

Connect: North Korea

Charitable Incorporated Organisation

CIO Registration Number: 1176563

Unaudited Accounts

Trustees Report and Financial Statements

For the year ended 31 December 2018.

Connect: North Korea

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Relevance and Administration Details for the Financial Year Ended December 31, 2018.

Trustees

Robin Peter Walker (Chair)

Richard Moreton (Treasurer)

Thomas Cho (Secretary) (resigned 30 December 2018)

Deborah Dobinson

Sultan Torshkhoev (appointed 1 May 2018)

Alice Chamberlain (appointed 1 May 2018)

Lawrence Everard (appointed 5 February 2018)

Eleanor White (appointed 5 February 2018; resigned 1 November 2018)

Oliver Perkins (resigned 1 May 2018)

Jamie Kerr (resigned 31 January 2018)

Charity Registration Number

1176563

Registered office

149 High Street, New Malden, Greater London, KT3 4BH

Bank

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

Connect: North Korea

Trustees Report for the Financial Year End December 31, 2018.

The Trustees present their annual report together with the financial statements of the CIO for the year 8 January 2018 to 31 December 2018. The Trustees confirm that the Annual Report and financial statements of the CIO comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the CIO qualifies as small under section 382, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, Governance, and Management

Governing Document

Connect: North Korea is constituted as a Charitable Incorporated Organisation registered with the Charity Commission in January 2018 under registration number 1176563. The current constitution was adopted on January 7, 2018.

Organisational Structure

The board of trustees – which currently has 6 members – administers the charity. The trustees receive no financial remuneration for their involvement. The board meets on a quarterly basis and there are sub-committees covering fundraising, audit and risk, and communications which normally meet quarterly. A Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including, finance, employment, and all community-based activities.

Recruitment of Trustees

Existing trustees are responsible for recruiting new trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills,

knowledge and experience needed for the effective administration of the CIO. Any appointment must be made at a meeting held according to the ordinary practice of the Board of Trustees as outlined in the Constitution. Each appointment is for a term of three years.

Potential trustees are invited to attend trustees' meetings as observers and are given more details of the charity's aims and activities and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Trustee Induction and Training

In the first instance, approaches from those wishing to serve as a Trustee shall be made to the Chair. Following further discussion and consideration, prospective Trustees shall be invited to observe at least 1 Board meeting. Subsequently, if willing, the prospective Trustee shall make written representations to the Board, who will decide whether to co-opt the prospective Trustee as a full member of the Board, with all the rights and responsibilities that entails. All Trustees shall subsequently be elected at the next board meeting through a ballot of board members. The ballot shall be administered by the Secretary. Trustees standing for election shall be required to verbally present their reasons for wishing to be elected to the Board. In terms of size, the Board shall not exceed 12 Trustees, and shall seek to be a body which is diverse in terms of skills, experience and professional background. Trustees shall serve for a 3-year term.

To enable him/her to hit the ground running, new trustees must be provided with:

- The constitution (and any supporting guidelines or regulations);
- The last Annual Report (and any other explanatory leaflet, brochure or prospectus issued by the charity);
- The last audited accounts, the current Budget and the most recent (monthly or quarterly) Management Accounts;
- Copies of the last three Board Minutes and the Agenda for the next Board meeting (and a note of any future meeting dates);
- Any Code of Conduct or Board Policies in existence;
- Details of any Conflicts of Interest requirements;
- Details of the Committee and staff structures and reporting processes.
- The essential trustee: what you need to know, what you need to do (CC3)

Trustees are encouraged to attend appropriate external training events to improve their understanding of their role and to improve the skillsets of the board for more effective governance.

Objectives and Activities

The objectives of the CIO are:

- 1) To promote human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) in North Korea by all or any of the following means:
 - monitoring abuses of human rights;
 - educating the public about human rights;
 - raising awareness of human rights issues; and
 - promoting public support for human rights;

In furtherance of that object but not otherwise, the trustees shall have power

- To engage in political activity provided that the trustees are satisfied that the proposed activities will further the purposes of the charity to an extent justified by the resources committed and the activity is not the dominant means by which the charity carries out its objects.
- 2) To advance the education and training of North Koreans granted refugee status and their dependants in need thereof so as to advance them in life and assist them to adapt within a new community.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. The trustees consider that the activities undertaken - as summarised below - provide benefit to the community we serve and the wider public.

Public awareness on human rights

To raise public awareness of human rights abuses in North Korea, we have held 2 events with 70 attendees: a film screening and a cooking class. We have also engaged in public talks and lectures to over 1,000 people throughout the year.

Community Centre

In June 2018, we opened a Community Centre in New Malden to provide services for the North Korean community. This space has been key to expanding the range of services we are able to deliver and as an educational and cultural meeting point for the North Korean community.

Connections - English-language provision

This year, we launched Connections, which is our flagship programme. It is a tiered English-language learning programme with formal and informal elements of learning designed to empower North Koreans to integrate, achieve wellbeing, and tell their stories. Like all of our services it is free of charge. This programme is shaped by the specific needs of the individual clients through the development and completion of Independent Learning Plans, placing emphasis on meeting the specific needs of the community's members. Each student's involvement in Connections lasts 18 months and there are four components to the programme:

- **English classes twice a week** – The classes cover practical English language skills. From language they might use in the supermarket to the language used when speaking to their children's school teachers, these group classes will help address some of the barriers to life in New Malden and help them develop a community voice. Beginner and low intermediate level classes are held twice a week in the North Korean Community Centre with a certified and experienced ESOL teacher. We currently have 14 registered students.
- **Befriending sessions with local volunteer mentors** – Our clients meet on a fortnightly basis with local volunteer mentors to first of all enable them to practice their new-found skills in real-world settings, and secondly, to build their confidence. From the post office to the dentist, this part of the programme seeks to build the skills North Koreans need on the path to fluency. By focusing part of the programme on practical skills, North Koreans build their confidence and this will contribute to achieving independent lives, as well as enabling them to feel comfortable speaking English to native speakers. We currently have 25 registered students.
- **Conversation Café** – every month, we hold informal discussion groups over a cup of tea/coffee with our clients, volunteers, and other locals. Informal language learning is an important step in language acquisition, but it also serves as a way of developing friendships. This part of the programme is in response to our survey of 60 North Koreans, which found that they have struggled to develop friendships owing to a lack of English. To date, we have held 3 sessions with 15 participants.
- **Quarterly trips to museums, cafes and parks** – this will help North Koreans to make friends and practice their English. Refugees will also learn about British culture and history, contributing to cultural acclimatisation.

These programmes are supplemented with a monthly writing class and a monthly reading class for our more advanced students.

Mental Health Care

A much-overlooked element of the recovery for North Koreans following their experiences inside the country is mental health. This year, working with a South Korean psychologist, we launched free weekly counselling sessions for North Koreans. To date, we have had 4 clients meet with the psychologist.

Achievements and Performance

In our first year, we successfully launched a much-needed community space for the North Korean community, creating opportunities to address the community's needs and a location for cultural, educational, and recreational programming run by North Koreans.

To date, our English programme has served 40 North Koreans to make a change in their new life in the UK by removing one of the biggest causes of the isolation from their local community, improving their social and life skills, improving their employability, and avoiding a revolving door of poverty. Measurement of improvements in English levels is ongoing, but is on an upwards trajectory.

In addition we have now established 3 Trustee sub-committees to support the work of the organisation covering Fundraising, Communication and Audit & Risk. We believe these groups strengthen both our Governance and our ability to deliver for our community.

Financial Review

Reserves Policy

The ultimate aim of our reserves policy is to maintain 3 months of unrestricted reserves to cover any changes in our income. As this is our first year of operations, trustees felt that funds should be deployed to be able to grow the organisation, meaning we have no reserve at this moment. It is our goal to have 3 months of unrestricted reserves by the end of the next financial year – our means of achieving that reserve are outlined within our fundraising strategy.

Investment Policy

As a new CIO, we have no investments. All cash is held within our CAF Bank account, which earns no interest. We will assess the possibility of investments and creating an investment strategy, policies, and procedures – if required – at the end of the next financial year.

Risk Management

The CIO ensures the highest standards of governance are maintained through its implementation of a robust risk management strategy, which entails:

- a Risk and audit committee which performs a quarterly review of the risks the charity may face and proposes mitigation strategies to the main board;

- an array of policies and procedures, with particular attention to financial policies and health and safety;
- the establishment of a governance checklist with key dates planned a year in advance; and
- the creation and quarterly update of a risk register.

The greatest risk to the organisation has been identified as a lack of funds to meet our obligations. In response, the fundraising subcommittee has developed a detailed fundraising strategy with appropriate funders – both institutional and private – identified.

Statement of Trustees' Responsibilities

The CIO's trustees are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure to our Independent Examiner

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the independent examiner in connection with preparing their report, of which the organisation's independent examiner is unaware, and
- the trustees, having made enquiries of fellow directors and the group's independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

Approved by the Trustees and signed on its behalf:

Robin Peter Walker (Chair)



Dated:

8/6/19

Independent Examiners Report for the Year Ended 31 December 2018

I report to the charity Trustees on my examination of the accounts of the CIO for the year ended 31 December 2018. This report is made solely to the CIO's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's Trustees as a body, for my work or for this report.

Responsibilities and Basis of the Report

As the Trustees of the CIO, you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'), Having satisfied myself that the accounts of the CIO are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the CIO's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiners Statement

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination;
4. or the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed



Dated

08/06/2019

Connect: North Korea

Statement of Financial Activities for the period ended 31st December 2018

	Note	Restricted Funds	Unrestricted Funds	Total Funds 2018
Income from:				
Donations and Legacies		-	25,113	25,113
Investments		-	-	-
Other Income		-	5,809	5,809
Total Income		-	30,922	30,922
Expenditure on:				
Raising Funds:	9	-	913	913
Voluntary Income		-	-	-
Charitable Activities:		-	162	162
Governance	11	-	27,172	27,172
Other Charitable Activities	10		28,247	28,247
Total Expenditure				
Net Movement in Funds			2,675	2,675
Reconciliation of Funds			2,675	2,675
Total funds brought forward			-	-
Total funds carried forward			2,675	2,675

The notes on pages 14 to 17 form part of these financial statements.

Connect: North Korea

Balance Sheet

As at 31st December 2018

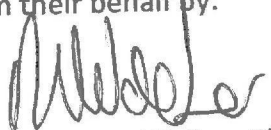
	Note	Restricted Funds	Unrestricted Funds	Total Funds 2018
Fixed Assets			1,498	1,498
Current Assets				
Debtors	5	-	1,428	1,428
Cash at Bank and in Hand		-	1,501	1,501
CREDITORS: amounts falling due within one year	6	-	1,751	1,751
Net Current Assets			1,178	1,178
Net Assets		-	2,675	2,675
Total Funds		-	2,675	2,675

The CIO's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the CIO to obtain an audit for the year in question in accordance with section 476 of the Act.

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


Robin Peter Walker, Chair

Dated: 8/6/19

Connect: North Korea

Notes to the Financial Statements

1. Accounting policies

The principal accounting policies are summarised below.

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, ('FRS 102'), with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires certain critical accounting estimates. It also requires management to exercise judgement in applying the CIO's accounting policies (see note 3).

The financial statements have been prepared on the historical cost basis and are presented in Sterling (£).

Connect: North Korea meets the definition of a public benefit entity under FRS 102.

1.2 Organisational status

Connect: North Korea is a Charitable Incorporated Organisation. The members of the company are the Trustees named on page 1. In the event of the CIO being wound up, the liability in respect of the guarantee is limited to £1 per member of the CIO.

1.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers is not recognised and refer to the Trustees' report for more information about their contribution. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the CIO which is the amount the CIO would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Governance costs are those incurred in connection with administration of the CIO and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the CIO's operations, including support costs and costs relating to the governance of the CIO apportioned to charitable activities.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

1.6 Value Added Tax

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

2. Remuneration of trustees and key management personnel

No trustees received remuneration for his services to the company in the period.

3. Staff numbers and costs

The company had 1 full-time employee.

Staff costs were as follows:

Wages and Salaries including Donations in Kind	2018
£20,553	£20,553

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

Trustees remuneration and expenses

During the year, no Trustees received any remuneration.

During the year, no Trustees received any benefits in kind.

During the year, no Trustees received any reimbursement of expenses.

4. Tax on ordinary activities

Connect: North Korea is a registered CIO and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

5. Debtors

	2018
	£
Other debtors	1,428
	<hr/>
	1,428
	<hr/>

6. Creditors: amounts falling due within one year

	2018
	£
Other Creditors	1,751
	<hr/>
	1,751
	<hr/>

7. Profit and loss account

The profit and loss account includes all current retained profit and loss. There is no brought forward reserve as this is the first period from incorporation.

8. Related Party Transactions

A balance of £1,428 disclosed within Other Debtors is owed to the CIO, Korea Futures Initiative Ltd, for services rendered. All serving trustees of Connect: North Korea are Directors of Korea Future Initiative Ltd. The balance for this cost remains outstanding at the period ended 31 December 2018.

A balance of £650 disclosed within Other Creditors is owed to the Director. The balance for this cost remains outstanding at the period ended 31 December 2018.

9. Costs of Raising Funds

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Transaction Fees	-	867	867
Postage	-	46	46
Totals	-	913	913

10. Direct Costs

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Wages and Salaries	-	20,553	20,553
Programme Costs	-	4,095	4,095
Other Costs	-	2,544	2,544
Totals	-	27,172	27,172

11. Governance Costs

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Bank Fee	-	45	45
Accounting Software	-	117	117
Totals	-	162	162