the Trustees is carried out in the areas of grant management, governance, fundraising and publicity. The Trustees are all members of the Triratna Buddhist Order.

The day-to-day management of the charity is delegated to the Chief Executive Officer, who serves as the primary liaison with the Trustee body. The CEO ensures the effective implementation of the charity's strategic plans and policies, providing regular updates and feedback to the Trustees. This role is crucial in maintaining a cohesive and transparent relationship between the operational team and the governance structure.

New Trustees attend an induction meeting with the Chair and CEO where they receive briefings on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Business Plan and the current financial situation as set out in the latest published accounts. During the induction, the Trustee may also meet other senior staff. Trustees are encouraged to attend appropriate external training events so they may keep abreast of their duties and current developments.

#### **Statement of trustees' responsibilities**

The trustees, who are also the directors of The Karuna Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Gravita Audit II Limited be reappointed as auditor of the company will be put at a General Meeting.

THE KARUNA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024

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The trustees' report was approved by the Board of Trustees.

.....  
Vajramudita Armstrong (Chair)  
Trustee

.....  
Su Yen Tan (Treasurer)  
Trustee

Date: 30<sup>th</sup> July 2024

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE KARUNA TRUST

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#### Opinion

We have audited the financial statements of The Karuna Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, 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 Companies Act 2006.

#### 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's 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 financial statements is inconsistent in any material respect with the trustees' report; 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.

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KARUNA TRUST

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#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the charity were identified through discussions with trustees and other management, and from our commercial knowledge and experience of The Karuna Trust. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

## THE KARUNA TRUST

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE TRUSTEES OF THE KARUNA TRUST

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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.

Paul Woosey FCA, FCCA (Senior Statutory Auditor)  
for and on behalf of Gravita Audit II Limited

1<sup>st</sup> AUGUST 2024  
.....

Chartered Accountants  
Statutory Auditor

Aldgate Tower  
2 Leman Street  
London  
E1 8FA

Gravita Audit II Limited 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.

## THE KARUNA TRUST

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	1,771,164	340,038	2,111,202	1,871,929	286,123	2,158,052
Investments	4	71,582	-	71,582	40,801	-	40,801
<b>Total income</b>		<u>1,842,746</u>	<u>340,038</u>	<u>2,182,784</u>	<u>1,912,730</u>	<u>286,123</u>	<u>2,198,853</u>
<b>Expenditure on:</b>							
Raising funds	5	788,886	17,433	806,319	697,711	16,810	714,521
Charitable activities	6	1,138,069	287,037	1,425,106	1,248,733	246,682	1,495,415
<b>Total expenditure</b>		<u>1,926,955</u>	<u>304,470</u>	<u>2,231,425</u>	<u>1,946,444</u>	<u>263,492</u>	<u>2,209,936</u>
<b>Net income/(expenditure) and movement in funds</b>		(84,209)	35,568	(48,641)	(33,714)	22,631	(11,083)
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2023		<u>1,187,489</u>	<u>57,802</u>	<u>1,245,291</u>	<u>1,221,203</u>	<u>35,171</u>	<u>1,256,374</u>
<b>Fund balances at 31 March 2024</b>		<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>	<u>1,187,489</u>	<u>57,802</u>	<u>1,245,291</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# THE KARUNA TRUST

## BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		227,784		233,422
<b>Current assets</b>					
Debtors	16	398,100		323,652	
Cash at bank and in hand		636,655		739,820	
		<u>1,034,755</u>		<u>1,063,472</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(65,889)</u>		<u>(51,603)</u>	
<b>Net current assets</b>			968,866		1,011,869
<b>Total assets less current liabilities</b>			<u>1,196,650</u>		<u>1,245,291</u>
<b>Net assets excluding pension liability</b>			<u>1,196,650</u>		<u>1,245,291</u>
<b>The funds of the charity</b>					
Restricted income funds	19		93,370		57,802
Unrestricted funds			1,103,280		1,187,489
			<u>1,196,650</u>		<u>1,245,291</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 30<sup>th</sup> July 2024

.....  
Vajramudita Armstrong (Chair)  
Trustee

.....  
Su Yen Tan (Treasurer)  
Trustee

Company registration number 02132178 (England and Wales)

# THE KARUNA TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(163,859)		(211,288)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(5,192)		(4,873)	
Investment income received		71,582		40,801	
<b>Net cash generated from investing activities</b>			66,390		35,928
<b>Financing activities</b>					
Purchase of derivatives		(5,696)		5,696	
<b>Net cash (used in)/generated from financing activities</b>			(5,696)		5,696
<b>Net decrease in cash and cash equivalents</b>			(103,165)		(169,664)
Cash and cash equivalents at beginning of year			739,820		909,484
<b>Cash and cash equivalents at end of year</b>			<u>636,655</u>		<u>739,820</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

#### Charity information

The Karuna Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 72 Holloway Road, Holloway, London, N7 8JG.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

#### 1.5 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Property over 100 years
Plant and machinery	Straight line between 3 and 5 years
Fixtures, fittings & equipment	Straight line between 3 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

---

### 1 Accounting policies

(Continued)

#### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income and expenditure in support costs or other income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income/(expenditure) for the year, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The resulting gain or loss is recognised in net income/(expenditure) immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	1,702,045	340,038	2,042,083	1,813,664	286,123	2,099,787
Legacies receivable	69,119	-	69,119	58,265	-	58,265
	<u>1,771,164</u>	<u>340,038</u>	<u>2,111,202</u>	<u>1,871,929</u>	<u>286,123</u>	<u>2,158,052</u>

#### 4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	39,760	24,243
Interest receivable	31,822	16,558
	<u>71,582</u>	<u>40,801</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 5 Expenditure on raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Fundraising and publicity</b>						
Bank charges	11,968	-	11,968	11,810	-	11,810
Newsletters, printing and postage	8,473	-	8,473	9,040	-	9,040
Fundraising expenses	208,100	-	208,100	156,638	-	156,638
Rent and hire	26,352	-	26,352	21,876	-	21,876
Staff costs	525,978	17,433	543,411	490,777	16,810	507,587
Depreciation and impairment	8,015	-	8,015	7,570	-	7,570
	<u>788,886</u>	<u>17,433</u>	<u>806,319</u>	<u>697,711</u>	<u>16,810</u>	<u>714,521</u>

### 6 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
<b>Direct costs</b>		
Grant funding of activities (see note 7)	1,011,300	1,081,790
<b>Share of support and governance costs (see note 10)</b>		
Support	354,678	352,175
Governance	59,128	61,450
	<u>1,425,106</u>	<u>1,495,415</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,138,069	1,248,733
Restricted funds	287,037	246,682
	<u>1,425,106</u>	<u>1,495,415</u>

### 7 Grants payable

	Charitable activities 2024 £	Charitable activities 2023 £
Grants to institutions:		
Other	<u>1,011,300</u>	<u>1,081,790</u>

Please see Note 8 for detail.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 8 Grants to program partners

	<i>Unrestricted grants</i>	<i>Restricted grants</i>	<i>Total grants</i>	<i>Support &amp; development costs</i>	<i>Total funds 2024</i>	<i>Total funds 2023</i>
	£	£	£	£	£	£
<b>Grants to Indian partners</b>						
AAINA	21,973	-	21,973	7,706	29,679	12,012
Adecom	-	-	-	-	-	25,762
Aryaloka – Nagpur	20,181	-	20,181	7,078	27,259	28,997
Aryaloka Chhattisgarh	7,999	-	7,999	2,805	10,804	11,490
BH Amravati	31,802	1,224	33,026	11,583	44,609	41,480
Green Tara Foundation						
Vishrantwadi	4,750	-	4,750	1,666	6,416	12,602
ITBCI	3,415	-	3,415	1,198	4,613	4,654
Jan Sahas	43,106	134,817	177,923	62,401	240,324	212,512
Maitri Network	36,288	725	37,013	12,981	49,994	30,629
Nirman	38,581	20,533	59,114	20,732	79,846	59,611
NISD	14,864	17,993	32,857	11,524	44,381	39,711
Nishtha	21,930	74,291	96,221	33,746	129,967	140,391
PHIA Foundation	2,550	-	2,550	894	3,444	16,471
Pragya	59,964	-	59,964	21,030	80,994	137,522
Soulscale	114,711	8,064	122,775	43,059	165,834	103,985
SSEVS Bihar	14,427	-	14,427	5,060	19,487	32,891
Sukhavati Trust	3,555	-	3,555	1,247	4,802	4,688
TBMSG Nagpur	17,748	-	17,748	6,225	23,973	36,478
URJA	28,983	9,887	38,870	13,632	52,502	54,406
<b>Grants to Nepalese partners</b>						
Green Tara Trust Nepal	11,506	180	11,686	4,098	15,784	49,632
FEDO	9,790	5,210	15,000	5,261	20,261	19,883
NNDSWO Nepal	-	-	-	-	-	15,427
Pragya	52,928	-	52,928	18,563	71,491	70,159
Reed	41,144	330	41,474	14,546	56,020	108,326
<b>Grants to Bangladeshi partners</b>						
<b>Grambangala</b>						
Unnayan Committee	24,496	-	24,496	8,591	33,087	-
Pragya Solutions	13,574	-	13,574	4,761	18,335	46,906
<b>Grants to German partners</b>						
Karuna DE	-	13,784	13,784	4,834	18,618	4,772
<b>Grants to US partners</b>						
Karuna USA	83,997	-	83,997	29,459	113,456	112,568
<b>Totals</b>	<b>724,262</b>	<b>287,038</b>	<b>1,011,300</b>	<b>354,680</b>	<b>1,365,980</b>	<b>1,433,965</b>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9	Net movement in funds	2024	2023
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Exchange losses	-	5,698
	Fees payable for the audit of the charity's financial statements	15,620	16,300
	Depreciation of owned tangible fixed assets	10,830	10,735
	Operating lease charges	5,980	7,007
		<u>          </u>	<u>          </u>
10	Support costs allocated to activities	2024	2023
		£	£
	Staff costs	230,910	233,908
	Depreciation	2,325	2,756
	Operating lease charges	5,980	7,007
	Training and development	8,350	5,722
	Consultants	38,121	37,732
	Exchange losses	-	5,698
	Other costs	51,565	40,325
	Loan interest	58	-
	Travel and subsistence	12,401	14,000
	Programs communication & publicity	4,968	5,027
	Governance costs	59,128	61,450
		<u>          </u>	<u>          </u>
		413,806	413,625
		<u>          </u>	<u>          </u>
	<b>Analysed between:</b>		
	Charitable activities	413,806	413,625
		<u>          </u>	<u>          </u>
11	Trustees		
	None of the trustees (or any persons connected with them) received any remuneration during the year, and three trustees were reimbursed a total of £1,105 expenses (2023 - £784).		
12	Employees		
	The average monthly number of employees during the year was:		
		2024	2023
		Number	Number
	Grant management	7	7
	Fundraising	16	15
	Governance	1	1
		<u>          </u>	<u>          </u>
	Total	24	23
		<u>          </u>	<u>          </u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 12 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	720,949	685,671
Social security costs	56,522	55,442
Other pension costs	19,994	20,752
	<u>797,465</u>	<u>761,865</u>

There were no employees whose annual remuneration was more than £60,000.

### 13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 14 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2023	295,100	32,368	37,052	364,520
Additions	-	5,192	-	5,192
Disposals	-	(7,348)	(1,470)	(8,818)
At 31 March 2024	<u>295,100</u>	<u>30,212</u>	<u>35,582</u>	<u>360,894</u>
<b>Depreciation and impairment</b>				
At 1 April 2023	74,936	21,690	34,472	131,098
Depreciation charged in the year	2,101	7,439	1,290	10,830
Eliminated in respect of disposals	-	(7,348)	(1,470)	(8,818)
At 31 March 2024	<u>77,037</u>	<u>21,781</u>	<u>34,292</u>	<u>133,110</u>
<b>Carrying amount</b>				
At 31 March 2024	<u>218,063</u>	<u>8,431</u>	<u>1,290</u>	<u>227,784</u>
At 31 March 2023	<u>220,164</u>	<u>10,678</u>	<u>2,580</u>	<u>233,422</u>

### 15 Financial instruments

	2024 £	2023 £
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	-	5,696
	<u>-</u>	<u>5,696</u>

During the prior year the charity entered into forward contracts to secure Indian Rupees to cover future grant payment commitments.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

<b>16</b>	<b>Debtors</b>	<b>2024</b>	<b>2023</b>
		£	£
	<b>Amounts falling due within one year:</b>		
	Other debtors	312,309	268,126
	Prepayments and accrued income	85,791	55,526
		<u>398,100</u>	<u>323,652</u>
<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
		£	£
	Other taxation and social security	7,309	8,924
	Derivative financial instruments	-	5,696
	Other creditors	9,406	12,912
	Accruals and deferred income	49,174	24,071
		<u>65,889</u>	<u>51,603</u>
<b>18</b>	<b>Retirement benefit schemes</b>	<b>2024</b>	<b>2023</b>
		£	£
	<b>Defined contribution schemes</b>		
	Charge to profit or loss in respect of defined contribution schemes	19,994	20,752
		<u>19,994</u>	<u>20,752</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

### 19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General Restricted Fund	57,802	340,038	(304,470)	93,370
	<u>57,802</u>	<u>340,038</u>	<u>(304,470)</u>	<u>93,370</u>
<b>Previous year:</b>	<b>At 1 April 2022 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>At 31 March 2023 £</b>
General Restricted Fund	35,171	286,123	(263,492)	57,802
	<u>35,171</u>	<u>286,123</u>	<u>(263,492)</u>	<u>57,802</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 20 Unrestricted funds

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	1,187,489	1,842,746	(1,926,955)	1,103,280
<b>Previous year:</b>	<b>At 1 April 2022 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>At 31 March 2023 £</b>
General funds	1,221,203	1,912,730	(1,946,444)	1,187,489

### 21 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>At 31 March 2024:</b>			
Tangible assets	227,784	-	227,784
Current assets/(liabilities)	875,496	93,370	968,866
	<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>At 31 March 2023:</b>			
Tangible assets	233,422	-	233,422
Current assets/(liabilities)	954,067	57,802	1,011,869
	<u>1,187,489</u>	<u>57,802</u>	<u>1,245,291</u>

### 22 Financial commitments, guarantees and contingent liabilities

At the reporting end date, the charity had contingent liabilities of £1,668,122 (2023 - £1,621,521) towards charitable projects.

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

#### 23 Operating lease commitments

##### Lessee

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	25,625	25,000
Between two and five years	26,265	-
	<u>51,890</u>	<u>25,000</u>

#### 24 Related party transactions

The charity is controlled by the trustees who are all directors of the company. The trustees of the charity are also the trustees for another charity, Aid for India.

During the year Aid for India paid £6,796 (2023: £0) as a management fee to The Karuna Trust. At the year end the charitable company owed £0 (2023: £6,796) to Aid to India.

	2024	2023
	£	£
<b>25 Cash generated from operations</b>		
Deficit for the year	(48,641)	(11,083)
Adjustments for:		
Investment income recognised in statement of financial activities	(71,582)	(40,801)
Depreciation and impairment of tangible fixed assets	10,830	10,735
Movements in working capital:		
(Increase) in debtors	(74,448)	(139,807)
Increase/(decrease) in creditors	19,982	(30,332)
<b>Cash absorbed by operations</b>	<u>(163,859)</u>	<u>(211,288)</u>

#### 26 Analysis of changes in net funds

The charity had no material debt during the year.

LETTER OF REPRESENTATION

Karuna Trust The  
72 Holloway Road  
Holloway  
London  
N7 8JG

Registered Office:  
72 Holloway Road  
Holloway  
London  
N7 8JG

Directors:  
V Armstrong  
S K Grewal  
S Y Tan  
C O Milosevic  
P D White

Company No: 02132178  
(England and Wales)

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Gravita Audit II Limited  
Aldgate Tower  
2 Lemn Street  
London  
E1W 9US

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

1. We have fulfilled our responsibilities as directors and trustees, as set out in the terms of your engagement dated 01 July 2024 under the Companies Act 2006 for preparing financial statements in accordance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP (FRS 102) (second edition – October 2019) which give a true and fair view of the financial position of the company as of 31 March 2024 and of the results of its operations and its cashflows for the year then ended and for making accurate representations to you.
2. All transactions undertaken by the company have been properly reflected and recorded in the financial statements.
3. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.
4. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
5. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of accounting standards. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.
7. All events since the balance sheet date which require disclosure, or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.

8. We confirm the financial statements are free of material misstatements, including omissions. We believe that those uncorrected misstatements identified during the audit of the financial statements are immaterial both individually and in aggregate to the financial statements as a whole. A list of these items is attached to this letter of representation, together with our reasons for not correcting them.
9. We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, on the grounds that current and future sources of funding or support will be more than adequate, the company is a going concern. We also confirm our plans for future action(s) required to enable the company to continue as a going concern are feasible. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.
10. All accounting records and relevant information have been made available to you for the purpose of your audit of the financial statements. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to obtain audit evidence. All other records and related information including minutes of all management and shareholders meetings have been made available to you.
11. All transactions undertaken by the company have been properly reflected in the accounting records and are reflected in the financial statements.
12. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves, management, employees who have significant roles in internal control, or others, where fraud could have a material effect on the financial statements.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
15. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business, and which could affect the financial statements. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
16. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the audit of the financial statements that we are aware of.
17. The company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
18. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
19. The company has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for directors and trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
20. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.
21. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

22. We confirm that we are not aware of any matters of material significance that should be reported to the Charity Commission.
23. We confirm that the property at 72 Holloway Road, Holloway, London, N7 8JG continues to be used for the benefit of the charity by way of providing accommodation for the Buddhist community for religious practices at below the market rate rent and is not being held for the purposes of a gain.
24. We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include: trustees/directors, other key management, close family and other business interests of the previous. We confirm that the related party relationships and transactions set out below are a complete list of such relationships and transactions and that we are not aware of any further related parties or transactions.

Party	Relationship	Nature of transaction
Vajramudita Armstrong	Trustee/Director	Reimbursed expenses
Su Yen Tan	Trustee/Director	No transactions
Carolyn Milosevic	Trustee/Director	Reimbursed expenses
Peter White	Trustee/Director	No transactions
Sundeeep Grewal	Trustee/Director	No transactions
Aid for India	Common trustees	Donation income, other creditors

25. We confirm that all grants, donations and other income, including those subject to special terms or conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.

Restricted grants and donations are as follows:

Projects	Purpose
ADWAN	Livelihoods
BH Amarvati	Hostel
FEDO	Nepal Dignity
Green Tara	Women rights
Green Tara	Nepal
Jan Sahas	Child rights
Jan Sahas	Women rights
Jan Sahas	Livelihoods
Jan Sahas	Worker rights
Maitri	Women rights
Nirman	
NISD	Education
NISD	Women rights
Nishtha	Disabled people
Nishtha	Education
Pragya India	India
URJA	Women rights

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Signed on behalf of the board of trustees by:

  
..... (Director)

30th July 2024  
..... (Dated)

PRW/VPI/K039

The Directors and Trustees  
The Karuna Trust  
72 Holloway Road  
Holloway  
London  
N7 8JG

26/07/2024

Dear Sirs

The Karuna Trust

We would like to draw your attention to matters which we consider to be of importance, and further, matters to which you have given representation during the audit of the entity's financial statements for the year ended 31 March 2024.

*Significant Findings from the Audit*

There were no significant findings during the course of our audit.

*Representations*

During the audit of the financial statements you made general and specific representations as attached. We would request that you are comfortable in making these representations, as this forms the basis of the letter which we will request you deliver to us.

You made further specific representations with regards to subsequent events as noted below:

- (a) No new commitments, borrowings or guarantees have been entered into.
- (b) No sales or acquisitions of assets have occurred or are planned.
- (c) No increases in capital or issuance of debt instruments, such as the issue of new shares or debentures, or an agreement to merge or liquidate has been made or is planned.
- (d) No assets have been appropriated by government or destroyed, for example, by fire or flood.
- (e) There have been no developments regarding contingencies.
- (f) No unusual accounting adjustments have been made or are contemplated.
- (g) No events have occurred or are likely to occur that will bring into question the appropriateness of accounting policies used in the financial statements, as would be the case, for example, if such events call into question the validity of the going concern assumption.
- (h) No events have occurred that are relevant to the measurement of estimates or provisions made in the financial statements.
- (i) No events have occurred that are relevant to the recoverability of assets.

*Significant Deficiencies*

Gravita Audit is a trading name of Gravita Audit II Limited, a private limited company registered in England and Wales with Company number 11545093. VAT number 324226531. A list of Board Directors (who we also refer to as Partners) is available for inspection at the registered office address: Aldgate Tower, 2 Lemn Street, London, E1 8FA. The term 'Board Director' is used to refer to a statutory director and principal of the company as registered at Companies House. Any other designations that include the term 'partner' or 'Director' are not necessarily registered statutory directors or principals of the registered company. Gravita Audit is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C006293724.



The purpose of the audit was to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal controls.

*Other Matters*

During the audit we found that there were issues with the CRM system which impacts accuracy and completeness of donor records, and consequently, impact the gift aid. We recommend that management engages with specialists to resolve this issue.

This letter has been addressed to and prepared for the use of the entity. It must not be disclosed to any third party or referred to, without our prior written consent. We therefore accept no responsibility to anyone other than the entity.

We trust that the above assists you in understanding our audit conclusions however, if you require any further explanations, then please do not hesitate to contact us.

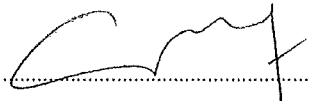
We should be grateful if you would confirm that you have read and understood the contents of this letter by signing the enclosed copy of this letter and returning it to us.

We would like to take this opportunity in expressing our thanks to you and your team for their assistance to date.

Yours faithfully

Gravia Audit II Limited

We confirm that we have read and understood the contents of this letter.

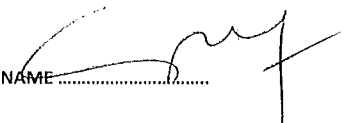
Signed  Dated 30/07/24  
For and on behalf of The Karuna Trust

The Karuna Trust  
 Year ended 31 March 2024  
 Unadjusted Errors Confirmed by Management and Those Charged With Governance

Account	Profit and loss		Balance sheet		Profit
	Dr	Cr	Dr	Cr	
Adjusted net income/(expenditure)					(48,641)
1 Dr Holiday pay accrual			7,078		-
Cr Holiday pay expense		7,078			7,078
Being holiday pay accrual difference (not material)					-
	-	7,078	7,078	-	-
					Impact of unadjusted errors 7,078
					Revised profit including unadjusted errors (41,563)

Management NAME ..... Robert J Mason (Kārunika)

Dated ..... 30/7/24

Those charged with governance NAME ..... 

Dated ..... 30/7/24

**THE KARUNA TRUST**

England & Wales - Charity number 327461

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# Accounts

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**Draft Financial Statements at 18 July 2023 at 09:59:46**

**Charity registration number 327461**

**Company registration number 02132178 (England and Wales)**

**THE KARUNA TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	V Armstrong Su Yen Tan S K Grewal C O Milosevic P D White	(Appointed 27 April 2022) (Appointed 27 April 2022) (Appointed 2 August 2022) (Appointed 2 August 2022)
<b>Secretary</b>	MC Baird	
<b>Charity number</b>	327461	
<b>Company number</b>	02132178	
<b>Principal address</b>	72 Holloway Road Holloway London N7 8JG	
<b>Registered office</b>	72 Holloway Road Holloway London N7 8JG	
<b>Auditor</b>	CBW Audit Limited 66 Prescott Street London E1 8NN	
<b>Chief executive officer</b>	C L Maguire	
<b>Bankers</b>	Clydesdale Bank Plc Studio B 146-158 Kensington High Street London W8 7RL	
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE	

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**CONTENTS**

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	<b>Page</b>
Trustees' report	1 - 14
Independent auditor's report	15 - 17
Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 32

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Trust, the Companies Act 2006 and "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).

**Objectives and activities**

Karuna works alongside the most excluded people in South Asia, overcoming discrimination with locally-led education, gender equality and sustainable livelihood projects.

**International Development and Grant-Making**

We make grants to a range of in-country local partner NGOs in India, Nepal and Bangladesh. By providing people with tools, support and skills, they become champions of their communities and support others. Working with local organisations within the affected communities, we encourage self-reliance and sustainability. We bring these organisations together, forming networks which can spread their benefit to more individuals, continuing the cycle of transformation for others.

**Capacity Building**

As well as funding projects, we resource our project partners to become effective and sustainable organisations. A significant proportion of our funding goes towards training in strategic planning, financial management, monitoring and evaluation, governance, leadership development, effective project management and fundraising from in-country and foreign sources.

**Awareness-Raising**

Through our website, annual review, social media, public talks, networks, and other events we aim to raise awareness of the impact of poverty, inequality and discrimination, in South Asia.

**Fundraising**

Fundraising is carried out through several different streams: door-to-door campaigns, phone campaigns, digital platforms, one-off donations and grant applications to charitable trusts and institutional donors. We also collaborate with Karuna Germany, leveraging additional funds from German-based sources; notably BMZ, the German Government agency for International Development. We also collaborate with and are supporting the development of Karuna USA – a newly founded sister charity with a growing income stream.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Programmes Annual Report**  
**2022/23**

**Introduction**

Karuna works alongside 39 grassroots organisations in India, Nepal and Bangladesh. By choosing partners with well-established networks within marginalised communities, we can target our support to the most disadvantaged and difficult to reach.

The two years of the COVID-19 pandemic had a devastating impact on the communities Karuna works with in India, Nepal and Bangladesh. Massive losses of life, combined with the associated economic and social impacts of lockdowns, job losses and school closures were particularly severe for people from the most marginalised communities, many of whom were already living a precarious existence of landlessness, food insecurity and daily wage labour. These communities will take many years to recover and Karuna is committed to maintaining and increasing our support wherever possible, focusing on the areas of greatest need.

In addition, these communities are increasingly having to face up to the frontline impacts of climate change with increased risks of natural disasters threatening livelihoods and food security. As these communities start to recover and rebuild their lives Karuna is focussing its support on what partners have informed us are the areas of greatest need.

**Priorities for 2022-23**

Over the past year, our priorities for project funding were:

- To support children, especially girls, to get back into full-time education, avoid dropping out for child labour and avoid early marriage.
- To protect women from violence by giving them improved access to justice and legal protection. Studies have shown that the COVID-19 years saw a sharp increase in cases of violence and numbers of women from marginalised communities being lured into becoming victims of human trafficking.
- To support migrant workers and people from other marginalised communities to improve their livelihoods and gain access to government welfare schemes. The pandemic led to a livelihoods crisis especially affecting migrant and daily wage labourers.
- To work with the marginalised communities most affected by the impacts of climate change for improved disaster preparedness and climate adapted livelihoods. Dalit and other marginalised communities are all too often on the frontline of dealing with the impacts of climate change with droughts and flooding threatening their lives, livelihoods and food security.

**Project Overview and Impact**

During the year 2022/23 Karuna **supported 35 projects** (27 in India, 6 in Nepal, and 2 in Bangladesh).

**Altogether we worked with 39 local partner organisations.** We provided project grant funding directly to **21 project implementing partners** (15 in India, 5 in Nepal, 1 in Bangladesh). An additional **5** organisations participated in our Maitri Womens' Empowerment Network and a further **13** grassroots organisations were supported through our Grassroots Academy Leadership training programme. Karuna partners (including Maitri Network and Grassroots Academy) were active in **11 States** in India, **7 districts in Nepal** and **2 districts in Bangladesh**.

**Our total programmes spend was £1,433,965.**

Our Karuna supported programmes reached out directly to a total of **130,000** women, men and children from marginalised communities, including SCs, STs and OBCs (102,878 in India, 20,518 in Nepal and 5,779 in Bangladesh).

- **13,760** Girls were supported to stay in school and continue their education.
- **32,188** Women were protected from violence and human trafficking.
- **50,000** Migrant labourers/people from marginalised communities supported for improved livelihoods.
- **17,692** Smallholder farmers were supported for improved disaster preparedness and climate adapted livelihoods.

An estimated **660,000** people from marginalised communities benefitted indirectly from our Karuna-supported projects (561,320 India, 72,561 Nepal, 22,536 Bangladesh).

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Broadening the Scope of Our Work**

Over the past year we have continued our strategy of broadening the geographical focus of our work by reaching out to more communities in Nepal and Bangladesh. We are also increasingly able to expand the outreach of our work through the contributions of Karuna Germany and Karuna USA. Five major grants from the German Government Agency BMZ have been especially significant in enabling us to scale up some of our most effective projects to reach out to larger numbers of beneficiaries.

An important new development during the year was a significant EU Grant secured by Karuna Germany. The Nirbhaya Project: Empowering women and girls to end sexual violence in India. The project runs from Jan 2023 – Dec 2025, in seven districts in Madya Pradesh, Uttar Pradesh, Maharashtra and Tamil Nadu, with 5 partner Civil Society Organisations. It has a total budget of €1,054,873 and Karuna Germany will receive a grant from of €1 million from the EU. This project and funding stream is only possible because of the collaboration between Karuna UK and Germany, as it would not have been possible for a UK registered organisation to access EU funding.

The project works with a holistic approach that combats violence against women at all levels:

1. Prevention: Women and children are empowered to recognise threats and defend themselves against violence. Grassroots self-help groups as well as local organisations are well trained and competent to effectively support women who have experienced abuse and violence. We also work with schools and train teachers and school children. Men and families are sensitised to support survivors of violence.
2. Response: Women who have experienced violence are given access to justice, they can defend themselves and take legal action. We ensure psycho-social and legal support and networking with the relevant state agencies.
3. Rehabilitation: Women often become socially isolated if they dare to pursue legal action. Therefore, we support them to stand on their own feet economically. This includes vocational training and the facilitation of compensation and state social welfare benefits.
4. Reform: State legal aid lawyers are trained to better represent Dalit and Adivasi women. State crisis centres and police stations are well trained and provide competent support to women. We work with actors at all levels to ensure that women are treated with dignity and respect and can access their rights.

**Project Highlights**

**Participatory Climate Adaptation Project - India & Bangladesh Partner: Pragya**

This project, which started in October 2021, works with cyclone affected households in 400 villages across 4 districts of Bangladesh and West Bengal in Eastern India. The project supports smallholder farmers to adapt their agricultural livelihoods to the changing weather patterns caused by climate change. Altogether, the project aims to support 4,000 smallholder farmers to develop new climate-adapted livelihoods by providing access to targeted information about climate adapted agricultural practices. In addition, 4,000 women are being mobilised and organised into peer support groups for training in livelihood skills and protection from gender-based violence. The project is a joint initiative between Karuna Trust and Karuna Germany with major funding coming from BMZ. **Over the past year the project has worked directly with 10,464 villagers in 4 districts of India and Bangladesh, with a further 40,000 people from marginalised communities benefitting indirectly from better disaster preparedness and increased family incomes.**

**Dignity for Women – Challenging Chhaupadi - Partner: Green Tara/REED Nepal**

This project sets out to challenge the traditional and degrading practice of Chhaupadi. In these remote areas of Western Nepal, women are excluded from their homes and forced to live in unsafe huts during their menstruation, often at considerable risk to their health and safety. Through a series of targeted information and awareness raising campaigns with key stakeholders (including mothers and local community leaders) the project works directly with women and girls from 36 villages in Western Nepal promoting safe menstruation practices. The project, which started in September 2021, is a joint initiative between Karuna Trust and Karuna Germany with BMZ providing 75% funding of the total four-year budget of £535,000. **Over the past year the project has worked with 10,961, girls, mothers and other stakeholders, with a wider impact on 17,726 indirect beneficiaries.**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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Migrant Labourer Resilience Project - Partner: Jan Sahas

This project was started in June 2020 as a response to the plight of millions of migrant labourers who had lost their jobs as result of nationwide lockdowns and had been forced to return often on foot to their home villages. Over the past year the project has worked in 600 villages across 6 Indian states helping unemployed migrants access government welfare schemes such as the MGREGA rural employment guarantee scheme which guarantees a basic level income to unemployed daily wage labourers. **A team of 60 community mobilisers based in 6 regional migration centres have provided outreach to 120,000 households, helping a total of 43,000 families register for government welfare payments. In addition, a helpline offering advice and counselling to returning migrants has received 250,000 calls over the past year.** Over the past year Karuna has contributed £75,000 to this project.

Strong Girls/Learning Champions Project - Partner: Green Tara/REED Nepal

The project gives girls from marginalised Dalit and tribal communities in Southern Nepal access to quality education, enabling them to complete primary school and transition to secondary education. **In the last year the project engaged directly with 1,577 girls and brought positive benefits to a further 11,123 parents and other family members.**

Voice of Women Project - Partner: Jan Sahas

This project provides legal and counselling support for women victims of violence across four states in Western and Central India enabling them to access justice and legal protection through a criminal justice system that all too often doubly discriminates against women from marginalised communities (based on both caste and gender). By training volunteer paralegals known as barefoot lawyers and providing access to free legal representation the project aims to provide readily accessible legal aid for women in need. **Over the past year the project has worked directly with 5,864 women and engaged with a further 8,366 through training and awareness raising campaigns.**

Grassroots Academy Project - Partner: Soul Scale

This newly established project aims to provide much needed training and capacity building support to leaders from 40 grassroots organisations working directly with marginalised communities across 5 states in India. In recent years the environment for local community-based organisations has become much harder with new Indian Government restrictions and tighter regulations affecting the receipt and use of funds from overseas funding organisations like Karuna. The project aims to equip a new generation of community leaders with the Finance and Leadership skills they need to run effective organisations and maximise their impact in their target communities. **In its first year of operation the project worked with 16 organisations with a combined impact on 296,521 direct beneficiaries from the most marginalised communities.**

Safe Migration Project - Partner: Pragya

This project which started in October 2021 aims to provide 15,000 women and girls from vulnerable border areas of West Bengal protection from Gender Based Violence and human trafficking. **In the past year 10,312 women have received training and counselling in Safe Migration, and awareness campaigns have reached out to a further 3,505 people in areas close to the India-Bangladesh border.**

Inclusion of Disabled Children - Partner AAINA

This project, which Karuna started supporting in June 2022, gives 250 disabled children the opportunity to become integrated into the mainstream school system. **Over the past year the project engaged directly with 256 children in the area around Bhubaneswar in Odisha bringing benefits to 926 family and other community members.**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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Women's Empowerment Network - Partner: Maitri

The Maitri Women's Empowerment Network, which was initiated in 2009, currently consists of 12 Karuna-supported Civil Society Organisations working with women from marginalised communities in 9 States in India. Maitri Campaigns focus on building of women's leadership capacity and prevention of violence against women. **Over the past year the network has engaged directly with 20,215 people and a further 51,821 indirectly benefitting.**

Education for NT/DNT Communities - Partner: Nirman

Nirman is a community-based organisation working with some of the most marginalised and discriminated-against communities in India: The Notified and De-notified Tribal Communities which were previously designated as "criminal castes". **Over the past year this project has worked to support 987 children from these very disadvantaged communities to continue their education benefitting a wider community of 1,685 people.**

Sustainable Livelihoods Project - Partner: SSEVS Bihar

Located in the remote rural West Champaran district of Bihar this project supports smallholder farmers from very marginalised communities achieve greater economic security through improved sustainable farming methods and the formation of producer federations. **Over the past year the project worked directly with 286 farmers benefitting a wider community of 1,144.**

Shelter for Homeless Women - Partner: URJA Mumbai

This project provides safe shelter and rehabilitation to women and girls who arrive at Dardar one of the main railway stations in Mumbai having run away from home, often to escape domestic violence and abuse. Many of the girls need psychological counselling to recover from trauma as well as vocational skills training for employment. **In the year 2022/23 the project enabled 800 homeless young women and survivors of gender-based violence to access safe spaces, to build healthy relationships and develop coping strategies to enhance their quality of life and resilience.**

**THE KARUNA TRUST****TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****Karuna supported projects**

<b>Project name</b>	<b>Project Objective</b>
<b>INDIA</b>	
ADECOM	Supports a network of 25 Women's Self Help and Empowerment Groups in Tamil Nadu.
AAINA Disability: Odisha	Supports 250 children with disabilities to attend mainstream schools
Aryaloka: Computer Education Chhattisgarh	Provides IT Training to 243 children from Raipur slum districts
Aryaloka: Computer Education Nagpur	Provides IT Training to 2,225 children from Nagpur slum districts
Bahujan Hitay: Amravati	1,500 children from 20 Amravati schools receive training in prevention of gender-based violence
TBMSG Nagpur: Women's Social Project	Early education support, health, and livelihoods training for 2,500 women and girls
ITBCI: Kalimpong	Ongoing support for a library and visitors' centre on the site of the former ITBCI school
Jan Sahas: Child Rights Project	Provision of quality education and rights awareness among 4,200 children from Dalit communities around Dewas in MP
Jan Sahas: Livelihoods Development	Provision of skills training and enterprise support to 600 women from ex-manual scavenger communities.
Jan Sahas: Migrant Labourers	To empower 40,000 migrant workers and their families across 3 districts in Madhya Pradesh, by providing them access to social security schemes, raise their awareness on safe migration and provide access to legal services.
Jan Sahas: Voice of Women	8,000 Dalit and Adivasi (DA) women in 12 districts and 4 states affected by violence have access to legal services and are supported by competent civil society organisations
Jan Sahas: Civil Society Academy	To capacity build 40 newly established grassroots Civil Society Organisations so they can work effectively with most marginalised communities
Maitri Womens Network: India	A network of 22 CSOs working across 8 states to combat gender-based violence reaching 20,200 beneficiaries from Dalit and other marginalised communities
NIRMAN: Educate and Empower NT/DNT	Supporting 400 children from Notified / De-Notified Tribal children (NT/DNT) Communities in rural Maharashtra to complete their education
NIRMAN: Livelihoods NT/DNT	200 families from NT/DNT communities achieve improved food security through support for rural livelihoods
NISD: Girls' Education project	To enable 2455 girls from marginalised communities in rural Maharashtra to get the education they need to transform their lives and secure their future.
Nishtha: Bhalobasha, West Bengal	100 children with severe disabilities are supported to attend a day care centre providing care and rehabilitation
Nishtha: Higher Secondary Girls	320 girls from marginalised communities in West Bengal are supported to complete higher secondary Education
Nishtha: Natun Digata (post cyclone) project	645 girls and their mothers supported to remain in school and avoid early marriage
Nishtha: Sikhai Hatiyar	800 girls and their parents supported to stay in school and avoid early marriage
Pragya: Ending Violence Against Women in West Bengal	Providing 15,000 women and girls from vulnerable border areas of West Bengal protection from Gender Based Violence and human trafficking
Pragya: India Climate Adaptation	The project takes place in 2 districts in Eastern India and empowers communities to manage climate risks and disasters benefitting 20,000 households in vulnerable river and coastal regions.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

<b>Project name</b>	<b>Project Objective</b>
<b>INDIA</b>	
SSEVS: SLIDE Livelihoods Bihar	500 Dalit farmers are being trained to achieve sustainable income through vegetable farming in 12 villages of West Champaran district in Bihar.
URJA: Journey with Homeless Young Women	800 homeless young women and survivors of gender-based violence enabled to access safe spaces, to build healthy relationships, and coping strategies that enhance their quality of life and resilience.
<b>NEPAL</b>	
Green Tara Nepal: Dignity for Women	4,000 women and adolescent girls from 36 villages in rural Western Nepal are empowered to make well-informed decisions about their menstrual practices and health in supportive environments
Green Tara Nepal: Strong Girls	To support 1,577 girls from marginalised communities in Southern Nepal to stay in school
REED: Learning Champions/SG	9,500 girls from marginalised communities in Southern Nepal are supported to remain in school and complete their education avoiding early marriage
Pragya Solutions: Climate Resilience	Promoting disaster resilience and climate adaptation among marginalised communities in two districts in Nepal that are most vulnerable to adverse effects of climate change, directly benefiting 2,000 smallholder households with outreach to an estimated 20,000 households in the target area
REED: Strengthening Climate Resilience	The project works with 4,900 children and young people in schools in Southern Nepal to raise awareness of climate change and strengthen the climate resilience of local communities
FEDO: Mahila Saman	The project works with 1,000 children and adults from marginalised communities in Kapilavastu district, to support children's access to education and increase participation of women in local governance
<b>BANGLADESH</b>	
Pragya Solutions: Climate Adaptation	The project takes place in 2 districts of Bangladesh and empowers communities to manage climate risks and disasters benefitting 20,000 households in vulnerable river and coastal regions
Pragya Solutions: Naranyanganj	To support climate-adapted and alternative livelihoods for 300 vulnerable families in Naranyanganj district, along with capacity for resilient technologies in 30 target communities

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Our programme priorities for 2023-26 will be:**

**TO SUPPORT FAMILIES**

To support 50,000 families per year to access improved livelihood security and protection from exploitation.

**TO KEEP MORE GIRLS IN EDUCATION**

To keep 12,000 girls per year in school and out of child marriage.

**TO PROTECT WOMEN**

To protect 20,000 women per year from violence and trafficking.

**TO EMPOWER COMMUNITIES**

To enable 20,000 people per year who are living on the frontline of climate disasters to create resilient communities and mitigate the impacts of climate change.

**TO EXTEND OUR REACH**

To have researched options for extending the reach of our work beyond India, Nepal and Bangladesh.

\*Please see our 2023-26 strategic plan for more detail: <https://www.karuna.org/storage/reports/Karuna%20-%202023-2026%20Strategy.pdf>

**The Wider Karuna Family**

For over 40 years, Karuna has mobilised resources to transform the lives of people in South Asia. We have grown and now have two sister charities — Karuna Germany and Karuna USA. Together we want to build a network of organisations working together and sharing resources with the common aim of supporting programmes in South Asia. We have been collaborating with *Karuna Germany* for more than a decade and together we fund several major projects. This successful collaboration was the basis for us establishing and launching *Karuna USA* with the goal of widening our base, reaching new funders and generating more support. Like Karuna Germany, Karuna USA has attracted a highly skilled staff and Board of Trustees.

**Karuna Germany**

Karuna Germany's income for last year was €1,332,354 and supported a total of 67,401 people in India, Nepal and Bangladesh. Karuna UK and Karuna Germany have a close working relationship and jointly fund and manage the same projects. We also collaborate on funding applications and last year, the funding for three new major projects was secured: one funded by BMZ, the German government's Department for International Development, one funded by the European Union and one funded by two German foundations. These three new projects for the year are:

1. Project Nirbhaya – Empowering Women and Girls to end sexual violence in India (EU)
2. Learning Champions – Strong Girls in Nepal II (BMZ)
3. Dignified livelihoods for most marginalised communities in Bihar, India

The Nirbhaya Project and funding stream is made possible through the collaboration between Karuna UK and Karuna Germany. As a UK registered organisation, Karuna UK would not have access EU funding, therefore we are thrilled to be working closely with European partners on this major new project.

**Karuna USA**

During its second year of operations, Karuna USA raised \$77,745 in donations of which \$25,000 came from Trusts and Foundations and \$37,000 from Major Donors. This performance enabled Karuna USA to make grant payments to Karuna UK of \$80,000. This is very encouraging progress. Karuna UK continued to support Karuna USA with grants to cover operating costs, totalling \$100,359.

**THE KARUNA TRUST****TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023**

<b>CONSOLIDATED ACCOUNTS FOR KARUNA UK, GERMANY &amp; USA</b>					
<b>FOR THE YEAR ENDED 31 MARCH 2023</b>	<b>Karuna UK</b>	<b>Karuna De</b>	<b>Karuna USA</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Income from:</b>					
Donations and legacies	2,089,371	1,218,257	63,207	<b>3,370,835</b>	2,872,130
Grants K-UK/K-USA	68,681	-	84,921	<b>16,240</b>	-
Other income	40,801	-	-	<b>40,801</b>	30,410
	<b>2,198,853</b>	<b>1,218,257</b>	<b>148,128</b>	<b>3,427,876</b>	2,902,540
<b>Expenditure on:</b>					
Raising funds	714,521	21,878	70,844	<b>807,243</b>	663,666
Grants K-UK/K-USA	84,921	-	68,681	<b>16,240</b>	-
Charitable activities	1,410,494	905,502	9,256	<b>2,325,252</b>	2,114,463
Total resources expended	<b>2,209,936</b>	<b>927,381</b>	<b>148,781</b>	<b>3,148,735</b>	2,778,129
Net Income / expenditure	<b>-11,083</b>	<b>290,877</b>	<b>-653</b>	<b>279,141</b>	124,411
Fund balances at 1 April 2022	1,256,374	132,000	12,189	<b>1,400,563</b>	1,249,650
<b>Fund balances at 31 March 2023</b>	<b>1,245,291</b>	<b>422,877</b>	<b>11,536</b>	<b>1,679,704</b>	1,374,061
<b>CONSOLIDATED BALANCE SHEET FOR KARUNA UK, GERMANY &amp; USA</b>					
<b>AS AT 31 MARCH 2023</b>	<b>Karuna UK</b>	<b>Karuna De</b>	<b>Karuna USA</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Fixed Assets</b>					
Tangible assets	<b>233,422</b>	-	-	<b>233,422</b>	239,285
<b>Current Assets</b>					
Debtors	323,652	-	-	<b>323,652</b>	183,845
Cash at bank and in hand	739,820	422,877	11,536	<b>1,174,233</b>	1,027,170
	<b>1,063,472</b>	<b>422,877</b>	<b>11,536</b>	<b>1,497,885</b>	1,211,015
Creditors: amounts due within one year	51,603	-	-	<b>51,603</b>	76,239
<b>Total Assets less Current Liabilities</b>	<b>1,245,291</b>	<b>422,877</b>	<b>11,536</b>	<b>1,679,704</b>	1,374,060
<b>Funds</b>					
Unrestricted funds	1,187,489	-	11,536	<b>1,199,025</b>	1,221,203
Restricted funds	57,802	422,877	-	<b>480,679</b>	152,857
	<b>1,245,291</b>	<b>422,877</b>	<b>11,536</b>	<b>1,679,704</b>	1,374,060

Note: Figures for Karuna De & USA are from pre-audited accounts, contain interorganisational transactions, exchange rate estimates and are indicative only.

**THE KARUNA TRUST****TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023**

Charitable Activities	Karuna UK	Karuna De	Karuna USA	Total 2022/23	Total 2021/22
<b>Indian partners</b>					
AAINA	12,013	-	-	12,013	-
Adecom	25,762	-	-	25,762	27,747
Aryaloka	28,996	-	-	28,996	26,756
Aryaloka – Chhattisgarh	11,490	-	-	11,490	7,831
Bahujan Hitay Hostels	-	-	-	-	45,648
BH Amravati	41,479	8,275	-	49,754	60,221
Bhaja and Bordharan	-	-	-	-	13,995
Central Services Team – BH	-	-	-	-	22,724
Central Services Team – TBMSG	-	-	-	-	25,766
Darabar Sahityar Sansad	-	-	-	-	9,519
FHSM Chennai	-	413	-	413	34,889
Green Tara Foundation	12,603	-	-	12,603	18,335
ITBCI	4,655	-	-	4,655	56,276
Jambudvipa	-	-	-	-	2,571
Jan Sahas	212,511	75,883	-	288,394	304,640
Jeevak	-	-	-	-	43,324
Maitri Network	30,629	152,300	-	182,929	153,494
Nirbhaya	-	72,242	-	72,242	-
NIRMAN	59,611	-	-	59,611	66,559
NISD	39,711	-	-	39,711	50,768
NISHTHA	140,393	-	-	140,393	145,617
PHIA Foundation	16,471	13,901	-	30,372	10,604
Prabodhini women's self defence	-	5,975	-	5,975	3,403
Pragya	137,524	73,375	-	210,899	52,432
Sadhana Institute	-	-	-	-	35,799
Soulscale	103,984	-	-	103,984	-
SSEVS Bihar	32,890	-	-	32,890	18,865
Sukhavati Trust	4,688	-	-	4,688	19,698
TBMSG Hostels Project	-	-	-	-	106,386
TBMSG Nagpur	36,478	-	-	36,478	33,521
TBC India Covid Relief Project	-	1,842	-	1,842	-
URJA	54,406	-	-	54,406	37,521
<b>Nepalese partners</b>					
ADWAN	13,751	111,086	-	124,837	29,782
FEDO	19,883	-	-	19,883	9,652
Green Tara Trust Nepal	35,881	312,634	-	348,515	259,872
NNDSWO Nepal	15,427	-	-	15,427	8,800
Pragya	70,159	-	-	70,159	-
REED	108,325	-	-	108,325	-
<b>Bangladeshi partners</b>					
Pragya Solutions	46,905	73,374	-	120,279	158,864
<b>German partners</b>					
FEB Educational Project in Germany	-	2,526	-	2,526	11,919
Karuna Germany	4,772	-	-	4,772	-

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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Charitable Activities	Karuna UK	Karuna De	Karuna USA	Total 2022/23	Total 2021/22
<b>US partners</b>					
Karuna USA	27,646	-	-	27,646	99,093
<b>Sub-totals</b>	<b>1,349,043</b>	<b>903,826</b>	<b>-</b>	<b>2,252,869</b>	2,012,891
Governance & other charitable costs	61,451	1,676	9,256	72,383	101,573
<b>Totals</b>	<b>1,410,494</b>	<b>905,502</b>	<b>9,256</b>	<b>2,325,252</b>	2,114,464

**Financial review**

**Income**

The total income received by The Karuna Trust for the year ended 31 March 2023 was £2,198,853 (2021/22: £2,296,485), a decrease of £97,632 year-on-year. The difference reflects the tremendous response from our donors to the COVID Crisis Appeal that we mounted in 2021/22.

In the year to 31 March 2023, total income from Regular Giving was £1,419,919 (2021/22: £1,458,492). Our Regular Giving income is typically derived from several sources: primarily door-to-door campaigns, give-as-you-earn, telephone upgrade campaigns and online giving. We rely heavily on volunteers to run these campaigns. Despite a challenging economic climate, we were able to run three door-to-door appeals and one telephone upgrade appeal.

One-off donations from individual donors raised £210,143 (2021/22: £211,260).

Our Christmas Appeal 2022 raised a further £94,111 plus Gift Aid (2021/22 £70,893) for disability projects in India. Due to the success of the appeal, funds raised will be applied as grant payments in 2023/24 as well as 2022/23.

In recent years, we have been developing our online presence through digital campaigns, including via the Global Giving platform which is based in the USA. This year income from digital campaigns was £91,387 (2021/22: £96,167). We are very encouraged by the underlying growth from digital initiatives.

During the year we received £58,265 in legacy gifts (2021/22: £89,402). We appreciate deeply that Karuna is considered for gifts left in wills, no matter how small; they make a significant impact on our work.

Income from grant giving trusts was £211,571 (2021/22: £262,624) of which £181,695 was restricted income. We are deeply grateful to our Trust partners, with whom we work closely, for their ongoing support of our work in India, Nepal and Bangladesh.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Expenditure**

Our expenditure for the year was £2,209,933 (2021/22: £2,157,761).

We committed £1,433,965 in programme delivery (2021/22: £1,418,079), an increase of £15,886. Of this, direct grants to partners totalled £1,081,790 for the year (2021/22: £1,024,915). Programme management expenditure, including partner training, partner workshops, capacity building and awareness raising, was £352,175 (2021/22: £316,164).

Sterling remained strong against the Indian Rupee enabling us to make ₹70.6M in grants to India at a Sterling cost of £748,210 (2021/22: ₹90.96M at a Sterling cost of £909,412). Sterling grants to Partners in Nepal were £220,613 (2021/22 £79,795). Grants to Partner organisations in Bangladesh totalled £35,386 (2021/22: £35,707)

In addition, we made grant payments of £84,921 to Karuna USA (2021/22: £77,000) and Karuna Germany of £3,600 (2021/22: £0).

At the year-end, we carried £1,621,521 in future grant commitments to partners (2021/22: £1,118,936). These are contingent liabilities, not contractual, and therefore do not appear on our balance sheet and are not included in the reserve calculation, but nonetheless represent a very real responsibility for the Karuna Trust.

The cost of generating funds for the year was £714,521 (2021/22: £654,285). Of this figure, £428,640 (2021/22: £386,037) was incurred in direct fundraising costs and the balance of £285,881 (2021/22: £268,248) in administrative support costs (including IT, financial processing and communications). This means that our direct fundraising costs this year were 19.8% of income (2021/22: 16.8%), a tremendous achievement by our fundraising team in what continues to be a challenging and unpredictable fundraising environment.

Governance costs for the year were £61,450 (2021/22: £85,397) a reduction year-on-year of £23,947. Figures for 2021/22 included several one-off costs connected with the establishment of Karuna USA.

Overall, the charity recorded a small deficit for the year of £11,083.

**Reserves Policy**

At the end of the year, the charity had total reserves of £1,245,291 a decrease of £11,083 against the previous year. An analysis of the reserve amount is as follows:

- Unrestricted Operating reserve £954,067 (funds for the general operation of the charity)
- Unrestricted Fixed Asset reserve £233,422 (tangible net assets net of bank loan)
- Restricted funds: £57,802 (funds for specific projects)

The charity's reserves policy aims to maintain an operating reserve equivalent to 4 months costs, which on 31 March 2023 equated to approximately £736,000.

**Investment Policy and Performance**

The charity's surplus funds are held in interest-bearing accounts with our bankers. We continue to do all we can to obtain the best rates of interest.

**Looking Ahead: the next 3 years**

For over 40 years, Karuna has mobilised resources to transform the lives of people in South Asia. We have grown and now have two *sister charities* — Karuna Germany and Karuna USA. Together, we've formed a network of three organisations collaborating and pooling resources to support marginalised communities in South Asia.

To deliver our aims and be a thriving organisation without significantly increasing costs, we need to continually improve how we work. We will ensure the sustainability of our impact by diversifying our funding opportunities and amplifying our voice.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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By end of 2026 we aim to have:

1. Developed and strengthened the relationships within Karuna's sister charities.
5. Increased our income by reaching new audiences and deepening our connection with our existing supporters, increasing support and inviting people to fundraise for us.
6. Developed fundraising expertise by protecting, deepening and sharing our unique approach and connecting with the wider fundraising world to draw on best practice.
7. Engaged the wider Buddhist community to help champion our work.

Collectively, Karuna (The Karuna Trust, Karuna Germany and Karuna USA) is starting the new strategy period in a strong financial position. This solid financial foundation provides the organisation with the resources needed to continue its work and make a positive impact on the lives of those it serves. To ensure its continued success and growth, we have set an ambitious goal to increase our income by 20% over the next 3 years. This will require a focused effort to expand the organisation's reach, deepen its impact and secure new resources.

In all, we aim to invest **£8.8 million** towards achieving our programme objectives in the next 3 years. This growth of income will enable Karuna to expand its programmes and reach more people. It will also provide the organisation with the resources needed to address the challenges facing communities in South Asia and beyond. The commitment to £8.8 million will help ensure that Karuna can deliver on its purpose to make a meaningful difference in the lives of those it serves.

Our strategic programmes priorities for the next three years will focus on the key areas of girls' education, prevention of violence against women, protection of migrant workers and their livelihoods and enhancing climate resilience of marginalised communities.

During the global pandemic, vulnerable communities across South Asia suffered some of the highest COVID-19 infection rates recorded anywhere in the world. As well as the direct health effects of the pandemic, millions of the most vulnerable families had to cope without access to basic needs like food or health care. Violence against women and child marriages increased, millions of children lost access to education and many households were unable to generate an income. These communities are also among the most vulnerable to the impact of climate change. The lack of access to resources only served to compound the effects of drought, flooding and other climate catastrophes.

Our strong community connections in some of the most-overlooked and hard-to-reach places means that we have been able to mobilise our resources and reach those that others couldn't. Our strategic focus is responsive to these long-term and will ensure that the progress already made is not undone.

**Structure, Governance and Management**

The charity is a company limited by guarantee and registered with the Charity Commission as a charity. The Trustees, who are also the directors for the purposes of company law, and served during the year, were:

Vajramudita Armstrong, Chair.  
Su Yen Tan, Treasurer (appointed 27 April 2022).  
Sundeep Grewal (appointed 27 April 2022).  
Prof. Dominic Houlder (resigned 27 April 2022).  
Prof. Pratap Rughani (resigned 27 April 2022).  
Zoe Stephenson (resigned 2 August 2022).  
Carolyn Milosevic MBE (appointed 2 August 2022).  
Peter White (appointed 2 August 2022).

The Trustees give their time on a voluntary basis to the management and governance of the charity. They meet four times a year to review the progress of the charity in all its activities and to make major decisions regarding direction, policy, staffing and grants to partner projects. When necessary, the Trustees establish working groups to deal with issues and report back to the full meeting.

The Trustees liaise closely with the CEO, Management Team, Fundraising Team, Programmes Team and Finance Team, who are paid staff and are responsible for ensuring that the standard of care required by the Trustees is carried out in the areas of grant management, governance, fundraising and publicity.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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The day-to-day management of the charity is delegated to the Chief Executive Officer, who is the main link with the Trustee body. The Trustees are all members of the Triratna Buddhist Order.

New Trustees attend an induction meeting with the Chair and CEO where they receive briefings on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Business Plan and the current financial situation as set out in the latest published accounts. During the induction, the Trustee may also meet other senior staff. Trustees are encouraged to attend appropriate external training events so they may keep abreast of their duties and current developments.

The Trustees of The Karuna Trust are also Trustees of Aid for India (founded 1980), which is the original name for the Trust. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. None of the Trustees has any beneficial interest in the company.

**Risk Management**

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate the major risks. The Management undertakes a full annual review and regular periodic reviews of the risks that the Charity is exposed to and reports back to the Trustees accordingly. The risk register is then updated. The review for the year 2023/24 will be conducted in June/July 2023. The next full review thereafter is scheduled for June 2024.

**Statement of trustees' responsibilities**

The trustees, who are also the directors of The Karuna Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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..

**Auditor**

In accordance with the company's articles, a resolution proposing that CBW Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

.....  
**Vajramudita Armstrong**  
Trustee  
Dated: .....

.....  
**Su Yen Tan**  
Trustee  
Dated:.....

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE TRUSTEES OF THE KARUNA TRUST**

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**Opinion**

We have audited the financial statements of The Karuna Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 Companies Act 2006.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 financial statements is inconsistent in any material respect with the trustees' report; 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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF THE KARUNA TRUST**

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**Responsibilities of trustees**

As explained more fully in the statement of trustees responsibilities, the trustees who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the charity were identified through discussions with trustees and other management, and from our commercial knowledge and experience of The Karuna Trust. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF THE KARUNA TRUST**

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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 auditors' 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.

**Paul Woosey (Senior Statutory Auditor)**  
**for and on behalf of CBW Audit Limited**

.....

**Chartered Accountants**  
**Statutory Auditor**

66 Prescott Street  
London  
E1 8NN

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
<b><u>Income from:</u></b>						
Donations and legacies	3	1,871,929	286,123	2,158,052	1,910,230	2,266,075
Investments	4	40,801	-	40,801	30,410	30,410
<b>Total income</b>		<u>1,912,730</u>	<u>286,123</u>	<u>2,198,853</u>	<u>1,940,640</u>	<u>2,296,485</u>
<b><u>Expenditure on:</u></b>						
Raising funds	5	697,711	16,810	714,521	616,935	654,286
Charitable activities	6	1,248,733	246,682	1,495,415	1,128,747	1,503,475
<b>Total expenditure</b>		<u>1,946,444</u>	<u>263,492</u>	<u>2,209,936</u>	<u>1,745,682</u>	<u>2,157,761</u>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(33,714)	22,631	(11,083)	194,958	138,724
Fund balances at 1 April 2022		<u>1,221,203</u>	<u>35,171</u>	<u>1,256,374</u>	<u>1,026,245</u>	<u>1,117,650</u>
<b>Fund balances at 31 March 2023</b>		<u><u>1,187,489</u></u>	<u><u>57,802</u></u>	<u><u>1,245,291</u></u>	<u><u>35,171</u></u>	<u><u>1,256,374</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**BALANCE SHEET**

**AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	13		233,422		239,284
<b>Current assets</b>					
Debtors	15	323,652		183,845	
Cash at bank and in hand		739,820		909,484	
		<u>1,063,472</u>		<u>1,093,329</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(51,603)</u>		<u>(76,239)</u>	
Net current assets			<u>1,011,869</u>		<u>1,017,090</u>
<b>Total assets less current liabilities</b>			<u><u>1,245,291</u></u>		<u><u>1,256,374</u></u>
<b>Income funds</b>					
Restricted funds	18		57,802		35,171
Unrestricted funds			<u>1,187,489</u>		<u>1,221,203</u>
			<u><u>1,245,291</u></u>		<u><u>1,256,374</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on .....

.....  
 Vajramudita Armstrong  
**Trustee**

.....  
 Su Yen Tan  
**Trustee**

**Company registration number 02132178**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(211,288)		30,346
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,873)		(19,359)	
Investment income received		40,801		30,410	
<b>Net cash generated from investing activities</b>					
			35,928		11,051
<b>Financing activities</b>					
Purchase of derivatives		5,696		-	
<b>Net cash generated from/(used in) financing activities</b>					
			5,696		-
<b>Net (decrease)/increase in cash and cash equivalents</b>					
			(169,664)		41,397
Cash and cash equivalents at beginning of year			909,484		868,087
<b>Cash and cash equivalents at end of year</b>			<b>739,820</b>		<b>909,484</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1 Accounting policies**

**Charity information**

The Karuna Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 72 Holloway Road, Holloway, London, N7 8JG.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

**1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**1.5 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.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1 Accounting policies** **(Continued)**

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Property over 100 years
Plant and machinery	Straight line between 3 and 5 years
Fixtures, fittings & equipment	Straight line between 3 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1 Accounting policies** **(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income and expenditure in support costs or other income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.10 Derivatives**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income/(expenditure) for the year, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The resulting gain or loss is recognised in net income/(expenditure) immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	1,813,664	286,123	2,099,787	2,176,674
Legacies receivable	58,265	-	58,265	89,401
<b>For the year ended 31 March 2023</b>	<u>1,871,929</u>	<u>286,123</u>	<u>2,158,052</u>	
<b>For the year ended 31 March 2022</b>	<u>1,910,230</u>	<u>355,845</u>		<u>2,266,075</u>

**4 Investments**

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Rental income	24,243	30,046
Interest receivable	16,558	364
	<u>40,801</u>	<u>30,410</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**5 Raising funds**

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
<b>For the year ended 31 March 2023</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Fundraising and publicity</u>				
Bank charges	11,810	-	11,810	11,888
Newsletters, printing and postage	9,040	-	9,040	12,151
Fundraising expenses	156,638	-	156,638	134,863
Rent and hire	21,876	-	21,876	17,915
Loss disposal of fixed assets	-	-	-	2,855
Staff costs	490,777	16,810	507,587	469,391
Depreciation	7,570	-	7,570	5,223
	<u>697,711</u>	<u>16,810</u>	<u>714,521</u>	<u>654,286</u>
Fundraising and publicity	697,711	16,810	714,521	654,286
	<u><u>697,711</u></u>	<u><u>16,810</u></u>	<u><u>714,521</u></u>	<u><u>654,286</u></u>
<b>For the year ended 31 March 2022</b>				
Fundraising and publicity	616,935	37,351		654,286
	<u><u>616,935</u></u>	<u><u>37,351</u></u>		<u><u>654,286</u></u>

**6 Charitable activities**

	2023 £	2022 £
<b>For the year ended 31 March 2023</b>		
Grant funding of activities (see note 7)	1,081,790	1,101,914
Share of support costs (see note 9)	352,175	316,163
Share of governance costs (see note 9)	61,450	85,398
	<u>1,495,415</u>	<u>1,503,475</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,248,733	1,128,747
Restricted funds	246,682	374,728
	<u>1,495,415</u>	<u>1,503,475</u>

**7 Grants payable**

	Charitable activities 2023 £	Charitable activities 2022 £
Grants to institutions:		
Other	1,081,790	1,101,914
	<u>1,081,790</u>	<u>1,101,914</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**8 Grants to programme partners**

	<i>Unrestricted grants</i>	<i>Restricted grants</i>	<i>Total grants</i>	<i>Support &amp; development costs</i>	<i>Total funds 2023</i>	<i>Total funds 2022</i>
	£	£	£	£	£	£
<b>Grants to Indian partners</b>						
AAINA	9,062	-	9,062	2,950	12,012	-
Adecom	19,435	-	19,435	6,327	25,762	27,747
Aryaloka	21,875	-	21,875	7,122	28,997	26,756
Aryaloka Chhattisgarh	8,668	-	8,668	2,822	11,490	7,831
Bahujan Hitay Hostels	-	-	-	-	-	45,648
BH Amravati	30,770	523	31,293	10,187	41,480	53,189
Bhaja and Bordharan	-	-	-	-	-	13,995
Central Services Team - BH	-	-	-	-	-	22,724
Central Services Team - TBMSG	-	-	-	-	-	25,766
Darabar Sahityar Sansad	-	-	-	-	-	9,519
FHSM Chennai	-	-	-	-	-	13,059
Green Tara Foundation Vishrantwadi	6,532	2,975	9,507	3,095	12,602	18,335
ITBCI	3,511	-	3,511	1,143	4,654	56,276
Jambudvipa	-	-	-	-	-	2,571
Jan Sahas	106,297	54,022	160,319	52,193	212,512	212,868
Jeevak	-	-	-	-	-	43,324
Maitri Network	22,527	580	23,107	7,522	30,629	26,011
Nirman	29,029	15,942	44,971	14,640	59,611	56,431
NISD	-	29,958	29,958	9,753	39,711	50,768
Nishtha	27,318	78,595	105,913	34,478	140,391	145,617
PHIA Foundation	12,426	-	12,426	4,045	16,471	7,686
Pragya	87,549	16,200	103,749	33,773	137,522	52,432
Sadhana Institute	-	-	-	-	-	35,799
Soulscale	78,446	-	78,446	25,539	103,985	-
SSEVS Bihar	24,813	-	24,813	8,078	32,891	18,865
Sukhavati Trust	3,537	-	3,537	1,151	4,688	19,698
TBMSG Hostels Project	-	-	-	-	-	106,386
TBMSG Nagpur	27,519	-	27,519	8,959	36,478	33,521
URJA	28,985	12,059	41,044	13,362	54,406	37,521
<b>Grants to Nepalese partners</b>						
ADWAN	10,150	224	10,374	3,377	13,751	29,782
Green Tara Trust Nepal	6,464	20,605	27,069	8,812	35,881	54,456
FEDO	-	15,000	15,000	4,883	19,883	9,652
NNDSWO Nepal	11,638	-	11,638	3,789	15,427	8,800
Pragya	52,928	-	52,928	17,231	70,159	-
Reed	81,721	-	81,721	26,605	108,326	-
<b>Grants to Bangladeshi partners</b>						
Pragya Solutions	35,386	-	35,386	11,520	46,906	45,952

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**8 Grants to programme partners** **(Continued)**

**Grants to German partners**

Karuna DE	3,600	-	3,600	1,172	4,772	-
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**Grants to US partners**

Karuna USA	84,921	-	84,921	27,647	112,568	99,093
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<b>Totals</b>	<b>835,520</b>	<b>246,683</b>	<b>1,081,790</b>	<b>352,175</b>	<b>1,433,965</b>	<b>1,418,078</b>
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**9 Support costs**

	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Staff costs	233,908	20,370	254,278	242,751	
Depreciation	2,756	409	3,165	3,607	
Rent	7,007	-	7,007	6,979	
Exchange Losses	5,698	-	5,698	-	
Training & Development	5,722	-	5,722	3,422	
Consultants	37,732	11,261	48,993	47,109	
Other costs	40,325	-	40,325	37,291	
Travel and subsistence	14,000	-	14,000	972	
Programmes communications & publicity	5,027	-	5,027	3,934	
Audit fees	-	16,300	16,300	10,060	Governance
Legal and professional	-	4,621	4,621	38,224	Governance
Office costs	-	6,812	6,812	6,654	Governance
Travel	-	1,493	1,493	327	Governance
Bank charges	-	184	184	231	Governance
	<u>352,175</u>	<u>61,450</u>	<u>413,625</u>	<u>401,561</u>	
Analysed between					
Charitable activities	<u>352,175</u>	<u>61,450</u>	<u>413,625</u>	<u>401,561</u>	

Governance costs includes payments to the auditors of £8,250 plus VAT (2022 - £7,750 plus VAT) for audit fees and £4,250 plus VAT (2022 - £4,250 plus VAT) for other accountancy services.

**10 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the year, and two trustees were reimbursed a total of £748 expenses (2022 - £666).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**11 Employees**

The average monthly number of employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Grant management	7	7
Fundraising	15	15
Governance	1	1
	<u>          </u>	<u>          </u>
Total	23	23
	<u>          </u>	<u>          </u>

**Employment costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	685,671	639,511
Social security costs	55,442	52,541
Other pension costs	20,752	20,090
	<u>          </u>	<u>          </u>
	761,865	712,142
	<u>          </u>	<u>          </u>

There were no employees whose annual remuneration was more than £60,000.

**12 Taxation**

The company is a registered charity and is, therefore, exempt from taxation.

**13 Tangible fixed assets**

	<b>Land and</b>	<b>Plant and</b>	<b>Fixtures,</b>	<b>Total</b>
	<b>buildings</b>	<b>machinery</b>	<b>fittings &amp;</b>	
	<b>£</b>	<b>£</b>	<b>equipment</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2022	295,100	31,365	33,182	359,647
Additions	-	1,003	3,870	4,873
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	295,100	32,368	37,052	364,520
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>				
At 1 April 2022	72,835	14,346	33,182	120,363
Depreciation charged in the year	2,101	7,344	1,290	10,735
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	74,936	21,690	34,472	131,098
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>				
At 31 March 2023	220,164	10,678	2,580	233,422
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2022	222,265	17,019	-	239,284
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

<b>14 Financial instruments</b>	<b>2023</b>	<b>2022</b>
	£	£
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	5,696	-
	<u>5,696</u>	<u>-</u>

During the year (as in prior years), the charity entered into forward contracts to secure Indian Rupees to cover future grant payment commitments. The forward contract outstanding at the year end has been closed out at a loss after the year-end to meet subsequent changes in Indian banking regulations that came into force after the charity committed to the contract.

<b>15 Debtors</b>	<b>2023</b>	<b>2022</b>
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	268,126	153,271
Prepayments and accrued income	55,526	30,574
	<u>323,652</u>	<u>183,845</u>

<b>16 Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	£	£
Other taxation and social security	8,924	7,372
Derivative financial instruments	5,696	-
Other creditors	12,912	35,602
Accruals and deferred income	24,071	33,265
	<u>51,603</u>	<u>76,239</u>

**17 Retirement benefit schemes**

**Defined contribution schemes**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £20,752 (2022 - £20,090).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**18 Restricted funds**

General restricted funds represents funds received from donors which are earmarked for specific ongoing charitable projects in India and Nepal.

	<b>Movement in funds</b>			<b>Balance at 31 March 2023</b>
	<b>Balance at 1 April 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	
	£	£	£	£
General Restricted Fund	35,171	286,123	(263,492)	57,802
	<u>35,171</u>	<u>286,123</u>	<u>(263,492)</u>	<u>57,802</u>

	<b>Movement in funds - prior year</b>			<b>Balance at 31 March 2022</b>
	<b>Balance at 1 April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	
	£	£	£	£
General Restricted Fund	91,405	355,845	(412,079)	35,171
	<u>91,405</u>	<u>355,845</u>	<u>(412,079)</u>	<u>35,171</u>

**19 Unrestricted funds**

Unrestricted funds are free funds held by the trust.

	<b>Movement in funds</b>			<b>Balance at 31 March 2023</b>
	<b>Balance at 1 April 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	
	£	£	£	£
General fund	1,221,203	1,912,730	(1,946,444)	1,187,489
	<u>1,221,203</u>	<u>1,912,730</u>	<u>(1,946,444)</u>	<u>1,187,489</u>

	<b>Movement in funds - prior year</b>			<b>Balance at 31 March 2022</b>
	<b>Balance at 1 April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	
	£	£	£	£
General fund	1,026,245	1,940,640	(1,745,682)	1,221,203
	<u>1,026,245</u>	<u>1,940,640</u>	<u>(1,745,682)</u>	<u>1,221,203</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**20 Analysis of net assets between funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Tangible assets	233,422	-	233,422
Current assets/(liabilities)	954,067	57,802	1,011,869
	<u>1,187,489</u>	<u>57,802</u>	<u>1,245,291</u>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	£	£	£
Fund balances at 31 March 2022 are represented by:			
Tangible assets	239,284	-	239,284
Current assets/(liabilities)	981,919	35,171	1,017,090
	<u>1,221,203</u>	<u>35,171</u>	<u>1,256,374</u>

**21 Financial commitments, guarantees and contingent liabilities**

At the reporting end date, the charity had contingent liabilities of £1,621,521 (2022 - £1,118,936) towards charitable projects.

**22 Operating lease commitments**

**Lessee**

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2023</b>	<b>2022</b>
	£	£
Within one year	<u>25,000</u>	<u>21,742</u>

**23 Related party transactions**

The charity is controlled by the trustees who are all directors of the company. The trustees of the charity are also the trustees for another charity, Aid for India. At the year end the charity owed £6,796 (2022 - £6,796) to Aid for India which is included in other creditors. There was also £5,000 (2022 - £nil) receivable under other debtors. All amounts are interest-free, unsecured and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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<b>24 Cash generated from operations</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
(Deficit)/surplus for the year	(11,083)	138,724
Adjustments for:		
Investment income recognised in statement of financial activities	(40,801)	(30,410)
(Gain)/loss on disposal of tangible fixed assets	-	4,138
Depreciation and impairment of tangible fixed assets	10,735	7,547
Movements in working capital:		
(Increase) in debtors	(139,807)	(3,484)
(Decrease) in creditors	(30,332)	(86,169)
<b>Cash (absorbed by)/generated from operations</b>	<b>(211,288)</b>	<b>30,346</b>

The significant change in the cash absorbed by operations is due to a decrease in income by £97,632 while expenditure have increased by £52,175 in the year, reflecting the impact of the increasing costs of living. The increase is further supported by gift aid credits which are yet to be claimed from HMRC.

**25 Analysis of changes in net funds**

The charity had no debt during the year.

**THE KARUNA TRUST**

England & Wales - Charity number 327461

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# Accounts

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**Charity registration number 327461**

**Company registration number 02132178 (England and Wales)**

**THE KARUNA TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# THE KARUNA TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Vajramudita Armstrong Zoe Stephenson Su Yen Tan Sundeep Kaur Grewal	(Appointed 27 April 2022) (Appointed 27 April 2022)
<b>Secretary</b>	M C Baird	
<b>Charity number</b>	327461	
<b>Company number</b>	02132178	
<b>Principal address</b>	72 Holloway Road Holloway London N7 8JG	
<b>Registered office</b>	72 Holloway Road Holloway London N7 8JG	
<b>Auditor</b>	CBW Audit Limited 66 Prescott Street London E1 8NN	
<b>Bankers</b>	Clydesdale Bank Plc Studio B 146-158 Kensington High Street London W8 7RL	
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE	

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# THE KARUNA TRUST

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 15
Independent auditor's report	16 - 18
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 33

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2022

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Trust, the Companies Act 2006 and "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).

#### **Objectives and activities**

The Karuna Trust exists to end discrimination, poverty and inequality in India, Nepal and Bangladesh. To achieve this mission the following activities are carried out:

#### **International development and grant-making**

We make grants to a range of different in-country local partner NGOs in India, Nepal and Bangladesh. Our work focuses on education, dignified livelihoods and gender equality transforming communities and positively changing society.

#### **Capacity Building**

As well as funding projects, we assist our project partners to develop their capacity so that they are effective and sustainable organisations. This is a particular need as we tend to work with grass-roots organisations. A significant proportion of our funding goes towards training in strategic planning, financial management, monitoring and evaluation, governance, leadership development, effective project management and fundraising from in-country and foreign sources.

#### **Awareness raising**

Through our website, annual review, social media, public talks, networks and other events we aim to raise awareness of the impact of discrimination, poverty and inequality in India, Nepal and Bangladesh.

#### **Fundraising**

This is carried out through several different streams: door-to-door campaigns, phone campaigns, digital platforms, one-off donations, grant applications to charitable trusts and institutional donors. We also collaborate with Karuna Germany leveraging additional funds from German-based sources.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Programmes Report 2021/22

We specialise in working with grassroots, local organisations in India, Nepal and Bangladesh, many of whom are from the communities they are seeking to support. This means interventions are not imposed from outside but designed from the ground up. Despite huge economic growth in the region, these communities continue to face constant barriers of exploitation and exclusion.

#### Covid Emergency Response (April to September 2021)

The period April to September 2021 saw the peak of the second wave of COVID-19 infections in India, Nepal, and Bangladesh with recorded cases in India reaching more than 400,000 per day; some commentators suggesting that the actual number may have been as much as ten times higher. The massive impact of the pandemic itself, combined with the associated economic and social impacts of lockdowns, job losses and school closures were particularly severe for people from the most marginalised communities, who all too often were already living a precarious “hand-to-mouth” existence.

Over the period April to September 2021, Karuna made emergency grants to 35 partner organisations enabling them to respond to the most urgent needs of people from the most vulnerable communities. Grants were used to provide emergency food, medical and sanitary supplies directly to approximately 120,000 people from COVID-19 affected families. Our partners, with their well-established networks among the most disadvantaged communities that included urban slum dwellers and rural Dalit and tribal people, were able to make sure that the aid reached those in most acute need.

Many more people benefitted indirectly from this emergency work; for example, one of our partners, Pragya, supplied PPE equipment to 300 frontline medical workers who in turn provided medical care to an estimated 300,000 people from COVID-19 affected rural communities. Another partner, REED, provided educational broadcasts for 20,000 children affected by school closures in Southern Nepal. Another, Jan Sahas, ran a helpline service to help unemployed manual laborers access desperately needed government welfare schemes, and was able to extend this support to 98,000 migrant laborers, bringing economic benefits to as many as 490,000 family members.

An independent evaluation indicated that Karuna's grant making had been guided by feedback from the affected communities themselves, and that emergency grants had succeeded in delivering aid to people who would otherwise have been excluded from other emergency responses.

#### Covid Recovery Phase (September 2021 to March 2022)

During the COVID-19 crisis, Karuna continued to meet the core running costs of all its partners so that they could continue to cover the salaries of their field workers. This meant that, once the infection rates started to fall, they were able to restart their regular project work, addressing long-term community needs around education, dignified livelihoods and gender equality.

From September 2021 to March 2022, as communities started to rebuild their lives, Karuna's focus shifted from providing emergency grants to supporting our partners through a COVID-19 recovery process.

In September, we carried out an evaluation of our emergency work and a survey of all our partners to identify key priorities for our work. The priorities were:

- Supporting children affected by school closures to restart their education, with a particular emphasis on helping prevent adolescent girls from dropping out of school.
- Working with people to re-establish dignified and secure livelihoods, especially helping unemployed migrant laborers access government welfare schemes such as the MGNREGA rural employment guarantee scheme.
- Helping people from marginalised communities to build resilience to future COVID-19 waves through improved health awareness and access to health resources, including vaccinations.
- Giving women and girls access to justice and legal protection, countering the “shadow pandemic” of reported increases in violence against women and girls.

The vulnerable communities that Karuna works with will continue to need support for many years to overcome the impact of the pandemic and rebuild their lives.

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **New projects and programme highlights**

As well as aligning our work with COVID-19 recovery priorities, we have initiated several new projects that take forward the strategic priorities identified in 2020; in particular, extending the reach of our work into Bangladesh and developing innovative programs to meet the global challenge of climate change. Nearly every location where we work is increasingly vulnerable to the long-term effects of climate change and it is often the most socially marginalised and extremely economically vulnerable who are the worst affected. The northeast coast of India and the whole of Bangladesh are exposed to cyclones and flooding and the central Indian states experience severe heatwaves and droughts.

#### **Other Programmes Highlights**

Here are some of the project highlights from the past year.

##### Participatory Climate Adaptation Project (Pragya)

This new project, which started in October 2021, works with cyclone-affected households in 400 villages across 4 districts of Bangladesh and West Bengal in East India. The project supports smallholder farmers to adapt their livelihoods to the changing weather patterns caused by climate change. Altogether, the project aims to support 4,000 smallholder farmers to develop new climate-adapted livelihoods by providing access to targeted information about climate-adapted agricultural practices.

In addition, 4,000 women will be mobilised and organised into peer-support groups for training in livelihood skills and protection from gender-based violence. In total, 10,750 beneficiaries are part of the direct target group and 40,000 households (about 160,000 people) in 400 villages will benefit more widely.

The project is a joint initiative between Karuna Trust and Karuna Germany, with the bulk of the funding coming from the German Government agency BMZ. After six months, the project has already made substantial progress and a network of farmer support groups has been established in all four districts. In the next year, we plan to expand this program into two flood-affected areas of Nepal.

##### Dignity for Women Project – Chhaupadi (Green Tara/REED Nepal)

This project sets out to challenge the traditional practice of Chhaupadi. In these remote areas of Western Nepal, women are excluded from their homes and forced to live in unsafe huts during their periods, often at considerable risk to their health and safety. Through a series of targeted information and awareness-raising campaigns with key stakeholders (including mothers and local community leaders), the project works directly with 4,000 women and girls from 36 villages in Western Nepal promoting safe menstruation practices, with positive benefits for a total of 9,000 direct beneficiaries and a wider population of 20,000.

After a long preparation, the project started in September 2021, but activities were delayed due to flooding in October and November. In the first quarter of 2022, the project got back on track as planned. The mothers' groups are now all set up and running well. The initial training sessions with the Health Post staff and teachers went ahead as did the procurement for the project. For the girls' leadership programme, 21 adolescent girls were identified. They were given smart phones and trained in videography. Now they are collecting and sharing stories about their lives and restrictions around menstruation.

This major new project is a joint initiative between Karuna Trust and Karuna Germany with BMZ providing 75% funding of the total four-year budget of £535,000.

##### Migrant Labourer Resilience Project (Jan Sahas)

This project was started in June 2020 as a response to the plight of millions of migrant labourers who had lost their jobs because of nationwide lockdowns. They had been forced to return, often on foot, to their home villages.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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Over the past year, the project has worked in 600 villages across 6 Indian states. It has helped unemployed migrants access government welfare schemes such as the MGREGA rural employment guarantee scheme, which guarantees a basic level income to unemployed daily wage labourers. A team of 60 community mobilisers based in 6 regional migration centres have provided outreach to 180,000 households, helping a total of 60,000 families register for government welfare payments. In addition, a helpline offering advice and counselling to returning migrants has received 250,000 calls over the past year.

Altogether this project has directly impacted on the lives of 98,000 migrant workers, with positive benefits for as many as 490,000 family members.

Over the past year, Karuna has contributed £75,000 to this project with generous support from Waterloo Foundation.

#### Strong Girls Project (Green Tara/REED Nepal)

The project initially aimed to give 1,500 girls from marginalised Dalit and tribal communities in Southern Nepal access to quality education, enabling them to complete primary school and transition to secondary education. During the pandemic, when schools were closed, the project refocused on giving children access to remote learning. Working with local radio and TV stations the project broadcast a series of 2-hour educational programmes that were listened to by an estimated 20,000 children in remote villages, with teachers carrying out follow-up visits to distribute learning materials and monitor student's learning.

The current phase of the project has ended after running for 3.5 years. In the final months it received a very positive evaluation by an external evaluator. The project has ensured that teachers in the 15 target schools are well trained in modern teaching methods, schools have been equipped with proper sanitation and classroom facilities, girls empowered and pursuing further education, and mothers engaging in income generation activities to reduce pressure on household incomes. We plan to launch a second phase of the project in July 2022 with a special emphasis on helping girls get back into school after the disruption of lockdown school closures.

#### Voice of Women Project (Jan Sahas)

This project provides legal and counselling support for women victims of violence across four states in Western and Central India enabling them to access justice and legal protection through a criminal justice system that all too often doubly discriminates against women from marginalised communities (based on both caste and gender). By training volunteer paralegals known as "barefoot lawyers" and providing access to free legal representation the project aims to provide readily accessible legal aid for women in need. Over the past year the project has worked directly with 2,423 women and engaged with a further 5,041 through training and awareness raising campaigns.

78 legal self-help groups have been formed and 272 barefoot paralegals received training. Information collection and fact finding was carried out in 1,165 cases. 144 women were provided with psycho-social and legal support and in 16 cases the survivors received financial compensation. 2 convictions were secured in cases of violence against women and many more cases have been filed and are pending due to courts being closed during lockdown.

#### West Bengal Girls' Education and Empowerment Project (NISHTHA)

In an area of West Bengal where around 50% of girls drop out of school for early marriage, and trafficking of girls is a constant danger, the project supports 1,350 girls to stay in school up to the age of 18. Girls are organised into peer self-help groups so that they can support each other with their education and intervene in cases where girls are at risk of dropping out or being forced into early marriage.

At the same time mothers receive livelihoods support which helps increase family incomes and reduces the pressure on girls to leave school early to earn money, whilst awareness raising campaigns challenge the social norms that lead to the devaluing of girls' education. Over the past year the scope of the project has been extended to include girls from cyclone affected coastal areas.

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## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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In the past year the project has succeeded in ensuring that 98% of girls enrolled in the project stay in school with 227 going on into higher secondary, (the equivalent of sixth form). 49 child marriages have been directly prevented. 57 cases domestic violence have been stopped, and 16 cases of rape and domestic violence have been referred to the criminal justice system.

During the peak of the pandemic the project distributed food aid to 3,200 families (15,000 people) and organised health awareness camps through which 6,417 women and girls received vaccinations.

#### Mumbai Shelter for Homeless Women (Urja)

This project provides safe shelter and rehabilitation to women and girls who arrive at Dadar one of the main railway stations in Mumbai having run away from home, often to escape domestic violence and abuse. Many of the girls need psychological counselling to recover from trauma as well as vocational skills training for employment.

During the last 2 years, Urja has supported 80 former shelter girls by paying their rent and providing them with food supplies and hygiene kits while they look for new jobs. This year, the team supported 295 homeless young women including several from LGBTQ+ communities. Out of the 295, 73 young women were provided with access to safe spaces in shelters, and the remaining women received holistic medical, sexual-health and psychiatric support. 20 participants were enrolled in formal education and 47 in vocational training courses.

The project team collaborated with the Maharashtra Department of Women and Children to manage a Government Crisis Centre in Mumbai, where sheltered accommodation, counselling and medical support was provided to 433 survivors of gender-based violence.

In October 2021, Urja acquired a new larger shelter space in Mumbai, where they have been fully operational since December. This will allow them to support more young women in their journey out of abuse and into independence and self-reliance.

#### Maharashtra Girls' Education Project (NISD)

This long-standing Karuna-supported project enables girls from rural communities in rural Maharashtra to continue into secondary school and complete their education.

During the pandemic schools were closed so the project focused on distributing emergency relief supplies and providing children with opportunities for online learning.

In October 2021 the project was able to restart its education activities. Since then, Girls groups have restarted their activities and 160 meetings took place in 20 villages attended by a total of 1,012 girls. 4 leadership training programs and 2 menstruation and hygiene programs were organised for 163 group leaders. Sanitary napkins were provided to 737 girls. 40 adolescent health lectures were organised in 12 secondary schools attended by 1,470 adolescent girls. Two Gender Sensitisation training courses were organised for 71 teachers. 1,140 parents in 20 villages were contacted through awareness programs/poster exhibitions/home visits about the importance of their girls resuming their education post-pandemic. Educational materials were distributed to 360 girls and bicycles provided to 21 girls.

#### Maitri Women's Network

In 2021-22 Maitri Network partners reached out to 10,856 women and 3,109 men, to 2,201 girls and 751 boys. The team provided intensive support to 444 women survivors of sexual violence through various interventions like legal aid, and psycho-socio counselling, ration support, referring to One Stop Centres (OSC), providing rehabilitation support. Besides, partners were engaging with policy makers in Tamil Nadu, Maharashtra, and Madhya Pradesh.

A major achievement has been that Maitri Network partners across 30 districts have been actively engaging with OSCs, referring cases, providing counselling support, providing ration support as well as creating awareness in communities on facilities available at OSC. In 3 out of the 30 districts of the Maitri Network (namely Khargone (MP), Dewas (MP) and Mumbai) the OSCs are directly run by Maitri Network partners along with the Department of Women and Child. There has also been an increase in number of cases being referred to OSCs through Maitri Network partners.

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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During this year staff and volunteers have been trained in how to engage with men and boys in the communities. Collaborating with "Men's Initiative to Transform Relationship Through Action" (MITRA) a program of perspective and skill building training is now implemented in all Maitri districts. The staff and volunteers are guided and supervised while forming groups with adolescent boys and young men with whom they meet monthly. Here they address issues around gender awareness, violence against women and privilege. The men and boys start to realise their own benefit from more equal and relaxed gender norms and relations and become allies in combatting violence against women in their communities.

#### **Changes to regulations affecting overseas funding of Indian NGOs**

Karuna's funding projects in India took place against a backdrop of radical changes affecting the NGO sector in India. In September 2020 the Indian Government announced sweeping changes to the regulations affecting overseas funding for Indian NGOs (known as FCRA Regulations) introducing new restrictions on how our partners can manage their funds. Over the past year many of our partners have had to re-apply for their government permission to receive overseas funds and unfortunately this has resulted in several of our long-standing partners losing their ability to receive grant funding from Karuna. We continue to monitor the situation and work with our partners to ensure that they are able to continue operating within the new regulations.

#### **Projects coming to Completion**

Primarily as a result of these new regulations, we have had to end the funding of some of our longest-standing projects - including our educational hostels in Maharashtra. For more than thirty years, these hostels provided residential educational support for children from extremely disadvantaged backgrounds and enabled thousands of them to complete their education. We are currently in the process of refocusing those grants to new types of educational projects, so that we can continue to reach more children who need support.

At the end of 2021, one of our much-loved projects, the Indo-Tibetan Buddhist Cultural Institute (ITBCI) School in India, closed its doors following a decision taken by the school's trustees. For more than forty years, thousands of children from the poorest backgrounds were able to receive quality education and opportunities at the school, thanks to your amazing support. While we, like you, are sad to see the project come to an end, we are incredibly grateful to be able to celebrate the wonderful benefits it achieved during its lifetime.

Nestled in the Himalayan hills of Kalimpong, ITBCI was founded in 1954 by the late monk and teacher Dhardo Rinpoche, with the aim of providing free education to the children of the poorest refugee families escaping persecution in Tibet. In honour of its founding, the school always placed a particular emphasis on teaching and preserving the traditional arts and culture of its students. By the eighties, Karuna had begun raising donations for the school, and had been supporting them ever since, resulting in what soon became one of Karuna's best-loved projects.

Fortunately, the needs in the area have changed over the decades. Karuna has been able to ensure that the children remaining at the school have been enrolled in other educational institutions in the area that have since arisen, so that their education has not been interrupted. Karuna was also able to make a substantial donation to the school of behalf of its supporters, in addition to our regular grants, to ensure that all the teachers (many of whom were ex-students) received a generous redundancy package, reflecting their hard work and dedication over the years.

From February 2022, the school began running a new, Karuna-funded, 'legacy' project, consisting of a library promoting Himalayan arts, culture and Buddhism, as well as a small museum. We are delighted to be able to honour the project's history as well as the contribution of our supporters in this way.

ITBCI was one of Karuna's longest standing and most valued partners. We are so incredibly proud of the school's achievements and their excellent work which enabled thousands of children from very poor backgrounds to fulfil their potential.

## **THE KARUNA TRUST**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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Karuna's funding of the Thane Brick Kiln Education Project, the Jeevak Women's project and Sadhana Cantonment project have also ended.

We would like to thank all the teachers and hostel wardens involved in these projects, which have provided education and improved life opportunities for many thousands of children.

#### **The year in numbers**

In the past year Karuna projects have reached out directly to approx. 247,000 people from marginalised communities. A further 1,730,000 people have been benefitted indirectly from Karuna supported projects.

#### **Emergency Covid Relief**

A total of 120,000 people benefitted from distributions of emergency food relief.

61,000 people received emergency medical/sanitary supplies including PPE.

85,000 were involved in health awareness campaigns and training around COVID-19 prevention.

40,000 people from marginalised communities were supported to get access to facilities for treatment and vaccinations.

#### **Education**

16,730 children have been supported to stay in school, and 3,039 have been supported to complete their school education up to age 18.

During lockdown when schools were closed, 23,500 children from the most marginalised backgrounds were enabled to access remote and online learning.

Over the year 6,000 parents were involved in awareness raising around the importance of education and especially education of girls.

#### **Gender Equality**

8,945 girls were supported to stay in education.

52,600 women received training in leadership skills and were supported to participate in local decision making (through local councils, panchayats (village councils), village education committees)

7,681 women were trained and supported to know their rights and seek legal protection in cases of violence.

#### **Livelihoods**

100,000 unemployed migrant labourers were supported to access Government welfare schemes and entitlements.

2,700 women were trained in skills for new livelihoods.

2,500 men and women from marginal communities received training to start their own small businesses.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### The wider Karuna Family

We have been collaborating with Karuna Germany for more than a decade and fund several major projects together in India, Nepal and now Bangladesh. The model is so successful that last year we established and launched Karuna USA with the purpose of widening our base, reaching new funders, and generating more support. Like Karuna Germany, Karuna USA has attracted a highly skilled and innovative Board of Trustees.

### Karuna Germany

Karuna Deutschland's income for last year was £606,055 and supported a total of 71,507 direct beneficiaries in India, Nepal, and Bangladesh. Last year, the funding for four new major projects could be secured: two funded by BMZ, the German government's Department for International Development, two by big German foundations. Headline projects for the year are:

- **Dignity for Women: End Chhaupadi in Nepal** 'Safe menstruation and access to reproductive health'.
- **Safe Deliveries: Nepal** ensured that 1,280 babies could be born in a safe and supported environment in one of the birthing centres the project has set up. In total 36,018 people benefitted from better health care, and self-help groups for pregnant women and mothers.
- **Eco-friendly bricks: Dignified Livelihoods for Dalit women in Tamil Nadu** enables a sustainable income for 120 women and their families.
- **Climate Change Mitigation: Strong communities and adapted ecosystems in Bangladesh and India** began in October and already supported 4,527 people to protect their lives and livelihoods.
- **Voice of Women Project** enabled 2,432 Dalit women survivors of violence to access justice and get socio-medical support. In total, 3,689 people benefitted directly and 14,756 more widely.

### Karuna USA

Karuna USA believes that every individual deserves a decent life and the opportunity to achieve their potential, regardless of caste, race or ethnicity. Karuna USA will mobilise people in the United States to become supporters of this work. It will identify resources and champions of our work and engage partners with similar operations to uplift marginalised groups in South Asia and eventually in the United States itself. In 2022 the focus of Karuna USA was establishing itself legally, creating a new website and social media presence, hiring staff and initial fundraising campaigns. It formally launched in November 2021.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

<b>CONSOLIDATED ACCOUNTS FOR KARUNA UK &amp; KARUNA GERMANY</b>					
<b>FOR THE YEAR ENDED 31 MARCH 2022</b>	<b>Karuna UK</b>	<b>Karuna DE</b>	<b>Total funds</b>	<b>Total funds</b>	<b>Variance</b>
	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2020/21</b>	
<b>Income from:</b>					
Donations and legacies	2,266,075	606,055	2,872,130	2,803,772	68,358
Other income	30,410	0	30,410	23,200	7,210
<b>Total income</b>	<b>2,296,485</b>	<b>606,055</b>	<b>2,902,540</b>	<b>2,826,972</b>	<b>75,568</b>
<b>Expenditure on:</b>					
Raising funds	654,286	9,380	663,666	625,444	38,222
Charitable activities – see table below	1,503,475	610,988	2,114,463	1,816,418	298,045
<b>Total resources expended</b>	<b>2,157,761</b>	<b>620,368</b>	<b>2,778,129</b>	<b>2,441,862</b>	<b>336,267</b>
<b>Net income/(expenditure) for the year</b>	<b>138,724</b>	<b>(14,313)</b>	<b>124,411</b>	<b>385,110</b>	<b>(260,669)</b>
Fund balances as 1 April 2021	1,117,650	132,000	1,249,650	864,540	
<b>Fund balances at 31 March 2022</b>	<b>1,256,374</b>	<b>117,687</b>	<b>1,374,061</b>	<b>1,249,650</b>	

<b>CONSOLIDATED BALANCE SHEET</b>				
<b>AS AT 31 MARCH 2022</b>	<b>Karuna UK</b>	<b>Karuna DE</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>2021/2022</b>	<b>2021/2022</b>	<b>2021/2022</b>	<b>2020/21</b>
<b>Fixed Asset</b>				
Tangible assets	239,284	0	239,284	231,610
<b>Current Assets</b>				
Debtors	183,845	0	183,845	180,361
Cash at bank and in hand	909,484	117,687	1,027,171	1,000,087
	<b>1,093,329</b>	<b>117,687</b>	<b>1,211,016</b>	<b>1,180,488</b>
Creditors: amounts due within one year	76,239	0	76,239	162,408
<b>Total Assets less Current Liabilities</b>	<b>1,256,374</b>	<b>117,687</b>	<b>1,374,061</b>	<b>1,249,650</b>
<b>Funds</b>				
Unrestricted funds	1,221,203	0	1,221,203	1,026,245
Restricted funds	35,171	117,687	152,858	223,405
	<b>1,256,374</b>	<b>117,687</b>	<b>1,374,061</b>	<b>1,249,650</b>

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Charitable Activities	Karuna UK	Karuna DE	Total 2021/22	Total 2020/21
<b>Grants to Indian partners</b>				
Adecom	27,747	-	27,747	30,848
Aryaloka	26,756	-	26,756	18,034
Aryaloka - Chhattisgarh	7,831	-	7,831	8,903
Bahujan Hitay Hostels	45,648	-	45,648	84,729
BH Amravati	53,189	7,032	60,221	74,737
BH Goa	-	-	-	20,131
BH Nagpur	-	-	-	23,490
BH Wardha	-	-	-	26,171
Bhaja and Bordharan	13,995	-	13,995	25,463
BH Pune - Central Services Team	22,724	-	22,724	15,133
TBMSG Pune - Central Services Team	25,766	-	25,766	24,248
Darabar Sahityar Sansad	9,519	-	9,519	1,411
FHSM Chennai	13,059	21,829	34,888	-
Green Tara Foundation	18,335	-	18,335	24,865
ITBCI	56,276	-	56,276	29,489
Jambudvipa	2,571	-	2,571	-
Jan Sahas	212,868	91,772	304,640	370,102
Jeevak	43,324	-	43,324	42,217
Maitri Network	26,011	127,483	153,494	109,520
NIRMAN	56,431	10,128	66,559	29,589
NISD	50,768	-	50,768	38,269
Nishtha	145,617	-	145,617	103,297
NNBY	-	-	-	8,210
Yashodhara	-	-	-	3,170
PHIA Foundation	7,686	2,918	10,604	11,067
Prabodhini	-	3,403	3,403	4,623
Pragya	52,432	-	52,432	-
Sadhana Institute	35,799	-	35,799	27,901
SSEVS Bihar	18,865	-	18,865	6,206
Sukhavati Trust	19,698	-	19,698	20,556
TBMSG Hostels Project	106,386	-	106,386	161,448
TBMSG Nagpur	33,521	-	33,521	42,552
Triratna India COVID Relief	-	-	-	4,746
Urja	37,521	-	37,521	49,541
VICALP Odisha	-	-	-	5,137
<b>Nepalese partners</b>				
Green Tara Trust Nepal	54,456	205,415	259,871	267,867
FEDO	9,652	-	9,652	5,102
ADWAN	29,782	-	29,782	23,079
NNDSWO	8,800	-	8,800	-
Voice of Children	-	-	-	191

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Charitable Activities	Karuna UK	Karuna DE	Total 2021/22	Total 2020/21
<b>Bangladeshi partners</b>				
Pragya Solutions	45,952	112,912	158,864	-
<b>German partners</b>				
Karuna Germany: FEB Educational Project in schools	-	11,919	11,919	-
<b>US partners</b>				
Karuna USA	99,093	-	99,093	-
<b>Subtotals</b>	<b>1,418,078</b>	<b>594,811</b>	<b>2,012,889</b>	<b>1,742,041</b>
Governance & other charitable costs	85,397	16,176	101,573	74,378
<b>Totals</b>	<b>1,503,475</b>	<b>610,987</b>	<b>2,114,462</b>	<b>1,816,419</b>

### Financial review

#### Income

The total income received by The Karuna Trust for the year ended 31 March 2022 was £2,296,485 (2020/21: £2,288,912). This outcome represents an overall increase in income year-on-year of £7,573 reflecting sustained commitment and generosity from our donors during a challenging period.

In the year to 31 March 2022 total income from Regular Giving was £1,458,492 (2020/21: £1,458,314). Our Regular Giving income is typically derived from several sources: primarily door-to-door campaigns, give-as-you-earn and telephone upgrade campaigns. As a result of restrictions imposed by the response to COVID-19 we were unable to mount full door-to-door appeals during the year (2019/20: 4). Instead, our Supporter Recruitment Team came up with innovative ways to fundraise including a 6-week campaign staffed by 6 volunteers door knocking in their immediate localities.

Our Regional Fundraisers continued door-to-door fundraising whenever COVID-19 restrictions permitted. We also ran three telephone appeals in the first quarter of the year maintaining a focus on our Coronavirus Campaign as a second wave of COVID-19 hit India and Nepal in April 2021. Once again, the response from our donors was tremendous. One-off donations from individual donors raised £211,260 (2020/21: £270,771) of which £20,500 was for restricted grant payments.

Our Christmas Appeal 2021 raised a further £70,893 plus Gift Aid (2020/21 £71,924) for girls' education projects which has been applied as grant payments in 2021/22.

In recent years we have been developing our online presence through digital campaigns, including via Global Giving based in the USA. This year income from digital campaigns was £96,167 (2020/21: £146,454 – which included a substantial one-off donation of \$100,000). We are very encouraged by underlying growth from digital initiatives.

During the year we received £89,402 in legacy gifts (2020/21: £11,732). We appreciate deeply that Karuna is considered for gifts left in wills, no matter how small; they make a significant impact on our work.

Income from grant giving trusts was £262,624 (2020/21: £301,670) of which £226,107 was restricted income. We are deeply grateful to our Trust partners, with whom we work closely, for their ongoing support of our work in India, Nepal and Bangladesh.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Expenditure

Our expenditure for the year was £2,157,761 (2020/21: £1,934,071).

We committed £1,418,079 in programme delivery (2020/21: £1,276,508), an increase of £141,571. Of this, direct grants to partners in India, Nepal and Bangladesh totalled £1,024,915 for the year (2020/21: £1,000,852). Programme management expenditure including partner training, partner workshops, capacity building and awareness raising was £316,164 (2020/21: £275,656).

Sterling remained strong against the Indian Rupee enabling us to make ₹90.96M in grants to India at a Sterling cost of £909,412 (2020/21: ₹86.82M at a Sterling cost of £957,284). In addition, we made grant payments of £77,000 to Karuna USA Inc.

At the year-end we carried £1,118,936 in future grant commitments to partners in India and Nepal (2020/21: £500,000). These are contingent liabilities, not contractual and therefore do not appear on our balance sheet and are not included in the reserve calculation, but nonetheless represent a very real responsibility for the Karuna Trust.

The cost of generating funds for the year was £654,285 (2020/21: £611,854). Of this figure £386,037 (2020/21: £366,926) was incurred in direct fundraising costs and the balance of £268,248 (2020/21: £244,928) in administrative support costs (including IT, financial processing and communications). This means that our direct fundraising costs this year were 16.8% of income (2020/21: 16%) a tremendous achievement by our fundraising team in what continues to be a challenging and unpredictable period.

Governance costs for the year were £85,397 (2020/21: £45,710) a significant increase year-on-year due mainly to unexpected due diligence and legal expenditure related to the founding of Karuna USA. These were one-off costs.

#### Reserves Policy

At the end of the year, we had total reserves of £1,256,374 an increase of £138,724 against the previous year. An analysis of the reserve amount is as follows:

- Unrestricted Operating reserve £981,918 (funds for the general operation of the charity)
- Unrestricted Fixed Asset reserve £239,285 (tangible net assets net of bank loan)
- Restricted funds: £35,171 (funds for specific projects)

The charity's reserves policy aims to maintain an operating reserve equivalent to 4 months costs, which at 31 March 2022 equated to approximately £720,000.

#### Investment policy and performance

The charity's surplus funds are held in interest-bearing accounts with our bankers. We continue to do all we can to obtain the best rates of interest.

#### Future developments

People everywhere are facing unprecedented levels of economic uncertainty and many experiencing tremendous hardship. The War in Ukraine is a sad example of how fragile our societies are, and we are witness to millions of innocent people forced to flee their homeland to stay safe. Globally and especially in India, Nepal and Bangladesh where vast numbers of people are already on the edge - climate change is causing deadly annual heatwaves, floods and food insecurity. High inflation and the rising costs of basic foodstuffs, clothing and medicines make it worse.

Against this backdrop our work of ending poverty, inequality and discrimination in India, Nepal and Bangladesh is more important than ever. We will carry out a wide-ranging strategy process commencing in Autumn 2022 which will include an assessment of the current needs in the countries where we work and a thorough review of our 2020-23 strategy. A few key areas that we know we will focus on are:

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Programmes

##### New projects:

- The new **Jan Sahas Leadership Academy**: will Capacity build 40 new Dalit led NGOs in Madhya Pradesh, Maharashtra, Uttar Pradesh, Chhattisgarh, Jharkhand, Bihar and Orissa.
- **Pragya Violence Against Women**: programme in West Bengal which will prevent VAW and trafficking of 4,350 women and girls in border area between India and Bangladesh.
- **REED Nepal**: Environmental Education Project will provide environmental education, climate change adaptation and teachers training.
- **Pragya Solutions Nepal**: will provide climate adapted livelihoods and Violence Against Women for 4,750 people from marginalised communities in the Terai region.
- **Pragya Solutions Bangladesh**: will promote Climate Adapted Agriculture and Flood Preparedness (continuation and scale up of a 2021 pilot project).

#### Fundraising

##### Development:

Karuna, which means 'compassion', fundraises using volunteers and never outsources fundraising to agencies. We empower our new donors to make a conscious and considered choice to give, rather than feel pressured or manipulated into donating. Our fundraisers incorporate their spiritual and ethical frameworks into their fundraising. Looking ahead in 2022-23:

- We will continue investment to ensure the charity is using the best and latest software, improved analysis and digital fundraising.
- Improve our marketing and engagement processes by identifying our consumer groups and refining our brand archetype and tone of voice.
- Investigate new methods of leadership giving fundraising (Trusts and major donors) as researched and recommended in our 2021 review.

#### Office and working from home

Our team mainly work from home however we have reopened our office on Holloway Road. We are giving people the choice to work where they feel most productive and healthy. 2022 will be an ongoing experiment in working practices to ensure the charity and its staff continue to thrive.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **Structure, governance and management**

During the year the Board of Trustees decided to voluntarily step down to make way for a new generation of Trustees. This will allow for an increase in diversity at a senior level, which we are confident will enable Karuna to serve marginalised communities in South Asia even more effectively. The Board have been intentionally working on agenda of anti-racism, equity, diversity and inclusion, and are excited about the new skills being brought into the leadership team at Karuna.

The charity is a company limited by guarantee and registered with the Charity Commission as a charity. The Trustees, who are also the directors for the purposes of company law, and served during the year, were:

Vajramudita Armstrong. Chair  
SuYen Tan. Treasurer (appointed 27 April 2022)  
Sundeep Grewal (appointed 27 April 2022)  
Zoe Stephenson  
Dr William McGinley (Treasurer, resigned 23 Jan 2022)  
Prof. Dominic Houlder (resigned 27 April 2022)  
Prof. Pratap Rughani (resigned 27 April 2022)  
Ulla Brown (resigned 27 July 2021)  
Amanda Seller (resigned 04 May 2021)

The Trustees give their time on a voluntary basis to the management and governance of the charity. They meet four times a year to review the progress of the charity in all its activities, and to make major decisions regarding direction, policy, staffing, and grants to partner projects. When necessary, the Trustees establish working groups to deal with issues and report back to the full meeting.

The Trustees liaise closely with the Management Team, Fundraising Team, Programmes Team and Finance Team, who are paid staff and are responsible for ensuring that the standard of care required by the Trustees is carried out in the areas of grant management, governance, fundraising and publicity. The day-to-day management of the charity is delegated to the Chief Executive Officer, who is the main link with the Trustee body. The Trustees are all members of the Triratna Buddhist Order.

New Trustees attend an induction meeting with the Chair and CEO where they receive briefings on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Business Plan and the current financial situation as set out in the latest published accounts. During the induction, the Trustee may also meet other senior staff. Trustees are encouraged to attend appropriate external training events so they may keep abreast of their duties and current developments.

The Trustees of The Karuna Trust are also Trustees of Aid for India (founded 1980), which is the original name for the Trust. None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

In our salary system Karuna staff, including our CEO, are not paid according to their level of seniority.

Karuna has been working with Dalit and Tribal communities in India and Nepal for 40 years. The charity was founded by a small group of Western Buddhists who travelled home to the UK, deeply moved by the suffering they had witnessed among extremely impoverished Dalit communities in India. They were inspired by the critique of the caste system and teachings of the social reformer Dr BR Ambedkar. They began fundraising in the UK and evolved a new form of door-to-door fundraising based on the ethical principles of Buddhism.

#### **Risk Management**

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate the major risks.

The Management undertakes a full annual review and regular periodic reviews of the risks that the Charity is exposed to and reports back to the Trustees accordingly. The risk register is then updated. The review for the year 2022/23 was conducted in June 2022. The next full review thereafter is scheduled for June 2023.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Statement of trustees' responsibilities

The trustees, who are also the directors of The Karuna Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

In preparing these 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 UK 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

#### Auditor

In accordance with the company's articles, a resolution proposing that CBW Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

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**Vajramudita Armstrong**  
Trustee  
Dated: .....

.....  
**Su Yen Tan**  
Trustee  
Dated:.....

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE KARUNA TRUST

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#### Opinion

We have audited the financial statements of The Karuna Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 Companies Act 2006.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KARUNA TRUST

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#### **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 financial statements is inconsistent in any material respect with the trustees' report; 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 statement of trustees responsibilities, the trustees who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the charity were identified through discussions with trustees and other management, and from our commercial knowledge and experience of The Karuna Trust. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KARUNA TRUST

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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 auditors' 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.

**Paul Woosey (Senior Statutory Auditor)**  
for and on behalf of CBW Audit Limited

.....

**Chartered Accountants**  
**Statutory Auditor**

66 Prescott Street  
London  
E1 8NN

# THE KARUNA TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>							
Donations and legacies	3	1,910,230	355,845	2,266,075	1,858,865	406,847	2,265,712
Investments	4	30,410	-	30,410	23,200	-	23,200
<b>Total income</b>		<u>1,940,640</u>	<u>355,845</u>	<u>2,296,485</u>	<u>1,882,065</u>	<u>406,847</u>	<u>2,288,912</u>
<b>Expenditure on:</b>							
Raising funds	5	616,935	37,351	654,286	583,070	28,784	611,854
Charitable activities	6	1,128,747	374,728	1,503,475	978,599	343,618	1,322,217
<b>Total expenditure</b>		<u>1,745,682</u>	<u>412,079</u>	<u>2,157,761</u>	<u>1,561,669</u>	<u>372,402</u>	<u>1,934,071</u>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>							
		194,958	(56,234)	138,724	320,396	34,445	354,841
Fund balances at 1 April 2021		<u>1,026,245</u>	<u>91,405</u>	<u>1,117,650</u>	<u>705,849</u>	<u>56,960</u>	<u>762,809</u>
<b>Fund balances at 31 March 2022</b>		<u><u>1,221,203</u></u>	<u><u>35,171</u></u>	<u><u>1,256,374</u></u>	<u><u>1,026,245</u></u>	<u><u>91,405</u></u>	<u><u>1,117,650</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE KARUNA TRUST

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	13		239,284		231,610
<b>Current assets</b>					
Debtors	14	183,845		180,361	
Cash at bank and in hand		909,484		868,087	
		<u>1,093,329</u>		<u>1,048,448</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(76,239)</u>		<u>(162,408)</u>	
Net current assets			1,017,090		886,040
<b>Total assets less current liabilities</b>			<u>1,256,374</u>		<u>1,117,650</u>
<b>Income funds</b>					
Restricted funds	17		35,171		91,405
Unrestricted funds			1,221,203		1,026,245
			<u>1,256,374</u>		<u>1,117,650</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on .....

.....  
Vajramudita Armstrong  
**Trustee**

.....  
Su Yen Tan  
**Trustee**

**Company registration number 02132178**

# THE KARUNA TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		30,346		325,028
<b>Investing activities</b>					
Purchase of tangible fixed assets		(19,359)		(568)	
Investment income received		30,410		23,200	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			11,051		22,632
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net increase in cash and cash equivalents</b>			41,397		347,660
Cash and cash equivalents at beginning of year			868,087		520,427
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>909,484</u>		<u>868,087</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Charity information

The Karuna Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 72 Holloway Road, Holloway, London, N7 8JG.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Since the year end the trustees have considered the impact of COVID-19 and Brexit on the charity and do not foresee any impact on the charity and therefore continue to adopt the going concern basis.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 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.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Property over 100 years
Plant and machinery	Straight line between 3 and 5 years
Fixtures, fittings & equipment	Straight line between 3 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	1,820,829	355,845	2,176,674	2,253,980
Legacies receivable	89,401	-	89,401	11,732
<b>For the year ended 31 March 2022</b>	<u>1,910,230</u>	<u>355,845</u>	<u>2,266,075</u>	
<b>For the year ended 31 March 2021</b>	<u>1,858,865</u>	<u>406,847</u>		<u>2,265,712</u>

#### 4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	30,046	23,200
Interest receivable	364	-
	<u>30,410</u>	<u>23,200</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 5 Raising funds

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
<b>For the year ended 31 March 2022</b>				
<u>Fundraising and publicity</u>				
Bank charges	11,888	-	11,888	12,035
Newsletters, printing and postage	12,151	-	12,151	6,280
Fundraising expenses	134,863	-	134,863	91,343
Rent and hire	17,915	-	17,915	17,813
Loss disposal of fixed assets	2,855	-	2,855	-
Staff costs	432,040	37,351	469,391	470,927
Depreciation	5,223	-	5,223	13,456
	<u>616,935</u>	<u>37,351</u>	<u>654,286</u>	<u>611,854</u>
Fundraising and publicity	616,935	37,351	654,286	611,854
	<u>616,935</u>	<u>37,351</u>	<u>654,286</u>	<u>611,854</u>
<b>For the year ended 31 March 2021</b>				
Fundraising and publicity	583,070	28,784		611,854
	<u>583,070</u>	<u>28,784</u>		<u>611,854</u>

#### 6 Charitable activities

	2022	2021
	£	£
<b>For the year ended 31 March 2022</b>		
Grant funding of activities (see note 7)	1,101,914	1,000,851
Share of support costs (see note 9)	316,163	275,656
Share of governance costs (see note 9)	85,398	45,710
	<u>1,503,475</u>	<u>1,322,217</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,128,747	978,599
Restricted funds	374,728	343,618
	<u>1,503,475</u>	<u>1,322,217</u>

#### 7 Grants payable

	Charitable activities 2022	Charitable activities 2021
	£	£
Grants to institutions:		
Other	1,101,914	1,000,851
	<u>1,101,914</u>	<u>1,000,851</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Grants payable

(Continued)

### 8 Grants to programme partners

	Unrestricted grants	Restricted grants	Total grants	Support & development costs	Total funds 2022	Total funds 2021
	£	£	£	£	£	£
<b>Grants to Indian partners</b>						
<i>Adecom</i>	21,560	-	21,560	6,186	27,747	30,848
<i>Aryaloka</i>	20,791	-	20,791	5,965	26,756	18,034
<i>Aryaloka - Chhattisgarh</i>	6,085	-	6,085	1,746	7,831	8,903
<i>Bahujan Hitay Hostels</i>	35,471	-	35,471	10,177	45,648	84,729
<i>BH Amravati</i>	40,769	562	41,330	11,859	53,189	60,623
<i>BH Goa</i>	-	-	-	-	-	20,131
<i>BH Nagpur</i>	-	-	-	-	-	23,490
<i>BH Wardha</i>	-	-	-	-	-	26,171
<i>Bhaja and Bordharan</i>	10,875	-	10,875	3,120	13,995	25,463
<i>BH &amp; TBMSG Hostel Coordinators</i>	-	-	-	-	-	-
<i>BH Pune - Central Services Team</i>	17,658	-	17,658	5,066	22,724	15,133
<i>TBMSG Pune - Central Services Team</i>	11,813	8,208	20,022	5,745	25,766	24,248
<i>Darabar Sahityar Sansad</i>	6,446	950	7,396	2,122	9,519	1,411
<i>FHSM Chennai</i>	10,148	-	10,148	2,912	13,059	-
<i>Green Tara Foundation</i>	1,631	12,616	14,247	4,088	18,335	24,865
<i>ITBCI</i>	30,262	13,467	43,729	12,547	56,276	29,489
<i>Jambudvipa</i>	1,998	-	1,998	573	2,571	-
<i>Jan Sahas</i>	34,454	130,954	165,408	47,459	212,868	269,684
<i>Jeevak</i>	29,516	4,149	33,665	9,659	43,324	42,217
<i>Maitri Network</i>	6,182	14,030	20,212	5,799	26,011	11,408
<i>NIRMAN</i>	29,989	13,860	43,849	12,581	56,431	29,589
<i>NISD</i>	20,363	19,086	39,449	11,319	50,768	38,269
<i>Nishtha</i>	40,118	73,033	113,151	32,466	145,617	103,297
<i>NNBY</i>	-	-	-	-	-	8,210
<i>PHIA Foundation</i>	3,260	2,712	5,972	1,714	7,686	6,642
<i>Pragya</i>	40,742	-	40,742	11,690	52,432	-
<i>Sadhana Institute</i>	27,818	-	27,818	7,982	35,799	27,901
<i>SSEVS Bihar</i>	14,659	-	14,659	4,206	18,865	6,206
<i>Sukhavati Trust</i>	15,234	72	15,306	4,392	19,698	20,556
<i>TBMSG Hostels Project</i>	45,192	37,475	82,667	23,719	106,386	161,448
<i>TBMSG Nagpur</i>	26,048	-	26,048	7,474	33,521	42,552
<i>Triratna India Covid Emergency Relief Project</i>	-	-	-	-	-	4,746
<i>URJA</i>	16,887	12,268	29,156	8,365	37,521	49,541
<i>VICALP Odisha</i>	-	-	-	-	-	5,137

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Grants to programme partners

(Continued)

#### Grants to Nepalese partners

<i>Green Tara Trust</i>	24,315	18,000	42,315	12,141	54,456	27,196
<i>FEDO</i>	7,500	-	7,500	2,152	9,652	5,102
<i>ADWAN</i>	9,858	13,284	23,142	6,640	29,782	23,079
<i>NNDSWO</i>	6,838	-	6,838	1,962	8,800	191

#### Grants to Bangladeshi partners

<i>Pragya Solutions</i>	35,707	-	35,707	10,245	45,952	-
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#### Grants to US partners

<i>Karuna USA</i>	77,000	-	77,000	22,093	99,093	-
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<b>Totals</b>	<b>727,187</b>	<b>374,727</b>	<b>1,101,914</b>	<b>316,163</b>	<b>1,418,079</b>	<b>1,276,508</b>
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### 9 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff costs	223,603	19,148	242,751	229,182	
Depreciation	3,141	466	3,607	5,857	
Rent	6,979	-	6,979	7,505	
Training & Development	3,422	-	3,422	2,869	
Consultants	36,821	10,288	47,109	24,956	
Other costs	37,291	-	37,291	20,149	
Travel and subsistence	972	-	972	52	
Programmes communications & publicity	3,934	-	3,934	4,033	
Audit fees	-	10,060	10,060	15,000	Governance
Legal and professional	-	38,224	38,224	6,349	Governance
Office costs	-	6,654	6,654	5,396	Governance
Travel	-	327	327	2	Governance
Bank charges	-	231	231	16	Governance
	<b>316,163</b>	<b>85,398</b>	<b>401,561</b>	<b>321,366</b>	
Analysed between					
Charitable activities	<b>316,163</b>	<b>85,398</b>	<b>401,561</b>	<b>321,366</b>	

Governance costs includes payments to the auditors of £7,750 plus VAT (2021 - £7,500 plus VAT) for audit fees and £4,250 plus VAT (2021 - £4,150 plus VAT) for other accountancy services.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and three trustees were reimbursed a total of £666 expenses (2021 - Nil).

#### 11 Employees

The average monthly number of employees during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Grant management	7	7
Fundraising	15	15
Governance	1	1
Total	<u>23</u>	<u>23</u>

#### Employment costs

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	639,511	632,730
Social security costs	52,541	53,758
Other pension costs	20,090	13,621
	<u>712,142</u>	<u>700,109</u>

There were no employees whose annual remuneration was more than £60,000.

#### 12 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 13 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	295,100	95,985	48,106	439,191
Additions	-	19,359	-	19,359
Disposals	-	(83,979)	(14,924)	(98,903)
At 31 March 2022	295,100	31,365	33,182	359,647
<b>Depreciation and impairment</b>				
At 1 April 2021	70,734	88,774	48,073	207,581
Depreciation charged in the year	2,101	5,413	33	7,547
Eliminated in respect of disposals	-	(79,841)	(14,924)	(94,765)
At 31 March 2022	72,835	14,346	33,182	120,363
<b>Carrying amount</b>				
At 31 March 2022	222,265	17,019	-	239,284
At 31 March 2021	224,366	7,211	33	231,610

#### 14 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other debtors	153,271	165,937
Prepayments and accrued income	30,574	14,424
	183,845	180,361

#### 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	7,372	7,970
Other creditors	35,602	99,764
Accruals and deferred income	33,265	54,674
	76,239	162,408

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 16 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £20,090 (2021 - £13,621).

### 17 Restricted funds

General restricted funds represents funds received from donors which are earmarked for specific ongoing charitable projects in India and Nepal.

	Movement in funds			
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£
General Restricted Fund	91,405	355,845	(412,079)	35,171
	<u>91,405</u>	<u>355,845</u>	<u>(412,079)</u>	<u>35,171</u>
	<u><u>91,405</u></u>	<u><u>355,845</u></u>	<u><u>(412,079)</u></u>	<u><u>35,171</u></u>

	Movement in funds - prior year			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£
General Restricted Fund	56,960	406,847	(372,402)	91,405
	<u>56,960</u>	<u>406,847</u>	<u>(372,402)</u>	<u>91,405</u>
	<u><u>56,960</u></u>	<u><u>406,847</u></u>	<u><u>(372,402)</u></u>	<u><u>91,405</u></u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 18 Unrestricted funds

Unrestricted funds are free funds held by the trust.

	Movement in funds			Balance at 31 March 2022
	Balance at 1 April 2021	Incoming resources	Resources expended	
	£	£	£	£
General fund	1,026,245	1,940,640	(1,745,682)	1,221,203
	<u>1,026,245</u>	<u>1,940,640</u>	<u>(1,745,682)</u>	<u>1,221,203</u>
	<u><u>1,026,245</u></u>	<u><u>1,940,640</u></u>	<u><u>(1,745,682)</u></u>	<u><u>1,221,203</u></u>

	Movement in funds - prior year			Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	
	£	£	£	£
General fund	705,849	1,882,064	(1,532,884)	1,026,245
	<u>705,849</u>	<u>1,882,064</u>	<u>(1,532,884)</u>	<u>1,026,245</u>
	<u><u>705,849</u></u>	<u><u>1,882,064</u></u>	<u><u>(1,532,884)</u></u>	<u><u>1,026,245</u></u>

#### 19 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 31 March 2022 are represented by:			
Tangible assets	239,284	-	239,284
Current assets/(liabilities)	981,919	35,171	1,017,090
	<u>1,221,203</u>	<u>35,171</u>	<u>1,256,374</u>
	<u><u>1,221,203</u></u>	<u><u>35,171</u></u>	<u><u>1,256,374</u></u>

#### 19 Analysis of net assets between funds - prior year

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 31 March 2021 are represented by:			
Tangible assets	231,610	-	231,610
Current assets/(liabilities)	794,635	91,405	886,040
	<u>1,026,245</u>	<u>91,405</u>	<u>1,117,650</u>
	<u><u>1,026,245</u></u>	<u><u>91,405</u></u>	<u><u>1,117,650</u></u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 20 Financial commitments, guarantees and contingent liabilities

The charity has contingent liabilities of £1,118,936 (2021 - £500,000) towards charitable projects at the year end.

#### 21 Operating lease commitments

##### Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	21,742	24,300

#### 22 Related party transactions

The charity is controlled by the trustees who are all directors of the company.

The trustees of the charity are also the trustees for another charity, Aid for India.

At the year end the charity owed £6,796 (2021 - £6,796) to Aid for India.

#### 23 Cash generated from operations

	2022 £	2021 £
Surplus for the year	138,724	354,841
Adjustments for:		
Investment income recognised in statement of financial activities	(30,410)	(23,200)
Loss on disposal of tangible fixed assets	4,138	-
Depreciation and impairment of tangible fixed assets	7,547	19,313
Movements in working capital:		
(Increase) in debtors	(3,484)	(31,237)
(Decrease)/increase in creditors	(86,169)	5,311
<b>Cash generated from operations</b>	<b>30,346</b>	<b>325,028</b>

#### 24 Analysis of changes in net funds

The charity had no debt during the year.

**THE KARUNA TRUST**

England & Wales - Charity number 327461

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# Accounts

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Charity Registration No. 327461

Company Registration No. 02132178 (England and Wales)

**THE KARUNA TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# THE KARUNA TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Ulla Brown (Chair) Prof. Dominic Houlder Dr William McGinley (Treasurer) Zoe Stephenson Prof. Pratap Rughani Vajramudita Armstrong
<b>Chief executive officer</b>	Ciaran Maguire
<b>Secretary</b>	Mr M C Baird
<b>Patrons</b>	Dame Judith Dench CH, DBE, FRSA Professor Sir David Spiegelhalter FRS OBE
<b>Charity number</b>	327461
<b>Company number</b>	02132178
<b>Principal address</b>	72 Holloway Road Holloway London N7 8JG
<b>Registered office</b>	72 Holloway Road Holloway London N7 8JG
<b>Auditor</b>	CBW Audit Limited 66 Prescott Street London E1 8NN
<b>Bankers</b>	Clydesdale Bank Plc Studio B 146-158 Kensington High Street London W8 7RL
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

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# THE KARUNA TRUST

## CONTENTS

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	Page
Trustees' report	1 - 13
Independent auditor's report	14 - 17
Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 33

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees present their report and accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Deed of Trust, the Companies Act 2006 and "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 the Republic of Ireland (FRS 102)" as amended for accounting periods beginning after 1 January 2016.

### **Objectives and activities**

Karuna exists to end caste-based discrimination, poverty and inequality in South Asia. To achieve this mission the following activities are carried out:

### **International development and grant-making**

We make grants to a range of different in-country local partner NGOs in South Asia. Our work focuses on education, dignified livelihoods and gender equality transforming communities and positively changing society.

### **Capacity Building**

As well as funding projects, we assist our project partners to develop their capacity so that they are effective and sustainable organisations. This is a particular need as we tend to work with grass-roots organisations. A significant proportion of our funding goes towards training in strategic planning, financial management, monitoring and evaluation, governance, leadership development, effective project management and fundraising from in-country and foreign sources.

### **Awareness raising**

Through our website, annual review, social media, public talks, networks and other events we aim to raise awareness of the impact of caste discrimination and poverty in South Asia.

### **Fundraising**

This is carried out through several different streams: door-to-door campaigns, phone campaigns, digital platforms, one-off donations, grant applications to charitable trusts and institutional donors.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### Programmes Report 2020/21

##### Introduction

The past year has been extremely challenging for Karuna's partners in India and Nepal and for people from the communities we work with. Whilst vulnerable communities across India and Nepal suffered some of the highest COVID infection rates recorded anywhere in the world, most Civil Society Organisations (CSOs) have been hit hard with many field staff unable to work. Project implementation has been obstructed by lockdown restrictions in many areas, including the closure of government schools which has directly impacted on educational projects, and travel restrictions which have prevented field staff accessing remote project areas. As well as the direct health effects of the pandemic, vulnerable communities have had to cope with devastating economic impacts from repeated lockdowns, which have hit the migrant and informal labour sectors especially hard.

However, in spite of the many challenges, Karuna has continued to work in partnership to deliver a successful year in terms of project outcomes, increasing our grant expenditure from previous years and reaching out to a record number of people from marginalised communities.

Thanks to the success of our COVID Emergency appeal, Karuna's total programmes investment was £1,263,658. We were able to make grants totalling £1,000,850 during the year 2020/21 of which £957,432 went to Indian projects and £43,418 to projects in Nepal. This is a significant increase on previous years.

We were also able to increase our impact by reaching out to more vulnerable people than ever before; during the year more than 350,000 participated in or benefited from our partners' project activities, including 145,000 recipients of emergency relief, 180,000 jobless migrant labourers, 4,700 school-aged girls and 23,000 women at risk from violence.

Of the total grant investment, £780,997 went directly to COVID-19 emergency relief responding to the immediate needs of communities hit hardest by the pandemic and associated economic impacts. 65 emergency grants supported the distribution of life-saving emergency food supplies and basic medical kits including masks and sanitisers to people from Dalit and other marginalised communities living in urban slums and remote rural areas across six Indian states and three districts of Nepal. Grants covered both the direct costs of emergency supplies, and the support costs of key field and admin staff involved in identifying target communities and co-ordinating the distribution of aid.

The remaining £219,853 supported Education, Livelihoods and Women's Empowerment projects with a particular focus on helping vulnerable communities become more resilient to the long term impacts of the pandemic.

At the start of the lockdown we identified three key priorities:

#### 1. Supporting remote access to education

The closure of schools during lockdown had a disproportionate impact on children from the poorest communities, and especially adolescent girls who already faced severe economic and social barriers to remaining in school. Whilst government schools were closed Karuna supported its partners to provide opportunities for remote learning to children from urban slum and rural communities who wouldn't otherwise have been unable to access any learning resources. Distributions of mobile phones and other education resources helped ensure that children were able to continue some basic education whilst schools were closed, preventing them falling further behind children from other communities. Project funding focussed especially on adolescent girls who are always at greatest risk of dropping or being taken out of school.

#### 2. Preventing violence against women

The social upheaval of the pandemic resulted in women from Dalit communities coming under increased risk of sexual and caste based violence. Karuna responded by increasing its funding for projects providing counselling and legal support to women victims of violence, and women and girls at risk. In all 23,000 women participated in training and support programmes designed to prevent violence.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### 3. Replacing lost livelihoods

As well as being a public health crisis, the pandemic in India and Nepal also precipitated a major livelihood crisis especially among migrant and daily wage labourers, millions of whom lost their fragile livelihoods and were forced to reverse migrate back to their home villages. Karuna responded by increasing its commitment to livelihood projects, including a grant of £77,287, supported by major grants from two UK foundations, for a new project providing counselling to displaced migrant workers, helping them access government welfare schemes.

#### Emergency Grants 2020/21

With many projects unable to deliver their usual long-term development programmes, Karuna focused on providing one-off emergency grants to deliver immediate relief to some of the most acutely affected communities, whilst covering partners' core costs so they can return to long-term development programmes as soon as possible.

In April 2020 following the announcement of nationwide lockdowns in India and Nepal, Karuna carried out a rapid needs assessment and invited applications for one-off emergency grants from what our partners had identified as the urgent needs of the most affected communities. During the year we made a total of 65 emergency grants totalling £780,997 to 26 partner organisations, delivering emergency relief, including 29,820 emergency food parcels and 22,580 medical kits to 145,000 people from marginalised COVID affected communities. Grants were focussed on Karuna's pre-existing partner networks, so we were confident that aid was being distributed by effective organisations with a strong track record working with the most vulnerable communities.

#### Other Programmes Highlights

##### Voice of Women Project (Gender Equality)

This project, jointly funded by Karuna and Karuna Germany, focuses on the prevention of violence against women and girls from marginalised communities during a period when women faced an increased risk of violence due to the disruption of the pandemic. It was implemented successfully in the states of Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Maharashtra. Field teams investigated 550 incidents of violence against women, supported 160 legal cases, and secured 42 compensation payments for survivors. 42 new community groups were formed and 167 volunteer paralegals received training. 15 campaigns raised awareness of violence against women among an estimated 8,000 people.

##### Strong Girls Project Nepal (Education)

The project, jointly funded by Karuna and Karuna Germany, focuses on supporting girls from marginalised communities so they can resist the many pressures to drop out of school. With schools closed for much of the year the project pivoted to providing opportunities for remote learning via educational radio broadcasts. Working with 15 schools in 3 districts of the Terai region of southern Nepal, the project has supported 4,380 girls from marginalised backgrounds to enrol into schools and access remote learning opportunities during lockdown. Better WASH (Water, Sanitation and Hygiene) facilities were constructed in 10 schools and the project provided income generation training to 261 mothers of school age girls, of whom 189 have reported increases to their monthly incomes.

##### Jan Sahas Migrant Labourers' Project (Livelihoods)

A new project responding to the needs of migrant labourers who lost their jobs and were forced to migrate back to their homes during the first lockdown. With funding from UK foundations, Karuna has supported a project that overall has engaged with 180,000 migrant labourer families, and supported a total of 60,000 unemployed migrants and their families to access government welfare payments.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### Post Cyclone Girls' Education Project (Education)

Following Cyclone Amphan in May 2020 which devastated the coastal region of West Bengal, Karuna agreed to fund an extension of Nishtha Girls' Education project into a new coastal cyclone-affected area. 400 girls (300 supported by Karuna) aged 11–18 have now been re-enrolled in school in the project area. During the first year, no girls dropped out or got married. 150 girls leaders have participated in the adolescent girls' training programme. 400 women have been networked into mothers' groups. More than 105 fathers have participated in the project's activities.

#### Funding for Educational Hostels (Education)

In line with our 2020–23 strategic plan, last year we began carefully phasing out funding of a number of residential educational hostels. The traditional form of residential hostel had become less relevant due to improved school provision at local level, and increasing availability of government funded hostels. As of 31 March 2021 funding for 8 educational hostels came to an end: Nagpur Boys', Amravati Boys', Aurangabad Boys', Lohagaon Boys', Goa Boys', Goa Girls', Latur Boys', and Latur Girls'.

We are continuing funding for hostels in Omerga, Kolhapur, Ulhasnagar, Vishrantwadi, Nagpur and Wardha, and are adapting these projects so that they meet children's needs post-pandemic.

#### Cuts to Institutional Funding

In March 2021 we were disappointed to learn that our provisionally agreed UK Aid Direct grant had been withdrawn due to the merger of DFID (Department for International Development) with FCO (Foreign and Commonwealth Office) and the subsequent cuts to the UK Overseas Development Budget (department now FCDO). The grant for £125,000 per year would have supported an innovative new project to provide safer menstrual health for 3,000 girls and young women in western Nepal, where the traditional dangerous and degrading practice of excluding women from their homes during menstruation, known as chhaupadi, is still prevalent. A modified version of this proposal has now been submitted to BMZ in Germany. Initial indications are that they will agree to fund the project and it will be possible to initiate the project in the second half of 2021.

#### Changes to Indian Regulations for Foreign Contributions

The new FCRA Amendment Act, which introduces new regulations governing the transfer of funds by overseas donors to Indian NGOs passed into Indian law and became effective from 29 September 2020. The new regulations have a significant impact on the way Karuna supports projects and organisations and we have been in regular contact with our partners and others in India to ensure they comply. The three most significant changes are as follows:

1. Foreign funded Indian NGOs are no longer allowed to transfer funds to other Indian NGOs. This will affect some of our projects where we make grants to partners who then pass those funds on to other implementing organisations.
2. To receive foreign funding, partners need to set up a new bank account through a branch of the State Bank of India in Delhi. At the time of writing all Karuna partners have now set up these new accounts.
3. Indian NGOs receiving foreign funding are only allowed to allocate 20% to administrative costs including salaries for non-programmes staff.

We will continue to work closely with our partners to support them in the process of renewing their FCRA Agreements in the first half of 2021.

#### New Programmes Development Manager

The pandemic impacted on Karuna's capacity to oversee projects as UK and Germany based programme managers were unable to travel to India and Nepal to carry out routine project visits, leading to an increased risk of problems with project implementation and difficulties in developing new projects. To help counter these risks we recruited a new Programmes Development Manager based in Mumbai, with a brief to oversee project implementation and develop links with potential new partners and projects.

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## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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This is a significant development as it is the first time Karuna has had a full time member of the programmes team who is Indian and based in India. We see this as an important step in helping to ensure that our programme decisions reflect the needs of the communities we serve.

#### **Karuna Germany**

Karuna Deutschland's income for last year was €665,580 and supported a total of 49,873 beneficiaries in Nepal and India. The project goes from strength to strength, and accesses funding from BMZ, the German government's Department for International Development. Headline projects for the year are:

**Maitri Women's Network** 'Prevention of Violence, Legal Aid and Empowerment of Women' project reached 22,176 beneficiaries (15,251 are women and 1,961 are girls).

**Safe Deliveries, Nepal** project promoted the establishment of 8 new and 2 existing maternity wards, as well as courses for pregnant women and mothers, creation of self-help groups and family planning for young people with a total of 18,591 beneficiaries.

**Reducing Inequality For Violence-Free Schools** project empowered Dalit children to stand against violence, to sensitise teachers and to offer children a secure and welcoming environment at school. 673 total beneficiaries, including teachers and parents.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

CONSOLIDATED ACCOUNTS FOR KARUNA UK & KARUNA GERMANY					
FOR THE YEAR ENDED 31 MARCH 2021	Karuna UK	Karuna DE	Total funds	Total funds	Variance
	2020/21	2020/21	2020/21	2019/20	
<b>Income from:</b>					
Donations and legacies	2,265,712	538,060	2,803,772	2,225,323	578,449
Other income	23,200	0	23,200	15,419	7,781
<b>Total income</b>	<b>2,288,912</b>	<b>538,060</b>	<b>2,826,972</b>	<b>2,240,742</b>	<b>586,230</b>
<b>Expenditure on:</b>					
Raising funds	611,854	13,590	625,444	687,840	-62,396
Charitable activities – see table below	1,322,217	494,201	1,816,418	1,472,470	343,948
<b>Total resources expended</b>	<b>1,934,071</b>	<b>507,791</b>	<b>2,441,862</b>	<b>2,160,310</b>	<b>281,552</b>
<b>Net income/(expenditure) for the year</b>	<b>354,841</b>	<b>30,269</b>	<b>385,110</b>	<b>80,432</b>	<b>304,678</b>
Fund balances as 1 April 2020	762,809	101,731	864,540	784,108	
<b>Fund balances at 31 March 2021</b>	<b>1,117,650</b>	<b>132,000</b>	<b>1,249,650</b>	<b>864,540</b>	

CONSOLIDATED BALANCE SHEET				
AS AT 31 MARCH 2021	Karuna UK	Karuna DE	Total funds	Total funds
	2020/21	2020/21	2020/21	2019/20
<b>Fixed Asset</b>				
Tangible assets	231,610	0	231,610	250,355
<b>Current Assets</b>				
Debtors	180,361	0	180,361	149,125
Cash at bank and in hand	868,087	132,000	1,000,087	622,157
	<b>1,048,448</b>	<b>132,000</b>	<b>1,180,448</b>	<b>771,282</b>
Creditors: amounts due within one year	162,408	0	162,408	157,097
<b>Total Assets less Current Liabilities</b>	<b>1,117,650</b>	<b>132,000</b>	<b>1,249,650</b>	<b>864,540</b>
<b>Funds</b>				
Unrestricted funds	1,026,245	0	1,026,245	705,849
Restricted funds	91,405	132,000	223,405	158,691
	<b>1,117,650</b>	<b>132,000</b>	<b>1,249,650</b>	<b>864,540</b>

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Charitable Activities	Karuna UK	Karuna DE	Total 2020/21	Total 2019/20
<b>Grants to Indian partners</b>				
Adecom	30,848	-	30,848	27,376
Aryaloka	18,034	-	18,034	31,493
Aryaloka [Chhattisgarh]	8,903	-	8,903	12,706
Bahujan Hitay Hostels	84,729	-	84,729	76,957
BH Amravati	60,623	14,113	74,737	47,280
BH Goa	20,131	-	20,131	32,917
BH Nagpur	23,490	-	23,490	18,662
BH Wardha	26,171	-	26,171	20,472
Bhaja and Bordharan	25,463	-	25,463	22,071
BH & TBMSG Hostel Coordinators	-	-	-	14,977
Central Services Team – BH	15,133	-	15,133	7,279
Central Services Team – TBMSG	24,248	-	24,248	23,008
Darabar Sahityar Sansad	1,411	-	1,411	0
Green Tara Foundation [Vishrantwadi]	24,865	-	24,865	24,262
HRLN	-	-	-	58,185
ITBCI	29,489	-	29,489	32,111
Jan Sahas	269,684	100,418	370,102	197,543
Jeevak	42,217	-	42,217	21,032
Maitri Network	11,408	98,112	109,520	72,752
NIRMAN	29,589	-	29,589	20,077
NISD	38,269	-	38,269	61,129
Nishtha	103,297	-	103,297	76,568
NNBY	8,210	-	8,210	7,279
Pardhi Project	-	3,170	3,170	14,611
PHIA Foundation	6,642	4,425	11,067	37,556
Prabodhini	-	4,623	4,623	3,529
Sadhana	27,901	-	27,901	33,360
SSEVS Bihar	6,206	-	6,206	0
Sukhavati Trust	20,556	-	20,556	22,897
TBMSG Hostels Project	161,448	-	161,448	98,900
TBMSG Nagpur	42,552	-	42,552	47,659
Triratna India COVID Relief	4,746	-	4,746	0
Urja	49,541	-	49,541	29,721
VICALP Odisha	5,137	-	5,137	0
Working with Boys – pilot project	-	-	-	4,158
<b>Grants to Nepalese partners</b>				
Green Tara Trust Nepal	27,196	240,671	267,867	197,814
FEDO	5,102	-	5,102	-
ADWAN	23,079	-	23,079	27,807
Voice of Children	191	-	191	-
<b>Subtotals</b>	<b>1,276,509</b>	<b>465,532</b>	<b>1,742,041</b>	<b>1,424,148</b>
Governance & other charitable costs	45,709	28,669	74,378	48,322
<b>Totals</b>	<b>1,322,218</b>	<b>494,201</b>	<b>1,816,419</b>	<b>1,472,470</b>

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### Financial review

##### Income

The total income received by The Karuna Trust for the year ended 31 March 2021 was £2,288,912 (2019/20: £1,895,189). This outcome represents an overall increase year-on-year of £393,722 – a remarkable performance by the charity and tremendous generosity from our donors.

In the year to 31 March 2021 total income from Regular Giving was £1,493,885 (2019/20: £1,425,404) an increase of £68,481 year-on-year.

Our Regular Giving income is typically derived from a number of sources: primarily door-to-door campaigns, give-as-you-earn and telephone upgrade campaigns. In 2020/21 as a result of restrictions imposed by the COVID pandemic lock-down we were unable to mount any door-to-door appeals (2019/20: 4). Instead, we ran two telephone appeals, the first of which was the most successful ever, generating more than £63,000 per annum in new income from existing supporters.

In March 2020 we launched a COVID Crisis 2020 Appeal to raise emergency funds for our partners in India and Nepal. This appeal raised £323,833 plus Gift Aid. We are enormously grateful to our donors for their extraordinary response to our appeal for funds, enabling our partners to deliver emergency services in India and Nepal.

In March 2021 we launched our Breaking Free campaign, aimed at ending violence against women in the wake of the pandemic. By 31 March 2021 this campaign had raised £19,365 plus Gift Aid.

Other donations from individuals totalled £167,451 (2019/20: £180,825). These figures include £97,810 raised as restricted income for girls' education projects in India and Nepal.

Our Christmas Appeal 2020 raised a further £71,924 of restricted income for girls' education projects that will be released in 2021/22.

During the year we received £11,732 in legacy gifts (2019/20: £9,095). We appreciate deeply that Karuna is considered for gifts left in wills, no matter how small; they make a significant impact on our work.

Income from grant giving trusts was £301,670 (2019/20: £257,946) which includes £53,624 contributed to our COVID Crisis 2020 Appeal. We are deeply grateful to our Trust partners, with whom we work closely, for their ongoing support of our work in India and Nepal.

##### Expenditure

Our expenditure for the year was £1,934,071 (2019/20: £1,842,600).

We committed £1,276,508 in programme delivery (2019/20: £1,119,931). Of this, direct grants to partners in India and Nepal were £1,000,852 for the year (2019/20: £820,780). Programme management including partner training, partner workshops, capacity building and awareness raising, was £275,656 (2019/20: £299,151).

During the year the value of Sterling remained relatively strong against the Indian Rupee enabling us to make ₹86.82M in grants to India at a Sterling cost of £957,284 (2019/20 ₹70.56M at a Sterling cost of £782,958).

At the year end we carried £500,000 in future grant commitments to partners in India and Nepal (2019/20: £728,544). These are contingent liabilities, not contractual and therefore do not appear on our balance sheet and are not included in the reserve calculation, but nonetheless represent a very real responsibility for the Karuna Trust.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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The cost of generating funds for the year was £611,853 (2019/20: £680,065). Of this figure £366,925 (2019/20: £439,121) was incurred in direct fundraising costs and the balance of £244,928 (2019/20: £240,944) in administrative support costs (including IT, financial processing and communications). This means that our direct fundraising costs this year were 16% of income (2019/20: 23%) a remarkable achievement by our fundraising team in a very difficult and challenging year.

#### Reserves Policy

At the end of the year, we had total reserves of £1,117,649, an increase of £354,840 against the previous year. An analysis of the reserve amount is as follows:

- Unrestricted Operating reserve £794,633 (funds for the general operation of the charity)
- Unrestricted Fixed Asset reserve £231,611 (tangible net assets net of bank loan)
- Restricted funds: £91,405 (funds for specific projects)

The charity's reserves policy aims to maintain an operating reserve equivalent to 4 months costs, which at 31 March 2021 equated to approximately £645,000. Over the course of the last 3 years we have managed to maintain our reserves at a stable level. However, 2020/21 was a year of extremes which disrupted this fine balance.

For Karuna, two factors in particular converged: the significant response to our COVID Crisis 2020 Appeal which led to a vitally important income surge, coupled with new Foreign Contribution Regulations Act (FCRA) governing the flow of funds for NGOs into India. Together, these created a bottleneck of fund transfers in March/April/May 2021 contributing to a large increase in our operating reserves carried forward from the financial year 2020/21 to 2021/22. In April 2021 a small number of our Indian partners had received the new FCRA permission to receive funds, and by May the majority of them had.

In April 2021 the deadly second wave of COVID struck India and in May it hit Nepal. Having additional reserve funds on account enabled us to provide immediate emergency relief to communities in India and Nepal. They will also be a vital resource for future COVID waves and post-COVID community rebuilding. This period will be reported against in the 2021/22 Trustees Annual Report.

#### Investment policy and performance

The charity's surplus funds are held in interest-bearing accounts with our bankers. We continue to do all we can to obtain the best rates of interest however the rates currently offered for the charity sector remain very poor.

#### Future developments

##### Programmes

##### Ongoing Emergency Response:

At the time of writing the COVID situation in India and Nepal remains very challenging indeed, and Karuna continues to stay in regular touch with partners so we can follow the development of the crisis and respond in the best way possible. In the first three months of the year 2021/22 we have made further emergency grants totalling £289,172.

##### Post-COVID Rehabilitation Work:

Whilst we don't know how long the COVID crisis will go on, it is clear that the long term impacts on the most marginalised communities will be very severe indeed. The loss of livelihoods will devastate incomes, increasing economic hardship for those already in poverty, increasing caste and gender inequalities and pushing more children out of school and into early marriage.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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Over the coming year we will commission and publish research into the impacts of the pandemic on people from the most marginalised communities. The findings of this research will be distributed widely within the development sector with the aim of ensuring that the needs of the most vulnerable are included in future policies for relief or rehabilitation work. The findings will also clarify priorities for Karuna's own programmes over the coming years.

#### **New Work focusing on Climate Change:**

During the year 2021/22 we plan to pick up on some of the priorities that were identified in our 2020-23 strategy but were put on hold in 2020 due to the pandemic. In particular we recognise that the areas we work in are becoming increasingly vulnerable to the long-term effects of climate change and that it is often the most socially marginalised and economically vulnerable who are worst affected. The east coast of India and Bangladesh are highly vulnerable to cyclones and flooding.

#### **New Work in Bangladesh:**

Bangladesh is one of the poorest countries in the world, with more than 45 million people (almost one third of the total population of 166 million) living below the poverty line. It shares many issues with India and Nepal, including severe caste and gender discrimination. It is also one of the countries in the world most affected by climate change, with an estimated 20 million people at risk of displacement due to flooding.

For this reason, we plan to extend our work to reach out to marginalised communities in Bangladesh, where caste based poverty is prevalent and where the impacts of climate change are especially severe. In May 2021 we initiated a new project working with climate change affected communities living in low lying flood-affected river delta areas in Munshiganj and Narayanganj districts of Bangladesh.

Over the coming years we plan to focus more on supporting communities to adapt to the long term challenges and threats posed by climate change as well as helping them rebuild their lives in the aftermath of the COVID crisis.

#### **Fundraising**

Looking ahead, our fundraising priority is to meet the funding needs of the charity by maintaining our current income and finding new and diverse fundraising opportunities.

Our 3 areas of focus will be:

1. Growing relationships with our existing supporter base to better inform and engage the supporter base and to encourage supporter-led fundraising initiatives.
2. Increasing our investment in online fundraising. Having recruited a dedicated digital fundraiser in 2019 and developed our strategy in 2020 we aim to significantly increase our income online with sustained digital campaigns and excellent data analysis.
3. Investing in improving our methods of leadership giving. In 2021 we are investing in appraising our current methods of trust and major donor fundraising. This has already identified a number of funding opportunities, which we aim to seize upon to increase our leadership giving from both trusts and major donors.

## **THE KARUNA TRUST**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Karuna USA**

In 2021-22 we will be establishing a new organisation in the USA. It will be established as a sister-entity to Karuna UK and Karuna Germany – sharing a similar mission and charitable aims, while adapted to the US context: with its unique characteristics of a large geography, significant philanthropic opportunity and a demanding and deeply relevant domestic social justice context.

Karuna USA has the potential to become an entity that raises \$10m per annum in the next 10 years. An ambitious draft fundraising assessment shows that it can reach \$450k+ fundraised income within the first 3 years through a flow of unrestricted funds from digital donors, building solid relationships with major donors and trusts, and with the potential to access major institutional and USAID funds once its financial and governance credentials are established.

#### **Office and working from home**

Like most organisations, Karuna staff worked from home during the first year of the pandemic. On the whole this worked well for the organisation and for the staff. Looking ahead we are putting a plan in place to decide which model best suits us: office based, home based or hybrid. The plan will also help us to decide whether to remain in our current space on Holloway Road or to relocate.

#### **Digital infrastructure**

In 2021 Karuna will be investing more in our digital infrastructure to enable better decision making through understanding our data. This will include using the best and latest software, improved analysis, digital fundraising and a new programme management platform.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### Structure, governance and management

The charity is a company limited by guarantee and registered with the Charity Commission as a charity.

The Trustees, who are also the directors for the purposes of company law, and served during the year, were:

Ulla Brown (Chair)  
Dr William McGinley (Treasurer)  
Prof. Dominic Houlder  
Amanda Sellar (Resigned 27 April 2021)  
Zoe Stephenson  
Prof. Pratap Rughani  
Vajramudita Armstrong

The Trustees give their time on a voluntary basis to the management and governance of the charity. They meet four times a year to review the progress of the charity in all its activities, and to make major decisions regarding direction, policy, staffing and grants to partner projects. When necessary the Trustees establish working groups to deal with particular issues and report back to the full meeting.

The Trustees liaise closely with the Management Team, Fundraising Team, Programmes Team and Admin Team, who are paid staff and are responsible for ensuring that the standard of care required by the Trustees is carried out in the areas of grant management, governance, fundraising and publicity. The day-to-day management of the charity is delegated to the Chief Executive Officer, who is the main link with the Trustee body. The Trustees are all members of the Triratna Buddhist Order.

New Trustees attend an induction meeting with the Chair and CEO where they receive briefings on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Business Plan and the current financial situation as set out in the latest published accounts. During the induction, the Trustee may also meet other senior staff. Trustees are encouraged to attend appropriate external training events so they may keep abreast of their duties and current developments.

The Trustees of The Karuna Trust are also Trustees of Aid for India (founded 1980), which is the original name for the Trust. None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Karuna has been working with Dalit and Tribal communities in India and Nepal for 40 years. The charity was founded by a small group of Western Buddhists who travelled home to the UK, deeply moved by the suffering they had witnessed among extremely impoverished Dalit communities in India. They were inspired by the critique of the caste system and teachings of the social reformer Dr. BR Ambedkar. They began fundraising in the UK and evolved a new form of door-to-door fundraising based on the ethical principles of Buddhism.

Karuna, which means 'compassion', fundraises using volunteers and never outsources fundraising to agencies. We empower our new donors to make a conscious and considered choice to give, rather than feel pressured or manipulated into donating. Our fundraisers incorporate their spiritual and ethical frameworks into their fundraising. In our salary system each employee at Karuna, including our CEO, is paid modestly and not according to their level of seniority.

We specialise in working with grassroots, local organisations in South Asia, many of whom are from the communities they are seeking to support. This means interventions are not imposed from outside but designed from the ground up. Despite huge economic growth in the region, these communities continue to face constant barriers of exploitation and exclusion.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### Risk Management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate the major risks.

The Management undertakes a full annual review and regular periodic reviews of the risks that the Charity is exposed to and reports back to the Trustees accordingly. The risk register is then updated. The review for the year 2021/22 will be conducted in July 2021. The next full review thereafter is scheduled for July 2022.

#### Statement of trustees' responsibilities

The trustees, who are also the directors of The Karuna Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

In preparing these 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 UK 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

#### Auditor

In accordance with the company's articles, a resolution proposing that CBW Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

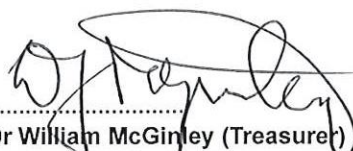
The trustees' report was approved by the Board of Trustees.



Ulla Brown (Chair)

Trustee

Dated: 27.7.2021



Dr William McGinley (Treasurer)

Trustee

Dated: 27 July 2021

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE KARUNA TRUST

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#### Opinion

We have audited the financial statements of The Karuna Trust (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Companies Act 2006.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## THE KARUNA TRUST

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE TRUSTEES OF THE KARUNA TRUST

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##### **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 financial statements is inconsistent in any material respect with the trustees' report; 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 statement of trustees responsibilities, the trustees who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's 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.

## THE KARUNA TRUST

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE TRUSTEES OF THE KARUNA TRUST

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We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the charity were identified through discussions with trustees and other management, and from our commercial knowledge and experience of The Karuna Trust. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE KARUNA TRUST**

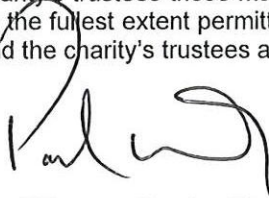
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE TRUSTEES OF THE KARUNA TRUST**

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**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 auditors' 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.



**Paul Woosey (Senior Statutory Auditor)**  
for and on behalf of CBW Audit Limited

27 July 2021

**Chartered Accountants**  
**Statutory Auditor**

66 Prescott Street  
London  
E1 8NN

## THE KARUNA TRUST

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b><u>Income from:</u></b>							
Donations and legacies	3	1,858,865	406,847	2,265,712	1,468,730	411,040	1,879,770
Investments	4	23,200	-	23,200	15,419	-	15,419
<b>Total income</b>		<b>1,882,065</b>	<b>406,847</b>	<b>2,288,912</b>	<b>1,484,149</b>	<b>411,040</b>	<b>1,895,189</b>
<b><u>Expenditure on:</u></b>							
Raising funds	5	583,070	28,784	611,854	647,854	32,211	680,065
Charitable activities	6	978,599	343,618	1,322,217	807,526	355,009	1,162,535
<b>Total resources expended</b>		<b>1,561,669</b>	<b>372,402</b>	<b>1,934,071</b>	<b>1,455,380</b>	<b>387,220</b>	<b>1,842,600</b>
<b>Net income for the year/ Net movement in funds</b>		<b>320,396</b>	<b>34,445</b>	<b>354,841</b>	<b>28,769</b>	<b>23,820</b>	<b>52,589</b>
Fund balances at 1 April 2020		705,849	56,960	762,809	677,080	33,140	710,220
<b>Fund balances at 31 March 2021</b>		<b>1,026,245</b>	<b>91,405</b>	<b>1,117,650</b>	<b>705,849</b>	<b>56,960</b>	<b>762,809</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE KARUNA TRUST

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13		231,610		250,355
<b>Current assets</b>					
Debtors	14	180,361		149,124	
Cash at bank and in hand		868,087		520,427	
		<u>1,048,448</u>		<u>669,551</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(162,408)</u>		<u>(157,097)</u>	
Net current assets			886,040		512,454
<b>Total assets less current liabilities</b>			<u>1,117,650</u>		<u>762,809</u>
<b>Income funds</b>					
Restricted funds	17		91,405		56,960
Unrestricted funds			1,026,245		705,849
			<u>1,117,650</u>		<u>762,809</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.


The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 27 July 2021

  
 .....  
 Ulla Brown (Chair)  
 Trustee

  
 .....  
 Dr William McGinley (Treasurer)  
 Trustee

Company Registration No. 02132178

# THE KARUNA TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	23		325,028		(63,595)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(568)		(1,261)	
Investment income received		23,200		15,419	
<b>Net cash generated from investing activities</b>			22,632		14,158
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			347,660		(49,437)
Cash and cash equivalents at beginning of year			520,427		569,864
<b>Cash and cash equivalents at end of year</b>			<u>868,087</u>		<u>520,427</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Charity information

The Karuna Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 72 Holloway Road, Holloway, London, N7 8JG.

##### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Deed of Trust, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Since the year end the trustees have considered the impact of COVID-19 on the charity and do not foresee any impact on the charity and therefore continue to adopt the going concern basis.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

#### 1.5 Resources expended

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Property over 100 years
Plant and machinery	Straight line between 3 and 5 years
Fixtures, fittings & equipment	Straight line between 3 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	1,847,133	406,847	2,253,980	1,870,675
Legacies receivable	11,732	-	11,732	9,095
	<u>1,858,865</u>	<u>406,847</u>	<u>2,265,712</u>	<u>1,879,770</u>
For the year ended 31 March 2021				
	<u>1,468,730</u>	<u>411,040</u>		<u>1,879,770</u>

#### 4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	23,200	14,094
Interest receivable	-	1,325
	<u>23,200</u>	<u>15,419</u>

#### 5 Raising funds

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
For the year ended 31 March 2021				
<u>Fundraising and publicity</u>				
Bank charges	12,035	-	12,035	12,985
Newsletters, printing and postage	6,280	-	6,280	18,380
Fundraising expenses	91,343	-	91,343	134,831
Rent and hire	17,813	-	17,813	40,262
Staff costs	442,143	28,784	470,927	463,168
Depreciation	13,456	-	13,456	10,439
	<u>583,070</u>	<u>28,784</u>	<u>611,854</u>	<u>680,065</u>
Fundraising and publicity	583,070	28,784	611,854	680,065
	<u>647,854</u>	<u>32,211</u>		<u>680,065</u>
For the year ended 31 March 2020				
Fundraising and publicity				

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 6 Charitable activities

For the year ended 31 March 2021	2021 £	2020 £
Grant funding of activities (see note 8)	1,000,851	820,779
Share of support costs (see note 9)	275,656	299,152
Share of governance costs (see note 9)	45,710	42,604
	<u>1,322,217</u>	<u>1,162,535</u>
<b>Analysis by fund</b>		
Unrestricted funds	978,599	807,526
Restricted funds	343,618	355,009
	<u>1,322,217</u>	<u>1,162,535</u>

#### 7 Grants to partners

	Unrestricted grants	Restricted grants	Total grants	Support & development costs	Total funds 2021	Total funds 2020
Adecom	24,186	-	24,186	6,661	30,848	27,376
Aryaloka	7,890	6,249	14,139	3,894	18,034	31,493
Aryaloka - Chhattisgarh	3,738	3,243	6,981	1,923	8,903	12,706
Bahujan Hitay Hostels	66,433	-	66,433	18,297	84,729	76,957
BH Amravati	39,513	8,019	47,532	13,091	60,623	43,368
BH Goa	15,784	-	15,784	4,347	20,131	32,917
BH Nagpur	18,418	-	18,418	5,073	23,490	18,662
BH Wardha	20,520	-	20,520	5,652	26,171	20,472
Bhaja and Bordharan	19,964	-	19,964	5,499	25,463	22,071
BH & TBMSG Hostel Coordinators	-	-	-	-	-	14,977
Central Services Team - BH	11,865	-	11,865	3,268	15,133	7,279
Central Services Team - TBMSG	19,012	-	19,012	5,236	24,248	23,008
Darabar Sahityar Sansad	1,106	-	1,106	305	1,411	-
Green Tara Foundation						
Vishrantwadi	5,138	14,357	19,495	5,369	24,865	24,262
HRLN	-	-	-	-	-	58,185
ITBCI	16,566	6,555	23,121	6,368	29,489	32,111
Jan Sahas	67,394	144,053	211,447	58,237	269,684	113,918
Jeevak	20,831	12,269	33,100	9,117	42,217	21,032
Maitri Network	7,533	1,411	8,945	2,464	11,408	36,012
NIRMAN	23,199	-	23,199	6,390	29,589	20,077
NISD	-	30,005	30,005	8,264	38,269	61,129
NISHTHA	21,905	59,085	80,990	22,306	103,297	76,568

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Grants to partners							(Continued)
NBY	5,694	743	6,437	1,773	8,210	7,279	
Pardhi Project	-	-	-	-	-	12,213	
PHIA Foundation	-	5,207	5,207	1,434	6,642	37,556	
Sadhana	17,466	4,410	21,876	6,025	27,901	33,360	
SSEVS Bihar	4,866	-	4,866	1,340	6,206	-	
Sukhavati Trust	15,460	657	16,117	4,439	20,556	22,897	
TBMSG Hostels Project	126,584	-	126,584	34,864	161,448	98,900	
TBMSG Nagpur	26,525	6,838	33,363	9,189	42,552	47,659	
Tiratha India Covid Emergency Relief Project	3,721	-	3,721	1,025	4,746	-	
URJA	18,614	20,229	38,843	10,698	49,541	29,721	
VICALP Odisha	4,028	-	4,028	1,109	5,137	-	
Working with Boys - pilot project	-	-	-	-	-	4,159	
<b>Grants to Nepalese partners</b>							
Green Tara Trust Nepal	18,780	2,543	21,323	5,873	27,196	23,800	
FEDO	4,000	-	4,000	1,102	5,102	-	
ADWAN	350	17,745	18,095	4,984	23,079	27,807	
Voice of Children	150	-	150	41	191	-	
<b>Totals</b>	<b>657,233</b>	<b>343,619</b>	<b>1,000,852</b>	<b>275,656</b>	<b>1,276,508</b>	<b>1,119,930</b>	

### 8 Grants payable

	Charitable activities 2021 £	Charitable activities 2020 £
Grants to institutions:		
Other	1,000,851	820,779

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Staff costs	220,434	8,748	229,182	224,568	
Depreciation	5,101	756	5,857	4,792	
Training & Development	2,869	-	2,869	4,411	
Consultants	15,513	6,852	15,513	16,879	
Rent	7,505	-	7,505	7,557	
Other costs	20,149	-	20,149	22,469	
Travel and subsistence	52	-	52	17,699	
Programmes communications & publicity	4,033	-	4,033	9,695	
Audit fees	-	15,000	15,000	14,597	Governance
Legal and professional	-	6,349	6,349	2,534	Governance
Office costs	-	5,396	5,396	5,645	Governance
Travel	-	2	2	4,533	Governance
Bank charges	-	16	16	25	Governance
Recharge AFI	-	-	-	(500)	Governance
	<u>275,656</u>	<u>45,710</u>	<u>321,366</u>	<u>341,756</u>	
Analysed between					
Charitable activities	<u>275,656</u>	<u>45,710</u>	<u>321,366</u>	<u>341,756</u>	

Governance costs includes payments to the auditors of £7,500 + VAT (2020: £7,250 + VAT) for audit fees and £4,150 + VAT (2020: £4,150 + VAT) for other accountancy services.

#### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and no trustees were reimbursed a total of £Nil expenses (2020: 5 were reimbursed £5,322).

The trustees of The Karuna Trust are also the Trustees of Aid for India.

During the year Aid for India paid £Nil (2020: £500) as a management fee to The Karuna Trust. At the year end the charitable company owed £6,796 (2020: £6,796) to Aid for India.

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 11 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Grant management	7	7
Fundraising	15	16
Governance	1	1
	<u>23</u>	<u>24</u>

##### Employment costs

	2021 £	2020 £
Wages and salaries	632,730	624,261
Social security costs	53,758	50,620
Other pension costs	13,621	12,855
	<u>700,109</u>	<u>678,601</u>

There were no employees whose annual remuneration was £60,000 or more.

#### 12 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

#### 13 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2020	295,100	95,417	48,106	438,623
Additions	-	568	-	568
At 31 March 2021	<u>295,100</u>	<u>95,985</u>	<u>48,106</u>	<u>439,191</u>
<b>Depreciation and impairment</b>				
At 1 April 2020	68,633	71,759	47,876	188,268
Depreciation charged in the year	2,101	17,015	197	19,313
At 31 March 2021	<u>70,734</u>	<u>88,774</u>	<u>48,073</u>	<u>207,581</u>
<b>Carrying amount</b>				
At 31 March 2021	<u>224,366</u>	<u>7,211</u>	<u>33</u>	<u>231,610</u>
At 31 March 2020	<u>226,467</u>	<u>23,658</u>	<u>230</u>	<u>250,355</u>

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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<b>14 Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	165,937	134,932
Prepayments and accrued income	14,424	14,192
	<u>180,361</u>	<u>149,124</u>
	<u><u>180,361</u></u>	<u><u>149,124</u></u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	7,970	7,189
Other creditors	99,764	130,372
Accruals and deferred income	54,674	19,536
	<u>162,408</u>	<u>157,097</u>
	<u><u>162,408</u></u>	<u><u>157,097</u></u>

#### 16 Retirement benefit schemes

##### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £19,786 (2020: £18,553).

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 17 Restricted funds

General restricted funds represents funds received from donors which are earmarked for specific ongoing charitable projects in India and Nepal.

	Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	
General Restricted Fund	56,960	406,847	(372,402)	91,405
	<u>56,960</u>	<u>406,847</u>	<u>(372,402)</u>	<u>91,405</u>

	Balance at 1 April 2019 £	Movement in funds - prior year		Balance at 31 March 2020 £
		Incoming resources £	Resources expended £	
General Restricted Fund	33,140	411,040	(387,220)	56,960
	<u>33,140</u>	<u>411,040</u>	<u>(387,220)</u>	<u>56,960</u>

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 18 Unrestricted funds

General funds are free reserves held by the trust.

	Balance at 1 April 2020 £	Movement in funds Incoming resources Resources expended £		Balance at 31 March 2021 £
General fund	705,849	1,882,064	(1,532,884)	1,055,029
	<u>705,849</u>	<u>1,882,064</u>	<u>(1,532,884)</u>	<u>1,055,029</u>

	Balance at 1 April 2019 £	Movement in funds - prior year Incoming resources Resources expended £		Balance at 31 March 2020 £
General fund	677,080	1,484,149	(1,455,380)	705,849
	<u>677,080</u>	<u>1,484,149</u>	<u>(1,455,380)</u>	<u>705,849</u>

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	231,610	-	231,610
Current assets/(liabilities)	794,635	91,405	886,040
	<u>1,026,245</u>	<u>91,405</u>	<u>1,117,650</u>

#### 19 Analysis of net assets between funds - prior year

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	250,355	-	250,355
Current assets/(liabilities)	455,494	56,960	512,454
	<u>705,849</u>	<u>56,960</u>	<u>762,809</u>

#### 20 Financial commitments, guarantees and contingent liabilities

Karuna Trust has contingent liabilities of £500,000 (2020: £728,544) towards charitable projects at the year end. This figure would have been considerably higher if it were not for the coronavirus crisis, which led to the suspension of all our regular funding agreements with our Indian and Nepalese partners. For the time-being our programme focus is on the provision of emergency relief and to cover core operating costs to enable our partners to deliver emergency services.

On 2 March 2020 Karuna Trust entered into two contracts with Ebury Partners to purchase a total of INR55,000,000 at a pre-agreed exchange rate of INR90.42 = £1. The total sterling value of this commitment was £608,272.50 payable at the time of drawdown. The full amount of the contract was drawdown during the year. There were no outstanding contracts or amounts payable under such contracts at 31 March 2021.

#### 21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	24,300	24,300
Between two and five years	-	24,300
	<u>24,300</u>	<u>48,600</u>

## THE KARUNA TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### 22 Related party transactions

The charity is controlled by the trustees who are all directors of the company.

The Trustees of the The Karuna Trust are also the Trustees for Aid for India.

During the year Aid for India paid £Nil (2020: £500) management fees to The Karuna Trust. At the year end the charitable company owed £6,796 (2020: £6,796) to Aid for India.

23 Cash generated from operations	2021 £	2020 £
Surplus for the year	354,841	52,589
Adjustments for:		
Investment income recognised in statement of financial activities	(23,200)	(15,419)
Depreciation and impairment of tangible fixed assets	19,313	15,231
Movements in working capital:		
(Increase) in debtors	(31,237)	(93,532)
Increase/(decrease) in creditors	5,311	(22,464)
<b>Cash generated from/(absorbed by) operations</b>	<b>325,028</b>	<b>(63,595)</b>

#### 24 Analysis of changes in net funds

The charity had no debt during the year.