

# Empowering Karen Communities



Report and Financial  
Statements Year ended  
30 September 2019



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# Company and Charity Information

**Registered Company Number** 04484077 (England and Wales)

**Registered Charity Number** 1093548

**Registered Office** Tower House Business Centre  
Fishergate  
York  
YO10 4UA

**Trustees**

V V Pert - Chair of Trustees  
D Shurman - Vice Chair of Trustees  
T A Y Wright - Treasurer  
T S Nickson - Secretary (Appointed 7 January 2019)  
J Delaney  
B Smith  
B Wiggan  
C Shampine  
R Ellis  
J Virulchanya (Resigned 7 January 2019)  
A Dixon (Appointed 7 January 2019)  
J Heelham (Appointed 12 January 2020)

**Company Secretary** T S Nickson

**Independent Examiner** Susan Seaman, BA FCA CIOT  
Sagars Accountants Ltd  
Gresham House  
5-7 St Pauls Street  
Leeds  
LS1 2 JG

**Chief Executive** Kelle Rivers (Resigned 31 October 2019)  
Billy Curryer (Appointed 1 November 2019)

## Trustees' Annual Report (Incorporating the Director's Report)

### Year ended 30 September 2019

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2019.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

### Recruitment and appointment of new trustees

Up to 12 trustees are appointed to the board on a 3-year rotational basis. There is currently one vacancy. Trustees are recruited by the board of trustees on the basis of nominations from existing trustees. The board of trustees seeks to ensure a mix of skills and diversity, and selects each trustee according to his/her particular skill or interest.

### Organisational structure

The trustees meet 3 times a year with the annual general meeting being held in January. The Director is Billy Curryer who was appointed Chief Executive on 1st November 2019. The Director reports to the board of trustees in the UK and is responsible for ensuring that the charity achieves its mission through key performance indicators agreed by the trustees.

The charity has two offices, one based in York, UK and another in Khun Yuam, Thailand. The UK office acts as the financial centre of the charity and is staffed by a part time Finance Administrator. At the start of the financial year, a Programmes Officer, responsible for reporting on project activities in Thailand, was working from this office, under the supervision of a Fundraising Manager. To improve efficiency, a staff restructure was initiated by the board of trustees, in which the fundraising post was discontinued in December 2018, and the Programmes Officer was promoted to Operation's Manager and relocated to the Thailand office in May 2019. With a reduced staff presence, the UK office now acts in support of the Khun Yuam office through the distribution of communications to UK supporters and by maintaining robust financial systems. Local fundraising activities also continue through the support of volunteers.

The Khun Yuam office coordinates the implementation of all of the charity's projects. Seven Thai-Karen staff and the Director are currently based in this office. From March 2020, two long-term volunteers will be based in the field office to support the successful implementation and evaluation of the charity's projects.

Both the Khun Yuam and York offices report to the Director. The previous Director was based in Chiang Mai to facilitate donor engagement and organisational oversight. After evaluating the effectiveness of this location, it was decided that the Director should instead be predominantly based at the Khun Yuam office to facilitate the implementation of the charity's projects and increase oversight of the charity activities. The Director will undertake periodic visits to the UK to visit the York office, attend trustee meetings, meet with UK-based donors, stakeholders and service providers, and conduct other UK-based activities.

## Induction and training of new trustees

New trustees will be provided with appropriate information about the charity and the Essential Trustee Guide from the Charity Commission to ensure they are aware of their roles and responsibilities.

## Related parties

The Foundation for Karen Hilltribes in Thailand (KHTF), was set up in December 2002 in Bangkok under Thai law to work in conjunction with KHT to support its projects with the Karen people. KHTF is a subordinate organisation of KHT, according to a memorandum of association which defined the relationship between the two entities. Accounts for KHTF are registered and submitted under Thai law.

Although it is a separate legal entity, KHTF has identical aims as The Karen Hill Tribes Trust. The Karen Hill Tribes Trust organises its operations in Thailand from the UK, where its financial centre and board of trustees are based.

## Risk management

The trustees examine the major risks that face the charity each financial year. The charity has developed systems to monitor and control these risks to mitigate any impact they may have on the charity in the future.

## OBJECTIVES AND ACTIVITIES

### History

The Karen Hill Tribes Trust was first registered as a charity in 1989 to address the lack of clean water in Karen villages, under the name Mae Phon Karen Hill Tribes Trust (Charity number 800796). The charity was formed through a partnership with current Karen Manager Wichien Bunrachaisavan (Salahae) and a British national working in Thailand. By working with Karen communities, clean water systems were designed and put in place to provide a source of life-changing access to clean water. In response to the expressed needs of the Karen, the work of KHT has now expanded into the areas of livelihoods and education with the aim to support the Karen in building a more sustainable future.

To aid this mission, a strong link with the UK was formed. This has resulted in over 400 volunteers travelling to Thailand to help construct clean water systems and teach English in Karen schools. In 1999, a fundraising office was opened in York and the charity was re-registered under the name The Karen Hill Tribes Trust in 2002 by Penelope Worsley, the mother of a former volunteer.

After 30 years Salahae continues to lead the work in Thailand, supported by a team of six Karen staff who fully involve the local community to ensure projects promote self-help and sustainability. To date, over £4.5 million has been raised for projects which have helped improve the lives of thousands of Karen people living in Mae Hong Son Province.

Since 1999, KHT has provided over 55,000 people with clean drinking water and improved sanitation facilities, supported over 16,500 people through the construction of flood-resistant irrigation systems, and increased access to education for over 12,000 children and young people through the provision of school meals, transport and accommodation, and higher education scholarships.

## Vision

Supporting sustainable Karen communities

## Mission

To empower Karen communities to improve their health, livelihoods and education

## Objectives and aims

To achieve its mission, the charity works in partnership with target communities to operate projects that promote self-reliance and lead to improved well-being.

The charity has three key aims:

## Values

**Community-led** - Our approach is based on the expressed needs of target communities and involves beneficiaries in all stages. This ensures community ownership and supports long-term sustainability.

**Empowerment** - Working in partnership with target communities, our projects promote self-reliance leading to improved well-being whilst helping Karen communities retain their unique identity and culture.

**Cost-effective** - Community-based assessments and project monitoring help ensure that outcomes are sustainable, impactful and cost-effective.



Improve health through access to clean water and sanitation facilities.



Secure better livelihoods by building irrigation systems and regenerating land.



Increase access to education through the provision of transport, meals and accommodation for children who live too far away from schools, and through university scholarships.

## Public benefit

The charity's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charity's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have paid due regard to this guidance in deciding what activities the charity should undertake.

## Volunteers

In 2018-19, 11 volunteers from the UK travelled to Thailand to support the installation of a gravity-fed water system and three volunteers travelled to Thailand to teach English at a local secondary school.

Teaching volunteers spend up to 3 months living with a host family and teaching in local schools.

Volunteers working on water systems spend 1 month living and working in a Karen village. All of the volunteers raised funds to cover their costs and made a donation to the charity's projects.

## FINANCIAL REVIEW

### Principal funding sources

Income is generated from donations, grants, events and volunteers. Specific major grants have been received from:

- The Lloyd George Asia Foundation
- The Jan and Oscar Foundation
- Christadelphian, Meal a Day Fund
- Clifford Chance Foundation
- Give2Asia
- The Group Company
- Anonymous Donor
- Thai Oilmen's Charity Invitational (TOCI) Golf Tournament
- Aberdeen Standard Investments Charitable Foundation
- The British Community in Thailand for the Needy

These Financial Statements reflect the UK-generated income of The Karen Hill Tribes Trust and include funds that are raised in Thailand. For operational reasons, funds raised in Thailand are processed through The Foundation for Karen Hilltribes in Thailand.

### Fundraising

KHT is committed to achieving the highest standard in fundraising and ensures to abide by the code of fundraising practice, set by the fundraising regulator, in all fundraising activities that it conducts.

KHT is also committed to protecting privacy and we will process personal data in accordance with the General Data Protection Act 2018. Personal details will be kept safe and secure and will only be used by us or those who work for us. We promise not to share or rent your personal details to third parties for marketing purposes.

### Investment policy and objectives

There are no current restrictions on investment. Any investments are held on interest earning deposit at the bank for ease of access and minimal risk of loss.

### Reserves policy

KHT has established a fixed reserve level of £50,000 (80% held in the UK and 20% held in Thailand) which it keeps separately from its current accounts. KHT's trustees were aware that at 30 September 2019, it had unrestricted funding levels under the reserve level of £50,000. Unrestricted funding dropped as there was a change in senior staff and a plan to build reserve levels to £70,000 has now been put in place.

## Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on ..... and signed on behalf of the board of trustees by:

.....

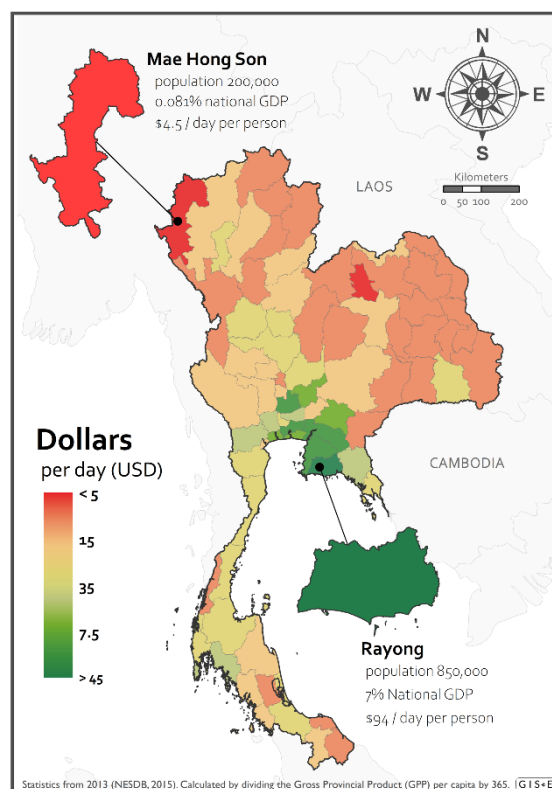
V V Pert - Chair of Trustees

# Achievements and Performance

## Charitable Activities for Financial Year Ending 30 September 2019

Thailand has made remarkable progress in social and economic development over the last four decades, transitioning from a low-income to an upper-income country in 2011, and now ranking 87/188 in the UNDP 2015 Human Development Index (Jahan, 2016; World Bank, 2011). However, poverty and inequality continue to pose significant challenges, especially across the rural regions and for Thailand's ethnic minorities.

This is especially true in the geographically remote province of Mae Hong Son in northern Thailand. The province, which borders Myanmar and is home to a number of ethnic minorities and cultural ethnic groups, including Karen, remains one of Thailand's poorest.



Karen communities are close-knit and often situated in the mountainous areas of the province. As a predominantly agrarian society, the most common livelihood and source of income is subsistence farming, yet the harsh conditions of the province make it difficult for farmers to produce enough food to feed their families, let alone generate an income. Findings from KHT's recent surveys in June 2019 have shown that households earn as little as 777 GBP a year as subsistence farmers. In addition to poor livelihoods, communities frequently do not have access to clean water, sanitation facilities or electricity. As a result, general health is poor - typhoid is common and the Mae Hong Son Province has one of the highest incidence levels of malaria in Thailand.

To achieve its key aims, the charity focuses on three development objectives: improving community health, securing better livelihoods and increasing access to education for marginalised Thai Karen, with a geographic focus on northern Thailand. Charitable activities and deliverables for each programming area for the financial year ending 30 September 2019 are summarised in the following pages of the report.



# Improving Community Health



# Water, Sanitation and Hygiene

According to the World Health Organization (WHO), improved sanitation is proven to help prevent water sources being contaminated, protect the environment, prevent infectious diseases and help reduce malnutrition, stunting and mental stress. KHT improves the health of Karen communities in Mae Hong Son Province through the delivery of gravity-fed water systems and sanitation units. The project takes a community-led approach to ensuring villages across the Province have access to safe water and sanitation facilities. The financial year ending 30 September 2019 saw the delivery of:



6 gravity-fed clean water systems, which provide year-round access to water with dramatically lower levels of pollutants and water-borne diseases. These are expected to help 1,566 beneficiaries for the foreseeable future.



5 repairs and extensions to current KHT water systems to meet the demand of the growing village population and changing climate in northern Thailand. A total of 894 people have benefited from the extensions and repairs.



108 sanitation units, comprising of a pour-flush latrine, shower and handwashing station, installed across 6 villages. Controlled waste management and better hygiene practices both supplement the water systems to reduce pollution levels within nearby water sources and lower the incidence of preventable diseases.

Through the provision of safe water, improved sanitation and better hygiene, all the communities supported in the financial year ending 30 September 2019 will be at significantly less risk of disease.

Clean water, in association with improved sanitation and hygiene behaviour change, can provide the basis for all community development. Improvements in water, sanitation and hygiene (WASH) conditions can result in a significant reduction of a variety of easily preventable diseases, leading to reduced morbidity and mortality and improved nutritional status. This has cascading effects on livelihoods and access to education and can help a community break the cycle of poverty.





Securing Better Livelihoods

# Irrigation

Karen communities live primarily in harsh mountainous environments that are vulnerable to natural hazards such as drought and flooding. These communities are highly dependent on subsistence farming for food supplies and household income, yet, their traditional agricultural practices are threatened by these natural hazards. As a result, their livelihoods are volatile and highly unsustainable.

Through construction of flood-resistant irrigation systems (FRIS), the Irrigation Project strengthens agriculture as a sustainable livelihood for Karen farmers in the Mae Hong Son Province. FRIS ensure that fields can be irrigated throughout the year, enhancing food production and contributing to improved livelihoods. Additionally, the structures are made to withstand the heavy water flow that is frequent in the monsoon season. This reduces reliance on wooden dams that are easily washed away and contribute to deforestation of surrounding forest. To secure better livelihoods in Karen communities, the charity has:



Installed 4 new flood-resistant irrigation systems serving 6 villages and repaired 1 system. The irrigation systems supply a total of 264 acres of land with water for irrigation purposes, helping 1,631 beneficiaries to secure agriculture as a sustainable livelihood.

With a FRIS in place, farmers will start to experience increased agricultural output as a result of crops receiving a reliable source of irrigation throughout cultivation. In addition to the food security and livelihood benefits, the project will also have environmental benefits. Logging for wooden dams and slash and burn are expected to decrease over time, as livelihoods become more certain and secure.



# Increasing Access to Education



The remote location of most Karen communities, coupled with extreme poverty, create a host of challenges for local communities, including access to education. For many Karen children living in Mae Hong Son Province, access to education is uncertain at best. Villages are often up to 50km away from the nearest school requiring children to travel long distances, live away from home in dormitories, or stop school altogether. In rural areas of Thailand, 47% of 15-year olds are functionally illiterate (World Bank, 2015).



The charity implements an education programme which addresses four key strategies that help keep children in school. Through a combination of support for School Dormitories, School Buses and School Meals, and Higher Education Scholarships Karen children from over 50 villages have been supported to access an education.

## Dormitories

The dormitories project improves living conditions for children living at school in order to attend education through the construction of school dormitories. It also increases the number of students who are able to attend school by providing a safe living environment away from home. In some cases, water tanks and hygiene facilities are built to address water shortages and improve student hygiene.



87 children benefitted from construction of a new school dormitory, water tanks and hygiene facilities.



## School Meals

School dormitories provide children with an important option for remaining in school, but other challenges remain. With limited disposable income, parents are often unable to financially support children living away from home. Similarly, government support is limited, meaning that food supplies are often inadequate. This can result in children not having enough to eat, affecting school performance and overall well-being. In some cases, this can even lead to



students dropping out of school to seek employment. The provision of school meals ensured students received sufficient nutrition allowing them to focus on their studies and remain in education. The project has also relieved additional financial strain for struggling parents.



343 (136M/207F) children between the ages of 4 and 18 years old received sufficient nutrition allowing them to focus on their studies and remain in school.

## School Buses



Like dormitories, school transport provides a practical means of keeping children in school. It also allows children to remain at home and keeps parents involved in their children's education. By supporting a driver from the local community to take children to and from school, children are spared having to travel up to 50 km per day just to go to school. This means children have time and energy for their studies and reduces potential risks

involved in having children travel long distances on their own, particularly girls and young children.



392 (202M/190F) children aged 4 – 19 were provided with safe transport to and from school ensuring parents felt confident sending their children to school.

## Scholarships

Scholarships for vulnerable youth offer a way out of the cycle of poverty and are an important contribution to social change. By focusing primarily on teaching and vocational courses that support practical skill development, we're increasing the likelihood of sustained livelihood opportunities that benefit individual scholarship recipients as well as their families. This further contributes to the charity's mission of increased self-sufficiency and well-being for vulnerable communities in Mae Hong Son Province.



48 students were selected to receive scholarships to local universities and vocational schools to study teaching, construction, accounting, information technology (IT), hospitality, electrical and computer engineering, or to be a mechanic or electrician.



## Organisational Development

As well as the successful implementation of its projects, the charity has seen strong growth in terms of organisational capacity, monitoring and evaluation, and project impact during the previous financial year.

The successful relocation of the Operations Manager to the Khun Yuam field office, in May 2019, allowed the charity to make a number of operational improvements to strengthen the day-to-day running of the charity. In addition, the Operations Manager was able to support the development of the Thai-Karen team to increase organisational capacity and long-term sustainability, and closely monitor and make improvements to the locally-run project evaluation system established 18 months ago.

Over the last 12 months, the charity has also been committed to making project improvements where possible. Clean water and improved sanitation facilities can lead to drastic reductions in disease but without a change in hygiene and sanitation behaviour, these benefits are often lost. To support behaviour change and ensure benefits of access to clean water are maximized and sustainable, the charity has started to implement community education and now sees this as an integral part of any clean water project.

The Karen Hill Tribes Trust's Trustees and Director would like to thank all of the staff for their hard work over the last 12 months. This period has seen the organisation take huge strides towards achieving its five year strategic goal - to expand its community ownership, improve its sustainability, and demonstrate its impact.

Over the next 12 months, the charity will be recruiting two Programme Officers to be based in the Khun Yuam field office. These two positions will replace the Operations Manager, who in November 2019 became the Director of the charity. Separating the Operations Manager role into two new positions will allow the charity to make further improvements to organisational capacity, sustainability and demonstrating its impact. In addition, the charity will also be developing a new five-year strategy over the next 12 months and is excited for it to come into effect next year.



# Financial Statements

## Independent Examiner's Report to the Trustees of The Karen Hill Tribes Trust

### Year ended 30 September 2019

I report to the trustees on my examination of the financial statements of The Karen Hill Tribes Trust ('the charity') for the year ended 30 September 2019.

#### Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company 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 charity's accounts as 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 examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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; or
4. the financial statements 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).

## Independent Examiner's Report to the Trustees of The Karen Hill Tribes Trust

### Year ended 30 September 2019

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.

Susan Seaman, BA FCA CIOT

Sagars Accountants Ltd

Independent Examiner

Gresham House

5-7 St Paul's Street

Leeds

LS1 2JG

## Statement of Financial Activities (including income and expenditure account)

Year ended 30 September 2019

		Unrestricted funds £	2019 Restricted funds £	Total funds £	2018 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	5	85,094	–	<b>85,094</b>	103,252
Thailand projects	6	11,491	184,399	<b>195,890</b>	269,800
Other trading activities	7	1,302	–	<b>1,302</b>	28,057
Investment income	8	361	–	<b>361</b>	261
Other income	9	–	–	–	21,284
<b>Total income</b>		<u>98,248</u>	<u>184,399</u>	<u><b>282,647</b></u>	<u>422,654</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Raising funds	10	10,510	–	<b>10,510</b>	39,231
Thailand projects	11,12	118,365	198,418	<b>316,783</b>	349,866
Other expenditure	14	388	–	<b>388</b>	–
<b>Total expenditure</b>		<u>129,263</u>	<u>198,418</u>	<u><b>327,681</b></u>	<u>389,097</u>
<b>Net (expenditure)/income and net movement in funds</b>		<u>(31,015)</u>	<u>(14,019)</u>	<u><b>(45,034)</b></u>	<u>33,557</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>75,996</u>	<u>73,205</u>	<u><b>149,201</b></u>	<u>115,644</u>
<b>Total funds carried forward</b>		<u><u>44,981</u></u>	<u><u>59,186</u></u>	<u><u><b>104,167</b></u></u>	<u><u>149,201</u></u>

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

## Statement of Financial Position

Year ended 30 September 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	19	3,034	4,433
<b>Current assets</b>			
Stocks	20	—	1,374
Debtors	21	5,601	4,451
Cash at bank and in hand		100,929	149,363
		<u>106,530</u>	<u>155,188</u>
<b>Creditors: amounts falling due within one year</b>	22	<u>5,397</u>	<u>10,420</u>
<b>Net current assets</b>		<u>101,133</u>	<u>144,768</u>
<b>Total assets less current liabilities</b>		<u>104,167</u>	<u>149,201</u>
<b>Net assets</b>		<u>104,167</u>	<u>149,201</u>
<b>Funds of the charity</b>			
Restricted funds		59,186	73,205
Unrestricted funds		44,981	75,996
<b>Total charity funds</b>	23	<u>104,167</u>	<u>149,201</u>

For the year ending 30 September 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on ..... 2020, and are signed on behalf of the board by:

V V Pert  
Trustee

# Notes to the Financial Statements

## Year ended 30 September 2019

### 1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Tower House Business Centre, Fishergate, York, YO10 4UA.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis.

#### Going concern

There are no material uncertainties about the charity's ability to continue.

#### Disclosure exemptions

The charity qualifies as a small charity as defined in SORP FRS 102 and as such advantage has been taken to not include a cash flow within the financial statements.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

## Notes to the Financial Statements (*continued*)

### Year ended 30 September 2019

#### 3. Accounting policies (*continued*)

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## Notes to the Financial Statements (*continued*)

### Year ended 30 September 2019

#### 3. Accounting policies (*continued*)

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	33% straight line

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

#### 4. Limited by guarantee

The charity is governed by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Notes to the Financial Statements (*continued*)

## Year ended 30 September 2019

## 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
<b>Donations</b>				
Donations	75,096	<b>75,096</b>	90,155	90,155
Gift Aid	9,998	<b>9,998</b>	13,097	13,097
	<u>85,094</u>	<u><b>85,094</b></u>	<u>103,252</u>	<u>103,252</u>

## 6. Thailand projects

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Thailand projects	11,491	184,399	<b>195,890</b>
	<u>11,491</u>	<u>184,399</u>	<u><b>195,890</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Thailand projects	5,596	264,204	269,800
	<u>5,596</u>	<u>264,204</u>	<u>269,800</u>

## 7. Other trading activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Fundraising events	467	<b>467</b>	22,805	22,805
Craft sales	835	<b>835</b>	5,252	5,252
	<u>1,302</u>	<u><b>1,302</b></u>	<u>28,057</u>	<u>28,057</u>

## 8. Investment income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Deposit account interest	361	<b>361</b>	261	261
	<u>361</u>	<u><b>361</b></u>	<u>261</u>	<u>261</u>

Notes to the Financial Statements (*continued*)

Year ended 30 September 2019

**9. Other income**

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Other income	-	-	21,284	21,284
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**10. Raising funds**

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Costs of raising funds	10,510	10,510	39,231	39,231
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**11. Charitable activities costs**

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Direct costs	67,376	198,418	265,794
Support costs	50,989	-	50,989
	<u>          </u>	<u>          </u>	<u>          </u>
	118,365	198,418	316,783
	<u>          </u>	<u>          </u>	<u>          </u>

	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Direct costs	50,192	255,931	306,122
Support costs	43,743	-	43,744
	<u>          </u>	<u>          </u>	<u>          </u>
	93,935	255,931	349,866
	<u>          </u>	<u>          </u>	<u>          </u>

**12. Charitable activities costs**

	Activities undertaken directly	Support costs	Total funds 2019	Total fund 2018
	£	£	£	£
Direct costs	265,794	50,989	316,783	349,866
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Notes to the Financial Statements (*continued*)

## Year ended 30 September 2019

**13. Analysis of support costs**

	Management costs £	<b>Total 2019 £</b>	Total 2018 £
Finance costs	(2,893)	<b>(2,893)</b>	(2,639)
Governance costs	24,808	<b>24,808</b>	20,545
Management costs	29,074	<b>29,074</b>	25,838
	<u>50,989</u>	<u><b>50,989</b></u>	<u>43,744</u>

**14. Other expenditure**

	Unrestricted Funds £	<b>Total Funds 2019 £</b>	Unrestricted Funds £	Total Funds 2018 £
Loss on disposal of tangible fixed assets held for charity's own use	388	<b>388</b>	–	–
	<u>388</u>	<u><b>388</b></u>	<u>–</u>	<u>–</u>

**15. Net (expenditure)/income**

Net (expenditure)/income is stated after charging/(crediting):

	<b>2019 £</b>	2018 £
Depreciation of tangible fixed assets	<b>1,011</b>	2,312
Loss on disposal of tangible fixed assets	<b>388</b>	–
	<u><b>1,399</b></u>	<u>2,312</u>

**16. Independent examination fees**

	<b>2019 £</b>	2018 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<b>2,640</b>	2,640
Other financial services	<b>4,032</b>	–
	<u><b>6,672</b></u>	<u>2,640</u>

Notes to the Financial Statements (*continued*)

## Year ended 30 September 2019

**17. Staff costs**

The total staff costs and employee benefits for the reporting period are analysed as follows:

	<b>2019</b>	2018
	<b>£</b>	£
Wages and salaries	<b>72,048</b>	95,636
	<u>          </u>	<u>          </u>

The average head count of employees during the year was 3 (2018: 5). The average number of full-time equivalent employees during the year is analysed as follows:

	<b>2019</b>	2018
	<b>No.</b>	No.
Charitable activities	<b>2</b>	3
Administration and support	<b>1</b>	2
	<u>      </u>	<u>      </u>
	<b>3</b>	5
	<u>      </u>	<u>      </u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

**18. Trustee remuneration and expenses**

There was no trustees' remuneration paid in the year (2018 - £nil).

**19. Tangible fixed assets**

	Fixtures and fittings £	Motor vehicles £	Equipment £	<b>Total £</b>
<b>Cost</b>				
At 1 October 2018	6,312	19,961	12,208	<b>38,481</b>
Disposals	(6,312)	–	(12,208)	<b>(18,520)</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 September 2019</b>	<b>–</b>	<b>19,961</b>	<b>–</b>	<b>19,961</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 1 October 2018	5,924	15,916	12,208	<b>34,048</b>
Charge for the year	–	1,011	–	<b>1,011</b>
Disposals	(5,924)	–	(12,208)	<b>(18,132)</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 September 2019</b>	<b>–</b>	<b>16,927</b>	<b>–</b>	<b>16,927</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>				
<b>At 30 September 2019</b>	<b>–</b>	<b>3,034</b>	<b>–</b>	<b>3,034</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 2018	388	4,045	–	4,433
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Notes to the Financial Statements *(continued)*

## Year ended 30 September 2019

**20. Stocks**

	<b>2019</b>	2018
	<b>£</b>	£
Finished goods and consumables	—	1,374
	<u>          </u>	<u>          </u>

**21. Debtors**

	<b>2019</b>	2018
	<b>£</b>	£
Prepayments and accrued income	<b>5,601</b>	4,451
	<u>          </u>	<u>          </u>

**22. Creditors: amounts falling due within one year**

	<b>2019</b>	2018
	<b>£</b>	£
Trade creditors	<b>841</b>	1,732
Accruals and deferred income	<b>4,152</b>	6,284
Social security and other taxes	<b>404</b>	2,404
	<u>          </u>	<u>          </u>
	<b>5,397</b>	10,420
	<u>          </u>	<u>          </u>

**23. Analysis of charitable funds****Unrestricted funds**

	At 1 October 2018 £	Income £	Expenditure £	At 30 September 2019 £
Unrestricted fund - General funds	75,996	98,248	(129,263)	<b>44,981</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	At 1 October 2017 £	Income £	Expenditure £	At 30 September 2018 £
Unrestricted fund - General funds	50,712	158,450	(133,166)	75,996
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Notes to the Financial Statements (*continued*)

## Year ended 30 September 2019

23. Analysis of charitable funds (*continued*)**Restricted funds**

	At 1 October 2018 £	Income £	Expenditure £	At 30 September 2019 £
Health	47,419	66,231	(98,797)	<b>14,853</b>
Education	21,879	61,647	(58,431)	<b>25,095</b>
Livelihood	3,907	56,521	(41,190)	<b>19,238</b>
	<u>73,205</u>	<u>184,399</u>	<u>(198,418)</u>	<u><b>59,186</b></u>

	At 1 October 2017 £	Income £	Expenditure £	At 30 September 2018 £
Health	34,091	143,483	(130,155)	47,419
Education	27,322	57,568	(63,011)	21,879
Livelihood	3,519	63,153	(62,765)	3,907
	<u>64,932</u>	<u>264,204</u>	<u>(255,931)</u>	<u>73,205</u>

The health fund promotes better community health through the delivery of clean water systems, latrine/shower units. The education fund helps children from isolated and marginalised communities complete their education. The livelihood fund aims to safeguard crops and fields from natural hazards.

## 24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	3,034	–	<b>3,034</b>
Current assets	47,344	59,186	<b>106,530</b>
Creditors less than 1 year	(5,397)	–	<b>(5,397)</b>
<b>Net assets</b>	<u>44,981</u>	<u>59,186</u>	<u><b>104,167</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	4,433	–	4,433
Current assets	78,398	76,790	155,188
Creditors less than 1 year	(6,835)	(3,585)	(10,420)
<b>Net assets</b>	<u>75,996</u>	<u>73,205</u>	<u>149,201</u>

## Notes to the Financial Statements (*continued*)

### Year ended 30 September 2019

#### 25. Related parties

The foundation for Karen Hilltribes in Thailand was set up in 2002 with identical aims as The Karen Hill Tribes Trust.

A photograph of two women in traditional Karen clothing sitting on the ground under a large, leafy tree. The woman on the left is wearing a purple top and a red and white patterned headscarf. The woman on the right is wearing a blue and white striped top. They are both looking down at something in their hands. In the background, there are green hills and mountains under a blue sky with white clouds. A thatched roof is visible on the left side of the frame.

## Contact Us

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