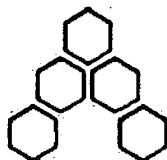


COMPANIES HOUSE
29 SEP 2022
EDINBURGH MAILBOX



TURQUOISE MOUNTAIN

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CONSOLIDATED REPORT and FINANCIAL STATEMENTS

For the Year Ended 31 December 2021



Registered Office: Princes Exchange, 1 Earl Grey St, Edinburgh EH3 9EE T 0131 210 0040, F 08707 617024

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Turquoise Mountain Trust is registered in Scotland as a charity no. SC037343 and as a company no. SC299579

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THE TURQUOISE MOUNTAIN TRUST
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CHIEF EXECUTIVE'S INTRODUCTION

Dear Friends,

In 2021, the entire world watched as both Myanmar and Afghanistan experienced dramatic political upheaval – first the military coup in Myanmar in February, and then the departure of US and international troops from Afghanistan followed by the takeover of the Taliban in August.

These changes changed the lives of the artisans and communities with whom we work. Worlds have been upended, and expectations have been reset. Even as I write this, the future of both countries remains deeply uncertain. In both cases, of course, the countries were already struggling to handle the severe impacts of the pandemic.

Afghanistan remains the heart and soul of Turquoise Mountain's work, with over 200 dedicated and brave Afghan staff continuing to run the Institute for Afghan Arts and Architecture, three primary schools, a community health clinic, and livelihoods programmes supporting thousands of artisans across the country. In Myanmar, the second project Turquoise Mountain began, a devoted team have continued through the challenges of 2021 to reach more artisans than ever before with education and incomes. In the other two countries in which we operate – Saudi Arabia and Jordan – 2021 was a year of expansion even as they struggled with the effects of covid on national and family economics and realities. Both programmes are reaching an ever-growing number of hundreds of artisans and families at the intersection of cultural heritage and economic development.

As I look back on 2021, I am deeply proud and humbled by the accomplishments and perseverance of the artisans with whom we work, their communities, and our staff in Afghanistan, Myanmar, Saudi Arabia, and Jordan. I am more grateful than I can possibly express: to our Trustees for their guidance, and to so many supporters around the world who have stepped forward in a time of real crisis to offer friendship, advice, and support in many forms. During the most uncertain months in Afghanistan, when it was unclear whether the international community would continue to provide humanitarian support to Afghan families, over 6,500 generous individuals contributed to an emergency campaign to make sure that the families with whom we work could continue to receive basic healthcare, education, salaries, and – in the most extreme cases – emergency food distributions from our dedicated local team. Thank you.

Given the enormous challenges we faced in 2021, I am very proud and grateful to be able to tell you that Turquoise Mountain continues to work in four countries: Afghanistan, Jordan, Myanmar and Saudi Arabia. Over the last 15 years, we have restored over 150 historic buildings, trained over 12,000 artisans and builders, treated nearly 170,000 patients at our maternal and family health clinic in Kabul, and generated and generated over \$10m in international sales and supported millions more.

We have showcased the exquisite work of talented artisans on the global stage, through exhibitions at the Museum of Islamic Art in Doha, the Smithsonian Museum in Washington D.C. and the Buckingham Palace Summer Opening in London, and with a new showcase commission at Leighton House. We have connected artisans with international retailers and five-star hotels, and we have launched dozens of small businesses and supported many more, all of whom are contributing to the sustainable growth of the craft industry.

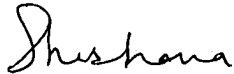
We continue to pursue the vision of our Royal Founding Patron, HM King Charles III of heritage led regeneration, bringing incomes and pride to communities where heritage is under threat, preserving precious cultural traditions for future generations. Above all, I was struck in 2021 by the resilience of the communities with whom we work, and the impact that our staff and our programmes are able to have, even in the most challenging contexts imaginable. I have been reminded that one of the most powerful things about craft heritage is that many traditional crafts have withstood pandemics and political upheaval over centuries, and with support and hard work they will continue to survive and even thrive for many years to come – in the capable hands of talented artisan communities.

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CHIEF EXECUTIVE'S INTRODUCTION (continued)

Both Afghanistan and Myanmar have gone through severe crises in 2021, but as focus shifts from immediate emergencies to the future, it is more important than ever that thousands of artisans and their families can access meaningful livelihoods that have the resilience to sustain them far into the future.

Once again, my enormous thanks to so many – our Royal Founding Patron, Trustees, staff, and supporters. I have every hope and confidence that we will continue to provide impactful programmes for the artisans and families with whom we feel very lucky to be working.

A handwritten signature in black ink, appearing to read 'Shoshana'.

Shoshana Stewart
Chief Executive Officer
Turquoise Mountain

THE TURQUOISE MOUNTAIN TRUST

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TRUSTEES' REPORT

In 2021, Turquoise Mountain worked in locations across the world and continued its core project work in the following regions where cultural heritage is at risk:

Afghanistan
Myanmar
Saudi Arabia
Jordan.

The Trustees present their report along with the financial statements of Turquoise Mountain Trust for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 26 -28 and comply with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

1. Objectives and Activities

The Turquoise Mountain Trust was established in 2006 by HM King Charles III. Turquoise Mountain's aim is to revive historic areas and traditional crafts, to create jobs, skills and a renewed sense of pride in areas where heritage is under threat. We now work in Afghanistan, Myanmar, Saudi Arabia and Jordan.

Turquoise Mountain is dedicated to integrated development everywhere we work. From the training of local artisan workers on heritage building projects, to improving social and environmental standards for weaving communities, to providing primary education and healthcare for artisan families, Turquoise Mountain is paving the way for stronger communities and more equitable, robust craft industries.

As part of a long-term investment in the places where it works, Turquoise Mountain is committed to safeguarding built heritage, creating economic opportunities and building new cultural centres for the community. Our focus is on providing jobs through craft production and heritage tourism, connecting artisans with national and international buyers through a programme of business development activities, improving lives through economic opportunities, and changing international perceptions of these areas by sharing their rich histories with the world. Success is measured by closely tracking performance in a range of categories, including skills development (e.g. number of training hours offered, total number of artisans supported), employment (e.g. number of businesses supported, average number of artisans working at independent businesses/entities/groups/cooperatives), business growth and sustainability (e.g. product rejection rate heritage preservation (e.g. total area of buildings restored, traditional crafts, documented and recorded), education (e.g. number of children enrolled in primary school/cultural heritage programmes and class attendance), health (e.g. number of patient visits, number of community outreach sessions held), awareness and changing perceptions (e.g. number of exhibitions held to date, media mentions and increase in social media followers).

Afghanistan

In Afghanistan, since 2006, Turquoise Mountain has transformed the Old City neighbourhood of Murad Khani, which was dilapidated after decades of war - into a vibrant cultural, educational and economic hub. This work has continued throughout 2021 despite significant political change. Turquoise Mountain has restored or rebuilt over 150 historic buildings, cleared 38,000 cubic metres of rubbish and installed full infrastructure and services throughout the community. A primary school and a health clinic that has served over 162,000 patients to date ensure that every member of the local community, and many from across the Old City and beyond, have access to quality primary education and healthcare. The centre of our work in Murad Khani is supporting the craft economy, with 30 small artisan businesses launched and over 6,000 artisans working in traditional crafts across Kabul, Bamiyan, Mazar-e Sharif and Herat. The Institute for Afghan Arts and Architecture, an internationally accredited vocational institute, now sits at the heart of Murad Khani, training a new generation of Afghan artisans in woodwork, calligraphy and miniature painting, ceramics, gem-cutting and jewellery, textiles, and design. Hundreds of craft businesses in Murad Khani and across the country are now exporting at international standards, driving the revival and growth of the Afghan craft industry as a source of incomes and pride for the entire country. Turquoise Mountain also works extensively in Bamiyan, managing two schools and weaving centres while supporting multiple households of weavers.

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TRUSTEES' REPORT (continued)

Myanmar

Turquoise Mountain has been working in Myanmar since 2014, with a vision to preserve and protect heritage buildings across the country and to revive the traditional craft industry. We aim to improve incomes, provide opportunities to interact across ethnic groups in the country and preserve the many cultural assets of Myanmar.

The restoration of the Tourist Burma building was our largest regeneration project in Myanmar to date: over two years of renovation, we transformed 6,000m² of building into a functioning cultural hub once more, securing its future for many decades to come. The craft industry dovetails perfectly with these buildings, both as workshop and retail space, but also in engaging visitors with Myanmar cultural heritage in an inspirational setting.

Our jewellery workshop, in another heritage building we restored in Yangon's Chinatown, continues to partner with international jewellers and create incomes for artisans. We have sold lines designed by ethical jeweller Pippa Small and others through luxury retailers such as Net-a-Porter, and the expansion of our textiles programme – supporting Female artisans in Chin, Kachin, Kayah, Shan States, Northern Rakhine, and Mandalay – means we can produce high-quality textiles for local and international clients. Turquoise Mountain now brings jewellery, textiles, and lacquer from Myanmar to export markets around the world and intends to continue to grow the high value craft industry in the country. Supporting displaced weavers is a major focus for the Turquoise Mountain textiles team; in recent years we have established a refugee weaving centre on the outskirts of Yangon to provide safe living and working conditions for displaced weavers.

We are focused on ensuring increased sustainability across all our work in Myanmar and are committed to positioning ourselves as a pioneer in the country's value chain for handwoven textiles. As part of this project, we are developing a business model behind sustainable dyeing – as the current process has had a huge negative impact on the environment in Myanmar – as well as exploring sustainable options for the raw materials we use, such as bamboo, hemp and organically grown cotton.

In 2021, we have provided emergency humanitarian interventions, distributing food and other essential supplies to displaced families in artisan communities in times of crisis. Whilst universities were closed throughout 2021, Turquoise Mountain offered art classes in traditional Myanmar and contemporary drawing.

Saudi Arabia

Turquoise Mountain has been supporting artisans across the Kingdom of Saudi Arabia since 2015, and our supported artisans are now producing handmade pieces steeped in local design traditions and set in a contemporary context, for local and international clients. We have trained more than 1,100 artisans to date and are currently the largest provider of crafts training in Saudi Arabia. In 2021, our artisans produced thousands of pieces, showcasing the diversity and talent across Saudi's 13 regions. We have worked with more than 30 commercial clients in the luxury hotel, retail and gifting sectors, including the Four Seasons Riyadh Hotel; The Radisson Blue Hotel & Residence, Habitas Eco Resort, Riyadh Diplomatic Quarter, the Marriott Airport Hotel in Riyadh, Cartier, Piaget and Amazon.com, amongst others.

We are working with public, government and private partners to develop Saudi capabilities in the sector, including Alwaleed Philanthropies, The Royal Commission for Al Ula, JP Morgan Chase Foundation, Public Investment Fund and Almoosa Specialist Hospital.

Jordan

Turquoise Mountain launched a new project in 2018 to support master artisans from Jordan, Syria and across the region, train the next generation of artisan entrepreneurs and reconnect thousands of children and families with their heritage. Our supported artisans, now over 1,000 individuals, are producing handcrafted pieces for clients all over the world, generating much-needed income for them and helping to ensure the survival of their craft traditions. Over 1,500 children and young people have taken part in our children's heritage outreach programme, which offers a connection to Levantine cultural heritage through a range of online and classroom-based teaching sessions.

We have also renovated and opened a new workshop and showroom in Jabal Amman, in a 1930s courtyard home which now serves as a crafts hub, bringing together our jewellery training and a shop selling high-quality craft products to tourists and locals alike. The showroom has now sold over \$250,000 on behalf of the artisan network.

We have also engaged with a number of heritage sites in Jordan and created new homes for both our offices and a new showroom. We restored and established ourselves in "Dar Hassan" in northern Amman, a private home designed by the Egyptian architect Hassan Fathy, and generously provided for our use by His Highness Sheikh Nasser Mohammed Ahmad Al-Jaber Al-Sabah of Kuwait. It is now home to training for our students and much of our project operations.

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TRUSTEES' REPORT (continued)

In 2021, we have started work at the archaeological site of Umm Qais in Northern Jordan, installing protective barriers and a new stage to re-open the 2nd Century Western Theatre, and restoring the historic "Treaty Court" with information for visitors – these combined projects have involved training dozens of local young people in heritage building restoration. Our ultimate goal is that Umm Qais will be a leading tourism destination in northern Jordan, significantly increasing tourism in Jordan, and a heritage-led hub for sustainable tourism, craft and economic opportunity.

2. Strategic Report

Turquoise Mountain identifies 5 key strategic aims:

1. To restore and preserve historic built heritage.
2. To support and preserve the growth of craft traditions and artisans.
3. To strengthen and grow routes to market for affiliated artisans with both domestic and international clients, increasing incomes and preserving traditions.
4. To communicate, both domestically and internationally, the importance of art, culture, built heritage and traditional skills through a range of channels including exhibitions, print and digital media, events and public speaking.
5. To maintain a strong financial base, with sufficient reserves and significant core funding from a diverse range of funders.

2.1 Afghanistan

Traditional Crafts and Connecting Artisans to Markets

Turquoise Mountain works to connect the artisans of Afghanistan with national and international buyers, through a programme of business development activities (encompassing every step from design to production, quality control and export), trade fairs and exhibitions.

Despite the global COVID-19 pandemic, 2021 saw an increase in the number of supported sales nationally and internationally, generating over \$3.2 million in sales for local artisans. Our business development programme provided intensive assistance for over 30 independent handicraft businesses and delivered business development support to over 6,000 artisans. This included sales, marketing, design development, technical training and business training, with an emphasis on exporting their products to international markets. We are partnering with retailers such as Asprey, Artisan & Fox, Luke Irwin, Christopher Farr, and Monsoon - and driving international demand.

In 2021, we continued to expand our carpet programme, with the ongoing support of USAID. Carpets are synonymous with Afghanistan, and carpet production employs hundreds of thousands of women and men in both rural and urban areas. Central to our approach is the construction of weaving centres which incorporate on-site design, dyeing, washing and finishing facilities. All production processes are under the supervision of a single producer company which can respond to and meet the standards of the international market at a high level, attracting and sustaining higher value direct-to-market exports. We now work with six carpet companies in Balkh, Jawjzan, Bamiyan and Kabul.

Since January 2021, Turquoise Mountain has contributed to the export of approximately 3,500 square metres of carpets of a value of over \$679,000 in direct sales. International exhibitions and fairs – such as New York Rug Show, DOMOTEX, and Dubai Expo have been an important platform to showcase the uniqueness of Afghan products. They also offer beautiful and meaningful experiences to an international audience not just by exhibiting Afghan crafts but by facilitating interaction with the richness and diversity of Afghan cultural heritage.

Turquoise Mountain is committed to preserving and promoting traditional craft skills and documenting intangible cultural heritage, the cornerstones of cultural preservation. The Institute for Afghan Arts and Architecture was founded by Turquoise Mountain in 2006 to train a new generation of artisans in calligraphy and miniature painting, jewellery and gem-cutting, woodwork, and ceramics, in order to revive these threatened traditions, and create economic opportunities. A full three-year course, accredited by the Ministry of Education and internationally by the UK-based City and Guilds, is training over 100 students per year, 15% of whom are women. Despite the disruptions to the economy caused by COVID-19 and political upheaval, more than 40% of the students who graduated from the Institute in 2020 are now employed, teaching, pursuing further studies or have opened their own independent businesses.

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TRUSTEES' REPORT (continued)

In addition, Turquoise Mountain's Business Development team continue to train a dozen young apprentices at the Jewelry Hub in Murad Khani. Young graduates from the Institute for Afghan Art & Architecture and supported businesses have access to a range of jewellery equipment, practical training and mentorships, and advanced lessons from Ustad Musawer, a master goldsmith.

A critical part of preserving these crafts is promoting international awareness and market access for supported artisans and graduates. In 2021, our team coordinated the production and shipment of two carved Afghan walnut doors, an intricate jail panel, and prayer carpets for the exhibition, 'Shatr Al Masjid: The Art of Orientation' at the King Abdulaziz Center for World Culture (Ithra) in Saudi Arabia.

Built Heritage

Turquoise Mountain has been restoring and preserving historic buildings in Murad Khani since 2006. Working closely with the community, we have focused on the physical conservation of historic houses and public buildings, and the creation of new buildings with sympathetic, traditional designs and materials on sites of destroyed buildings. In 2021, Turquoise Mountain's team of national and international architects and engineers conducted repairs on over 40 community and commercial buildings in Murad Khani, providing emergency masonry and carpentry work, roof plastering and general maintenance. This included restoration of prominent buildings such as the Kabul Old Hotel. In line with Turquoise Mountain's approach to heritage preservation, the physical restoration activities were paired with extensive trainings, which focus on reviving traditional artisanal and craft skills and on providing employment and sustainable incomes for the families who live in Murad Khani. This included training architects, engineers and site supervisors as well as masons, carpenters, electricians, plumbers, and others in traditional construction methods. In 2021, we trained over 200 people, from individuals to engineers at the Ministry of Culture.

We also embarked on a new endeavour to document, restore, and preserve a 17th century caravanserai in Shashpul, Bamiyan. Turquoise Mountain aims to transform the location into a locus for developing skills in heritage preservation, traditional building techniques, and sustainable employment opportunities. While planning this wider project, Turquoise Mountain has carried out a 3D photogrammetric scan of the site, completed a long-term Conservation Management Plan, and developed concept designs.

In 2021, Turquoise Mountain added to the 19 previously documented forms of cultural heritage and recorded and advocated for the protection of six additional centuries-old traditions on the brink of disappearing, including two important items of Bamiyan's intangible heritage: *barak* (felt) weaving and carpet making. Using the UNESCO 2003 Convention as a template, we are mapping the communities of craftsmen and women and involving them in the documentation process, as well as documenting the oral history, folklore, and rituals of the respective communities. Our team has also worked to support the nomination of Herati silk weaving, copper smithing, goldsmithing, and glassblowing crafts to the list of UNESCO's endangered practices.

Community

Through our community work, Turquoise Mountain aims to improve access to healthcare and education to the communities with which it works, particularly during public health emergencies like the pandemic. The Feroz Koh (Turquoise Mountain) Family Health Centre is an urban clinic offering community-oriented primary health care and training in family medicine, which has been serving the community of Murad Khani in the old city of Kabul since 2011. It focuses on family health and specialises in maternal-child health and community health outreach. Our mission is to develop a model of urban primary healthcare that is sustainable, affordable, accessible, continuous, comprehensive, and integrated with other health services in Kabul.

In 2021, there were 13,445 visits to the Firozkoh Family Health Clinic, 66% of which were made by female patients. We have widened the scope of our Community Health Program with free care – especially maternal and infant care – provided to the poorest of families. This has been augmented by a new public health outreach program which has facilitated vaccines for over 3,000 members of the community. The clinic has treated over 162,000 patients since 2011 and is recognized as a beacon of best practice within Kabul.

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TRUSTEES' REPORT (continued)

Some patients have indicated that they travel from hundreds of miles away on the strength of family recommendations. The clinic focuses on community-oriented primary health care and family medicine, with specialisations in maternal child health, community health outreach, and psycho-social care. During the COVID-19 pandemic, the clinic supported the local community through awareness raising sessions and distribution of PPE.

The Turquoise Mountain Primary School in Murad Khani provided supplementary education to over 130 students in 2021, including classes in Calligraphy, Miniature Painting, Mathematics, Drawing, Embroidery, English, Islamic education and Dari Dictation. These students receive exemplary education, with an opportunity to learn about Afghan craft, culture, and architecture through its connection to the Institute for Afghan Arts and Architecture.

2.2 Myanmar

Traditional Crafts and Connecting Artisans to Markets

To date, Turquoise Mountain Myanmar has trained 430 artisans in technical, design, and business skills and more than 500 building professionals in traditional construction, decorative methods and urban conservation. Since Turquoise Mountain became active in the country, we have generated more than \$1.3 million for the communities we work with. Myanmar has a rich history of textile production, from backstrap to frame loom weaving, and over 135 ethnic groups, many with their own textile traditions. More than 600,000 women, almost all from ethnic minority groups, rely on weaving to earn supplemental family income. In 2021, we expanded our reach and are now working with women weavers from rural ethnic minority communities in six regions in Myanmar: Chin, Kachin, Rakhine, Shan, and Kayah States. We also support weavers displaced by conflict in camps outside Yangon.

"I am very happy that I can now support my husband who works as a daily wage labourer in construction and have found my own way of providing for my family. I love working with other weavers in the community, and to share ideas on how we can produce the best pieces," says Ma Htwe Kyi, a Master Trainer with Turquoise Mountain Myanmar.

We trained more than 200 weavers in 2021 in technical, design business skills, and social empowerment skills, realising an average increase in income from weaving of 39 per cent for weavers. Together with the NGO Label STEP we started research for the creation of a Fair-Trade Standard for Myanmar handwoven textiles that will improve working conditions for weavers as well as social and environmental responsibility in the sector.

Turquoise Mountain is working with nine goldsmiths in Yangon in 2021 to create heritage inspired pieces for today's international designers and buyers. Our goldsmiths are all natives of Ramree Island in Southern Rakhine, which has a goldsmithing tradition going back to the sixth century.

Despite challenges in logistics, banking, and security in Myanmar, more than 20 international buyers have sourced from Myanmar in 2021, bringing income to the artisan communities we work with of \$144,000.

Built Heritage

Renovation and restoration began on the Lewis Street Project - a neoclassical colonial building on Seikkantha Street in downtown Yangon. The exterior and public areas of the residential building on what formerly was called Lewis Street have been fully restored. Workers re-created neo-classical decorative plaster motifs, typical of these colonial buildings, that had eroded over time, limewashed the façades, and water-proofed the roof, among many other interventions. As part of the renovation works, we trained 11 building professionals in traditional construction and decorative methods.

Community

Due to the food insecurity created by the covid-19 pandemic, the military coup d'état and the economic downturn, we have supported 597 displaced families from artisan communities with food baskets. In addition, nine weavers were supported with ophthalmologist visits and glasses and 24 weavers with physiotherapy sessions. Following the February 2021 coup, universities in Myanmar remained closed throughout 2021 with hundreds of thousands of students unable to attend class or graduate. Turquoise Mountain started to offer art classes in traditional Myanmar and contemporary drawing at our office with 62 students participating in courses.

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TRUSTEES' REPORT (continued)

2.3 Kingdom of Saudi Arabia

Traditional Crafts and Connecting Artisans to Markets

2021 marked the return of artisans to face-to-face training, following the wide-reaching and long-lasting impact of the COVID pandemic, and we made every effort to ensure the continued safety of our trainees, trainers, and staff throughout their return, and to minimize any further interruptions or delays to our programmes. This year also saw several collaborations with global institutions like Cartier and Piaget, high-profile commissions such as the Public Investment Fund and Almoosa Specialist Hospital and Rehabilitation Centre, as well as the Habitas Eco Resort. These commissions have helped hundreds of artisans generate substantive income and continue to raise the profile of Saudi cultural heritage on both the national and global stage, with statement pieces that reinterpret crafts traditions into beautiful contemporary designs that inspire conversation and creativity.

In partnership with Alwaleed Philanthropies, Turquoise Mountain artisans produced 900 pieces including ceramic cups and bowls, leather pieces and candles (traditional oud and lavender scents). The items, which were sold online and using delivery apps, were made during training over several months. They incorporated traditional patterns and motifs inspired by the architecture in the King Abdulaziz Historic Palace. In addition, despite strict COVID-19 restrictions and regulations, artisans successfully delivered more than 3,000 items in ceramics, candles, woodwork, leather, plasterwork, embroidery and stone as decorative accents for the Four Seasons, Riyadh, and as retail products. The programme established four workshops in leather, woodwork (traditionally male crafts) and ceramics and soap/candle making. Under the tutelage of 11 local master artisans and trainers, 48 women artisans developed fundamental skills to create crafts collections that meet commercial standards.

Working with the Royal Commission for Al Ula, Turquoise Mountain artisans delivered more than 4,000 pieces as part of the Al Ula retail collection – the first collection of its kind completely made in the Kingdom, sold at the airport and at three heritage sites. Turquoise Mountain artisans also produced more than 9,000 square-meters of hand-woven palm ceilings and dividers to the eco-friendly hotel and resort, Habitas Hotel in Al Ula. This incredibly unique project has proven both challenging and rewarding, requiring intense training and development for palm weavers to create palm panels according to design specifications.

In 2021 Turquoise Mountain began working with the Almoosa Hospital and Rehabilitation Centre to design and supply heritage artwork, and to create retail collections, while developing a programme of healing workshops centred around crafts for long-term patients. Master artisans also worked diligently to produce statement artworks for the Public Investment Fund's boardroom, including a beautiful silk screen print on beige silk fabric, incorporating patterns and motifs from across Saudi Arabia. We also worked very closely with master embroiders to create a unique visual interpretation of the traditional zeri stitch used to decorate men's garments.

2.4 Jordan

Traditional Crafts and Connecting Artisans to Markets

Through training in traditional crafts and tourism services, and preservation and presentation of historic sites, we are creating meaningful long-term employment, while also demonstrating to the world the extraordinary quality of Jordanian crafts and, with the collaboration of talented artisans displaced from Syria and elsewhere, making Jordan the centre of the world-leading craft economy of the region, with high-quality furniture, decorative items and design.

During 2021, the team generated sales of \$371,000 for the more than 60 artisan workshops we support. Our team worked with ten international designers, and five international retailers, with the remainder of sales taking place within Jordan. In addition to this, over the past two years, the workshops we work with regularly have grown by 60%, enabling them to substantially increase their annual turnovers in support of their families and communities.

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TRUSTEES' REPORT (continued)

Through our training programmes in woodwork, jewellery, business skills and design we helped to improve the livelihood opportunities of over 160 Syrian and Jordanian students, enabling them to access and participate in the growing craft sector economy in Jordan. These courses also ensure the preservation of traditional craft skills which have for centuries passed between generations and form a critical part of Syrian and Jordanian heritage. In response to the strong demand for stone retail products, a new workshop has been established with five Syrian stonemasons.

In 2021, we launched a new course in design which we integrated into our technical craft training and was undertaken by all 60 craft students. The course helped them to expand their grasp of design techniques, learn how to research and develop a design concept, as well as give them a deeper understanding of materials, costings and the production process. Students also learned how to produce their own mood boards and technical drawing. Our apprentices took a more advanced version of the course, which also looked at craft and design historically, covering key design movements and historical periods in Islamic arts.

"My training with Turquoise Mountain was a strong motivation to keep working on and developing myself, and this inspired me to transfer the same experience to the next generation of students as a trainer," says Mohammad Ibrahim, a 2019 graduate, who is now teaching and commissioning.

Our business skills programme ran successfully between October and December for 100 students, of which 55% students were women and 63% were Syrian refugees.

Built Heritage and Community

We continued our work at the historic site of Umm Qais, which we hope will become a leading tourism destination in northern Jordan, significantly increasing tourism in Jordan, and a heritage-led hub for sustainable tourism, craft and economic opportunity. We signed a multi-year Memorandum of Understanding with the Ministry of Tourism and Antiquities in 2021, to restore and re-activate the Treaty Court. With a project creating a home base for our team, providing training on heritage restoration skills, an exhibition space to present the Treaty story, and classrooms for the children's heritage courses. The Treaty Court has transformed over the course of 2021, from unworkable derelict interiors, and a dangerous unwelcoming landscape to a place that can host visitors, children's classes and our site team and more. The project saw over 25 young Umm Qais residents train with us in heritage restoration techniques, all of whom also attended seminars on identifying heritage items during the work. Our children's heritage classes in Umm Qais began in 2021, with children travelling to the Treaty Court for lessons. The classes have been incredibly popular, with an increased number of children and parents arriving independently every day to ask if they can join.

"My favourite subject at school is history, and what we are taking here is similar. We learned about heritage places in Jordan, Palestine, Syria, and Lebanon. There were a lot of things I didn't know about geometry. I learned how to draw a geometric shape using triangles, circles and squares," says 15-year-old Mohammad Ali, a student in the children's heritage classes.

The classes continue our cultural heritage programme, teaching through hands-on activities, engaging children with the incredible tangible and intangible heritage all around them. This is especially important in Umm Qais, where the intangible traditions of this rural community are threatened by modernity; furthermore, the entire site is exposed to the dangers of looting, over-tourism and poorly planned development, our children's classes are ideally placed to combat these dangers.

We were honoured during 2021 to welcome visits from our Royal Founding Patron, as well as HRH Prince Ghazi bin Mohammad of Jordan, HRH Princess Dana Firas of Jordan, and U.S. Ambassador H.E. Henry Wooster.

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TRUSTEES' REPORT (continued)

3 Financial Review

Income

Total £9.2m
Donations £1.5m
Grants £6.3m
Sales £1.3m
Other £0.1m

Income

Income in 2021 (£9.2m) grew by £0.5m from 2020 (£8.7m) driven by higher donations (£0.4m) and sales (£0.3m) while total grants decreased by £0.3m. Pressures related to COVID-19 eased gradually throughout 2021 however political changes in Myanmar and Afghanistan presented new challenges to financial operations.

Major donors making up grant income (£6.3m) by geography include £1.7m USAID and £0.3m US State Department in Afghanistan, £2.1m Royal Commission for Al Ula funding in Saudi Arabia, £0.14m Alwaleed Philanthropies and £0.2m Swiss Agency for Development & Cooperation in Myanmar and £0.5m UNICEF and £0.1m GIZ in Jordan. All donor funds can be seen in the reserves in note 22.

While political changes impacted on financial operations, donors remained committed in both Myanmar and Afghanistan with resilience in programme support and continued engagement with Turquoise Mountain's charitable aims. Private donations increased by £0.5m in 2021 compared with 2020. Turquoise Mountain Trust is grateful for all donations which enable core activities in vocational education, health and primary school care as well as support work to continue that would otherwise be so much more difficult to maintain. Sales income in 2021 has grown by £0.3m since 2020 reflecting artisan commissions in Saudi Arabia, continued global interest in carpets and jewellery from Afghanistan and new sales of Levantine artisan products in Jordan. The 'other' positive values result largely from foreign exchange adjustments over 2021 and reflect an improved position to 2020.

Expenditure

Total £9.0m
Urban regeneration £0.8m
Community Development £0.2m
Education £0.7m
Artisan Development £6.1m
Fundraising £0.1m
Trading subsidiaries £1.1m

2021 has seen continued focus on artisan development with activity remaining consistent from £6.5m in 2020 to £6.1m in 2021. Spread across all countries of operation (36% Afghanistan, 6% Myanmar 51% Saudi Arabia, 7% Jordan) this represents training, support, heritage design services and community led engagement ensuring the development of heritage traditions that can both reach and be sustained through domestic and global markets. Saudi Arabia reflects the highest proportional expenditure on artisan development due to this being the main focus of country activity with grants and contracts received for training, heritage designs and connections to market for Saudi artisans. There are also higher costs of operation in comparison to other countries.

Fund-raising costs have remained at £0.1m through continued focus on a small in-house development team and minimal global travel and large events. Trading subsidiary costs have risen compared to 2020 but represent improved turnover performance given the context of COVID-19 and its impact upon face-to-face interactions through which many artisan products are seen and purchased.

Urban regeneration activity in Kabul (£0.4m) continues to create new spaces for community and educational needs. While the majority of Murad Khani plots have been restored, community rebuilds and improvements continued through 2021

Surveying and preparation activity has taken place in Bamiyan focused on a 17th century caravanserai and surrounding area of Shashpul. In Jordan, work (£0.4m) has been completed to ensure a 2nd century Roman theatre is made safe for community and tourist use with plans for wider development within the site of Umm Qais in Northern Jordan.

Turquoise Mountain Trust, with the help of major institutional and private donors, continues to support the Institute for Afghan Arts and Architecture in Afghanistan (£0.4m) which is the source of education across a mix of students and is able to source global commissions for its Ustads (senior teachers). The schools in Kabul and Bamiyan (£0.1m) also support the local communities through primary education.

The Trust reserves position at the end of 2021 of £2.2m is similar to 2020 (£2.3m), driven by £0.3m higher restricted funds but with a decrease of £0.2m unrestricted funds.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

Reserves

Consolidated reserves are represented by the fund balances on the balance sheet on page 23. The level of our reserves is determined by balancing two objectives: maintaining sufficient levels to enable us to carry on our work when faced with difficult circumstances and ensuring we maximise the resources used for charitable purposes. Our reserves level therefore needs to be adequate to allow us to address potential losses that might arise from our charitable activities, investments, trading and other activities and give us sufficient time to adjust our strategy to meet changing circumstances without unnecessarily removing funds from addressing our charitable purposes. The Board assesses the risks that Turquoise Mountain Trust could be exposed to and the appropriate level of reserves that should be maintained. The Trust's minimum unrestricted reserves policy at the end of 2021 of £0.8m will be reviewed in 2022 in light of increased risk and complexity of global operations.

Overall Financial Health

Turquoise Mountain has seen consistent support from a range of institutional donors and the depth and spread of these relationships has continued to grow in 2021. Management continue to review, engage with and respond to new grant opportunities in order to ensure that the risks of significant gaps in funding are minimised. Work to enhance private donations has been successful and forms a strong base to carry forward into 2022.

These accounts have been prepared in light of the ongoing COVID-19 health emergency. All countries of operation have experienced impacts. Steps have been taken to keep staff and beneficiaries safe and to communicate with funders to maintain engagement with existing programmes.

2021 also brought additional security and operational complexities including government changes in Myanmar and Afghanistan which were treated with the highest priority by Trustees and management. Turquoise Mountain Trust is committed to the people and communities with which it works, developing online training solutions as well as launching emergency fundraising to support some of the most at-risk communities in central and regional Afghanistan and rural Myanmar with food security during periods of extreme upheaval.

While the medium to longer term global impacts are uncertain, we continue to plan for contingencies while our strong donor base creates a solid base of support for continued operations. We would like to thank all our supporters and donors during this difficult time while we continue to deliver our charitable aims.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

4 Plans for Future Periods

- Continue to grow the strength and size of the artisanal sector, providing support throughout the value chain to artisans and producers across our portfolio and bringing opportunities together with this network of artisanal excellence.
- Continue to develop a network of international designers and creative collaborators to support artisan entrepreneurship and economic opportunities.
- Identify new opportunities for international and domestic exhibitions, highlighting artisan mastery and unique cultural heritage.
- Continue to rebuild and restore Kabul's old city, completing the restoration of Murad Khani as a beacon of pride, and a centre for culture, business and education in Afghanistan.
- Provide high quality community primary education and healthcare in the old city of Kabul.
- Retain the Institute for Afghan Arts and Architecture's status as Central Asia's premier vocational craft centre. Expand the offerings and reach of the Institute into design, giving traditional artisans better access to international markets.
- Preserve and promote the Myanmar craft industry, in particular jewellery and textiles, and provide incomes to artisans.
- Preserve and promote Saudi craft across the Kingdom of Saudi Arabia to the benefit of predominantly female artisans across the region.
- Preserve and revive Jordanian, Syrian and wider Levantine craft and culture, and provide incomes to artisans.
- Restore heritage sites, catalogue architectural techniques and develop community training at sites in Bamiyan, Afghanistan, Umm Qais, Jordan, Yangon, Myanmar and at Al Ula, Saudi Arabia.

5 Principal Risks and Uncertainties

Turquoise Mountain's Board has responsibility for ensuring that:

- The charity has an appropriate system of financial and non-financial controls to provide reasonable assurance that it is operating efficiently and effectively;
- The charity's assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained; and,
- Financial and operational information used within the charity or for publication is reliable.

Turquoise Mountain complies with relevant laws and regulations. The key components of Turquoise Mountain's internal control and risk management environment include the following:

- A documented framework of delegated authority with procedures for reporting decisions;
- An approved business plan and annual budget against which progress is reported on a regular basis, including monthly financial reporting of actual results compared with budgets and forecasts; and,
- Regular review of the critical business systems and policy areas of our operations.

Turquoise Mountain operates a formal risk-management process, culminating in a corporate risk register that identifies the top risks, their likelihood and impact, and the consequent actions necessary to manage them effectively. The process follows good practice methods and guidance from the Charity Commission and others, with risks mapped against the objectives of the charity.

The principal risk that we have identified is a significantly worsened security landscape within Afghanistan. This continues to have a serious potential impact on performance and future prospects, potentially prohibiting Turquoise Mountain from fulfilling its obligations to funders and meeting its charitable aims in Afghanistan.

THE TURQUOISE MOUNTAIN TRUST **(A Company Limited by Guarantee)**

TRUSTEES' REPORT (continued)

The second highest value risk is funding pressure originating from two main sources; credit risk from suppliers where overseas clients fail to pay on time thus causing short to medium pressure on cashflows and lower unrestricted income making payment on core activities and resources more difficult.

The emergence of COVID-19 in 2020 and continuing into 2021 created a set of ongoing risks across staff health, operations and finances. These range from the loss of core capacity, inability to reach or carry out our work and the reduction or loss of financial support for an unspecified period of time.

The Board and senior management are satisfied that appropriate actions have been identified and are being taken so risks are managed effectively and that ongoing reviews are maintained of the issues and responses conducted in light of government changes in Myanmar and Afghanistan that have emerged following the end of this reporting period.

Structure, Governance and Management

The Turquoise Mountain Trust is a company limited by guarantee (registered in Scotland, company number SC299579). It operates worldwide and is a charity registered in Scotland (Office of the Scottish Charity Regulator registration number SC037343). It is governed by Articles of Association, last reviewed and revised in 2014. The Articles of Association set out the following charitable purposes to promote education and rural and urban regeneration in areas of social and economic deprivation in primarily, but not restricted to, Afghanistan by all or any of the following:

- Relief of poverty;
- Relief of unemployment;
- Advancement of education, training or retraining, particularly any unemployed people, and providing unemployed people with work experience;
- The creation of training and employment opportunities by the provision of funding, etc;
- The protection of buildings or sites of historical or architectural importance;
- Protection or conservation of the environment;
- The advancement of the arts, heritage, culture or science; and,
- Other charitable purposes related to the above.

The Trust established a branch, operating as "Turquoise Mountain Foundation" to help achieve its objectives in Afghanistan. Turquoise Mountain Foundation is registered as a charitable organisation in Afghanistan.

Turquoise Mountain Trading Limited (TMTL) is a 100% subsidiary of TMT and was established in the UK in 2014. It is consolidated within the group accounts.

The Trust operates through a 100% subsidiary of TMT, operating as "Turquoise Mountain for Heritage Preservation Training" to help achieve its objectives in Jordan. The Limited Liability Company was registered as a not for profit organisation in Jordan in 2019. It is consolidated within the group accounts.

Board of Trustees

The Turquoise Mountain Trust is the oversight body for Turquoise Mountain. The Board of Trustees meet quarterly to review progress and approve strategy for Turquoise Mountain. The Trustees hold an Annual General Meeting. The Trustees during 2021 and at the time of the approval of the financial statements were as follows:

- Sir William Patey
- Richard Keith
- Edward Viscount Chelsea
- Khaled Said
- Sir John Tusa KBE
- Tamim Samee
- Henrietta Martin Fisher
- Sir Richard Stagg
- Thiri Thant Mon
- Simon Paul Collis (Appointed 3 March 2021)

THE TURQUOISE MOUNTAIN TRUST (A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

6 Structure, Governance and Management (continued)

Trustees can be nominated to the board when existing Trustees resign or when the Board agrees that the expertise of additional Trustees is required. Trustees can be nominated at Board meetings and a majority vote will determine if the nominated Trustee will be appointed. New Trustees are inducted during their first quarterly meeting and provided with an introduction to their responsibilities during their first quarter in office. The Board of Trustees, which can have up to 10 members, administers the charity. Decisions are made at quarterly Trustees meetings, or via e-mail agreement based on reports from the Chairman or CEO.

Turquoise Mountain Trading Ltd (TMTL), a company registered in Scotland, is a 100% subsidiary of The Turquoise Mountain Trust. Both entities have settled liabilities on behalf of the other and sales invoices have also been received by The Turquoise Mountain Trust on behalf of TMTL. At 31 December 2021, Turquoise Mountain Trading Ltd owed The Turquoise Mountain Trust £90,225 (2020: £76,241).

Turquoise Mountain Foundation US is a US 501c3 that works to achieve similar goals to The Turquoise Mountain Trust. During the year transactions between the parties for recharging costs and reimbursing expenditure on shared resources were incurred. At 31 December 2021, Turquoise Mountain Foundation US owed The Turquoise Mountain Trust £5,675 (2020: £3,008).

The Organization for Afghan Arts & Architecture (The Institute), an NGO registered in Afghanistan, is a related party as detailed in the Trustees' Report on page 6. The Turquoise Mountain Trust provided The Institute with direct grant funding of £316,534 (2020: £340,129) and indirect grant funding of £Nil (2020: £Nil). At 31 December 2021, The Turquoise Mountain Trust owed the Institute £20,538 (2020: £30,362 Institute owed to the Trust).

Myanmar Artisans Limited (MAL) is a company registered in Myanmar over which The Turquoise Mountain Trust hold no overall control but does provide practical management advice to support their social enterprise model as detailed in the Trustees' Report on page 8. As at 31 December 2021, MAL owed The Turquoise Mountain Trust £47,360 (2020: £52,162). MAL paid the Trust £11,373 (2020: £4,391) for services and support provided during the year.

Turquoise Mountain for Heritage Preservation Training (LLC), a Non-Profit limited liability company registered in Jordan, is a 100% subsidiary of The Turquoise Mountain Trust. The Turquoise Mountain Trust provided LLC with direct grant funding of £703,505 (2020: £675,887). At 31 December 2021, The LLC owed The Turquoise Mountain Trust £Nil (2020: £7).

Remuneration Policy for Senior Staff

To deliver our charitable aims and to meet the needs of various grant agreements, Turquoise Mountain employs a significant number of staff alongside the vital support that our volunteers provide.

We are committed to ensuring that we pay our staff a fair and appropriate salary while always making sure we have the ability to do so. This is to enable us to attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives.

The key management personnel of the Trust comprise the Trustees, the Chief Executive Officer, the Managing Director, the Finance Director and the Country Directors for each of Afghanistan, Myanmar, Saudi Arabia and Jordan.

Engagement with employees

Our employees are one of TMT's most important assets. TMT seeks to attract people with the knowledge and expertise to help deliver its strategic aims. TMT supports staff to be engaged in the impactful work it does around the world, and this includes:

- Supporting staff through education and training programmes enabling them to reach their goals
- Support staff in countries in adhering to local cultural and legal requirements
- Regular reviews of terms and conditions

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

7 Reference and Administrative Information

Registered Scottish Charity Number: SC037343

Company Number: SC299579

Registered Office: Turcan Connell LLP
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9EE

Advisors

Auditor: Saffery Champness LLP
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Bankers: Coutts & Co.
440 Strand
London
WC2R 0QS

Solicitors: Turcan Connell
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 0BR

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

8 Trustees' Responsibilities

The Trustees (who are also Directors of The Turquoise Mountain Trust for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principals in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any 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 charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and,
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

9 Appointment of auditor

Saffery Champness LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at General Meeting.

The Trustees' Report and the Strategic Report have been approved by the Trustees on 16th September 2022 and signed on their behalf by:



.....
Sir William Patey

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE TURQUOISE MOUNTAIN TRUST

Opinion

We have audited the financial statements of The Turquoise Mountain Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Trust Balance Sheet, the Consolidated and Trust Statement of Cash Flows and 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 group's and parent charitable company's affairs as at 31 December 2021, and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 group and parent charitable company 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.

Emphasis of matter – Significant events

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in notes 3 and 25 to the financial statements concerning the charitable company and the Group's ability to continue as a going concern and in particular the impact of the security landscape and government changes within Afghanistan and Myanmar during 2021. As disclosed, the charitable company and the Group rely upon ongoing support from core and private grant providers and the generation of income from future charitable and trading operations to meet obligations as they fall due. The charitable company and group also rely on the stability of the security landscape in each of the operational regions for the continuation of activities.

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 group or the parent charitable company'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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES' AND MEMBERS OF

THE TURQUOISE MOUNTAIN TRUST *(continued)*

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, except to the extent otherwise explicitly stated in our report, 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.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; 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 set out on page 17, the Trustees (who are also the directors of the charitable company for the purposes 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 the 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 group and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE TURQUOISE MOUNTAIN TRUST *(continued)*

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees, communication with component auditors and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator. In addition, certain laws and regulations relevant to material operations in regimes such as Afghanistan are also of direct significance.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

During 2021 the political situation in Afghanistan underwent a significant upheaval when the Taliban seized control. There is still some ambiguity over how laws and regulations operate in Afghanistan.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF

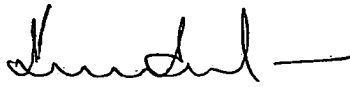
THE TURQUOISE MOUNTAIN TRUST *(continued)*

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and 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 parent charitable company, the parent charitable company's members and Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kenneth McDowell (Senior Statutory Auditor)

For and on behalf of
Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Date: **29 September 2022**

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES (including income and expenditure account)

For the year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
<i>Donations and legacies</i>	5	1,544,485	-	1,544,485	1,090,291
<i>Charitable activities</i>					
Grants received		-	6,330,239	6,330,239	6,725,356
Sale of goods and services		112,620	-	112,620	55,725
Other trading activities	6	1,202,088	-	1,202,088	867,985
<i>Investments</i>					
Bank interest		141	-	141	4,128
<i>Other</i>					
Foreign exchange gains/(losses)		11,445	5,551	16,996	(53,248)
Miscellaneous income		2,435	-	2,435	803
Total income		2,873,214	6,335,790	9,209,004	8,691,040
Expenditure on:					
<i>Raising funds</i>	8				
Turquoise Mountain Trust		122,823	23,762	146,585	162,200
Trading subsidiaries		1,123,356	7,931	1,131,287	884,105
<i>Charitable activities</i>	8				
Urban Regeneration		306,672	456,068	762,740	466,830
Community Development		115,725	46,055	161,780	260,090
Education		411,696	280,301	691,997	681,956
Artisan Development		930,923	5,150,292	6,081,215	6,559,006
Total expenditure		3,011,195	5,964,409	8,975,604	9,014,187
Net (expenditure)/income before transfers		(137,981)	371,381	233,400	(323,147)
Gross transfers between funds	22	83,094	(83,094)	-	-
Net (expenditure)/ income and net movement in funds		(54,887)	288,287	233,400	(323,147)
Total funds brought forward	22	1,736,803	832,781	2,569,584	2,892,731
Total funds carried forward	22	1,681,916	1,121,068	2,802,984	2,569,584

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

The notes on pages 26 to 46 form part of these financial statements.

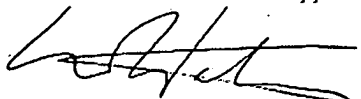
THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

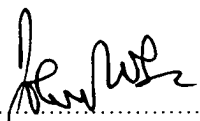
CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	15		169,330		138,706
			-----		-----
			169,330		138,706
Current assets					
Stocks	17	230,986		169,630	
Debtors	18	604,362		1,119,183	
Cash at bank and in hand		2,430,961		1,823,337	
		-----		-----	
		3,266,309		3,112,150	
Current liabilities					
Creditors falling due within one year	19	632,655		681,272	
		-----		-----	
Net current assets			2,633,654		2,430,878
			-----		-----
Net assets			2,802,984		2,569,584
			=====		=====
The funds of the charity					
Unrestricted funds	22		1,681,916		1,736,803
Restricted funds	22		1,121,068		832,781
			-----		-----
Total charity funds			2,802,984		2,569,584
			=====		=====

The financial statements were approved by the Trustees on 16th Sept 2022 and are signed on their behalf by:


.....
Sir William Patey


.....
Sir John Tusa KBE (Trustee)

Company Number: SC299579

The notes on pages 26 to 46 form part of these financial statements.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUST BALANCE SHEET

As at 31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	15		76,073		87,246
Investments	16		10,210		10,161
			<u>86,283</u>		<u>97,407</u>
Current assets					
Stocks	17	25,731		30,254	
Debtors:	18	509,647		1,010,674	
Cash at bank and in hand		2,007,427		1,552,328	
		<u>2,542,805</u>		<u>2,593,256</u>	
Current liabilities					
Creditors falling due within one year	19	394,009		353,966	
		<u></u>		<u></u>	
Net current assets			2,148,796		2,239,290
			<u></u>		<u></u>
Net assets			2,235,079		2,336,697
			<u>=====</u>		<u>=====</u>
The funds of the charity					
Unrestricted funds	22		1,262,137		1,582,415
Restricted funds	22		972,942		754,282
			<u></u>		<u></u>
Total charity funds			2,235,079		2,336,697
			<u>=====</u>		<u>=====</u>

The financial statements were approved by the Trustees on 16th Sept 2022 and are signed on their behalf by:

.....
Sir William Patey

.....
Sir John Tusa KBE (Trustee)

Company Number: SC299579

The notes on pages 26 to 46 form part of these financial statements.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Trust 2021 £	Trust 2020 £	Group 2021 £	Group 2020 £
Net movement in funds	(101,618)	(461,776)	233,400	(323,147)
Deduct interest income shown in investing activities	(141)	(4,128)	(141)	(4,128)
Add back depreciation charge	46,154	33,655	71,322	49,649
Add loss on disposal of fixed assets	2,096	1,408	3,131	5,137
Decrease/(increase) in stock	4,523	6,671	(21,823)	(18,831)
Decrease/(increase) in debtors	501,027	109,255	475,288	(202,483)
Increase/(decrease) in creditors	40,043	55,938	(48,617)	163,610
Net cash movement from operating activities	492,084	(258,977)	712,560	(330,193)
Cash flows from investing activities				
Interest income	141	4,128	141	4,128
Purchase of investments	-	(4,098)	-	-
Purchase of tangible fixed assets	(37,126)	(23,045)	(105,077)	(34,148)
Cash used in investing activities	(36,985)	(23,015)	(104,936)	(30,020)
Decrease/(increase) in cash in the year	455,099	(281,992)	607,624	(360,213)
Cash and cash equivalents at the beginning of the year	1,552,328	1,834,320	1,823,337	2,183,550
Cash and cash equivalents at the end of year	2,007,427	1,552,328	2,430,961	1,823,337

The notes on pages 26 to 46 form part of these financial statements.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

1. General information

The Trust is a private company limited by guarantee, registered in Scotland. The address of the registered office is c/o Turcan Connell LLP, Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE.

2. Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Turquoise Mountain Trust meets the definition of a public benefit entity under FRS 102.

3. Accounting policies

a) Basis of preparation

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling (£GBP). The Trust operates with multiple funders and in multiple countries, the main currency in use being US Dollars (\$USD). The Trust's functional currency is therefore US Dollars.

b) Going concern

The financial statements have been prepared on a going concern basis. The Group has reported net income of £233,400 (2020: net expense of £323,147) for the year. The Trustees have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements. Further details of significant events and going concern are detailed in note 25 to the financial statements.

c) Significant judgements and estimation uncertainty

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

Tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for carrying amounts of tangible assets.

d) Basis of consolidation

These financial statements consolidate the results of the Trust and its subsidiary undertakings, The Turquoise Mountain Trading Company Ltd and Turquoise Mountain For Training and Preservation of Heritage, on a line by line basis. A separate statement of financial activities is not presented for the Trust itself following exemptions offered by section 408 of the Companies Act.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

3. Accounting policies (continued)

e) Revenue recognition

Donations

Voluntary income including donations that provide core funding or are of a general nature are recognised in the period in which they are receivable; which is when the Trust becomes entitled to the income, the receipt is probable and the amount can be measured with sufficient reliability.

Grant income

Grant income for specific projects is recognised in the period in which it is receivable; which is when the Trust becomes entitled to the income, any performance conditions attached to the grants have been met, the receipt is probable and the amount can be measured with sufficient reliability.

Charitable activities and other trading activities

Income from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Investment income

Investment income consists of bank interest and is included in the period in which it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution of volunteers can be found in the Trustees' Report.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable. The Trust and its subsidiary are not registered for VAT and therefore expenditure is stated inclusive of VAT.

- Costs of raising funds are those associated with generating income, and charitable activities costs are those expended on meeting the Trust's objectives.
- Charitable activities include expenditure associated with the provision of programmes in Afghanistan, Myanmar, Saudi Arabia and Jordan to meet the Trust's primary objectives and include both the direct costs and the support costs relating to these activities.
- Costs directly attributable to charitable activities together with the associated support and governance costs are allocated to the appropriate activity. Support costs, including staff costs, which cannot be directly attributed to an activity are allocated on the basis of an estimate of the time or resource expended on each activity.
- Governance costs are those of a constitutional, strategic or statutory nature with respect to the general running of the Trust, rather than day to day management.

g) Foreign exchange gains and losses

Transactions in foreign currencies are recorded at an average rate over the financial period. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All currency differences are taken to the SOFA.

h) Funds

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the Trustees. As at year end a number of projects of the Trust are in progress mainly under restricted donor funding; therefore the unrestricted funds will be used for meeting those objectives of the Trust that are not covered under restricted donor funding.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Further details are disclosed in note 22.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

3. Accounting policies (continued)

i) Tangible fixed assets

All assets costing £200 (\$300) or more are initially capitalised at cost, plus any incidental costs of acquisition.

j) Depreciation

Depreciation is provided on fixed assets at rates calculated to write off the cost or valuation over their expected useful lives as follows:

Furniture and fixtures	-	20% straight line
Tools and equipment	-	20% straight line
Computers and software	-	33% straight line
Motor vehicles	-	30% straight line

k) Stock

Stocks of materials used and products produced are stated at the lower of cost and 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.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Pensions

UK employees are entitled to join a defined contribution scheme. The assets of the scheme are held separately from those of the Trust in independently administered funds. The pension charge represents contributions payable by the Trust.

q) Operating leases

The Trust classifies the lease of properties as operating leases; the title to the properties remains with the lessor and the leases are renewed on a regular basis. Rental charges are charged on a straight line basis over the term of the lease.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

4. Legal status of the Trust

The Trust is a company limited by guarantee that has no share capital. The liability of each member in the event of a winding up is limited to £1.

5. Donations and legacies

	Un- restricted £	Restricted £	2021 Total £	Un- restricted £	Restricted £	2020 Total £
Donations	1,544,485	-	1,544,485	1,090,291	-	1,090,291
	=====	=====	=====	=====	=====	=====

6. Other trading activities

	Un- restricted £	Restricted £	2021 Total £	Un- restricted £	Restricted £	2020 Total £
Trading subsidiaries – service and shipping income	1,202,088	-	1,202,088	867,985	-	867,985
	=====	=====	=====	=====	=====	=====

7. Net expenditure

		2021 £	2020 £
Net expenditure is stated after charging:			
Depreciation		71,322	52,133
Loss on disposal of fixed assets		3,131	1,039
Auditor's remuneration	- audit services for the Trust	40,735	41,500
	- audit services for the subsidiaries	10,167	13,414
	- other services	-	-
		=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2021

8 (a) Resources expended by activity

	Staff costs £	Direct costs £	Sub-total 2021 £	General management £	Financial management £	Human resources £	IT £	Programme support £	Governance costs £	Total 2021 £	Total 2020 £
Charitable activities											
Urban											
Regeneration	418,890	322,943	741,833	4,022	1,830	130	227	-	14,698	762,740	466,830
Community											
Development	103,528	54,178	157,706	986	449	32	57	-	2,550	161,780	260,090
Education	178,804	498,172	676,976	3,708	1,688	120	209	-	9,296	691,997	681,956
Artisan											
Development	3,364,416	2,569,770	5,934,186	36,042	16,402	1,161	2,030	-	91,394	6,081,215	6,559,006
	4,065,638	3,445,063	7,510,701	44,758	20,369	1,443	2,523	-	117,938	7,697,732	7,967,882
Costs of raising Funds											
Trust	96,291	45,911	142,202	1,144	520	37	64	-	2,618	146,585	162,200
-Trading subsidiaries	54,164	1,069,475	1,123,639	-	-	-	-	-	7,648	1,131,287	884,105
	150,455	1,115,386	1,265,841	1,144	520	37	64	-	10,266	1,277,872	1,046,305
	4,216,093	4,560,449	8,776,542	45,902	20,889	1,480	2,587	-	128,204	8,975,604	9,014,187
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Support costs have been allocated on the following bases:

General management	Estimated time spent	Programme support	Pro-rata by expenditure
Financial management	Estimated time spent	Governance costs	Pro-rata by expenditure
Premises and facilities	Estimated usage		

Included within Charitable activities, Education, direct costs, are grants payable to the Turquoise Mountain Institute of £316,534 (2020: £319,894).

Charitable activities include costs incurred by Turquoise Mountain for Training and Preservation of Heritage LLC relating to Built Heritage of £239,803 (2020 - £98,331), Education of £180,964 (2020 - £52,386) and Artisan Development of £701,575 (2020 - £611,220).

Costs of raising funds include trading activity expenditure of £209,286 (2020 - £150,853) incurred by Turquoise Mountain for Training and Preservation of Heritage LLC.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

8. (b) Resources expended detailed funds allocation

	2021	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<i>Charitable activities</i>						
Urban Regeneration	306,672	456,068	762,740	191,219	275,611	466,830
Community Development	115,725	46,055	161,780	175,347	84,743	260,090
Education	411,696	280,301	691,997	252,023	429,933	681,956
Artisan Development	930,923	5,150,292	6,081,215	182,550	6,376,456	6,559,006
	-----	-----	-----	-----	-----	-----
	1,765,016	5,932,716	7,697,732	801,139	7,166,743	7,967,882
Cost of raising funds						
- Trust	122,823	23,762	146,585	19,128	143,072	162,200
- Trading subsidiaries	1,123,356	7,931	1,131,287	841,590	42,515	884,105
	-----	-----	-----	-----	-----	-----
	1,246,179	31,693	1,277,872	860,718	185,587	1,046,305
	-----	-----	-----	-----	-----	-----
	3,011,195	5,964,409	8,975,604	1,661,857	7,352,330	9,014,187
	=====	=====	=====	=====	=====	=====

9. Governance costs

	2021	2020
	£	£
Staff costs	58,149	87,217
Direct costs	17,885	35,974
General management	821	988
Financial management	374	637
Human resources	26	-
Information technology	47	77
Audit fees	50,902	51,914
	-----	-----
	128,204	179,807
	=====	=====

10. Staff costs

	2021	2020
	£	£
Wages and salaries	4,224,128	4,342,289
Employer's national insurance	40,773	31,221
Pension costs	58,360	53,010
	-----	-----
	4,323,261	4,426,520
	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

10. Staff costs (continued)	2021	2020
	No.	No.
The average number of employees during the year was as follows:		
Afghan National Staff	158	148
International Staff	29	40
UK Staff	13	12
Myanmar Staff	10	5
Saudi Staff	24	23
Jordan Staff	30	26
	-----	-----
	264	254
	=====	=====

Staff costs include employed staff and non-UK personnel working outside the UK contracted to work under consultancy agreements.

The number of employees whose total remuneration (including pension contributions) for the year amounted to over £60,000 was as follows:

	2021	2020
	No.	No.
£60,001-£70,000	3	4
£70,001-£80,000	3	7
£80,001-£90,000	5	3
£90,001-£100,000	2	1
£100,001-£110,000	-	-
£110,001-£120,000	1	1

The key management personnel of the Trust comprise the Trustees, the Chief Executive Officer, the Managing Director, the Finance Director & COO and the Country Directors for each of Afghanistan, Myanmar, Saudi Arabia and Jordan. The total employee benefits of the key management personnel of the Trust were £592,555 (2020: £493,681).

11. Trustee remuneration and expenses

During the year, no Trustees were remunerated for services provided to the Trust (2020: none). The Memorandum of Understanding permits payments where appropriate.

Three Trustees received reimbursement of travelling expenses incurred on Trust activities amounting to £1,993 (2020: £506). In addition, the Trust provided Trustee Indemnity Insurance with a cost of £1,882 (2020: £1,241).

12. Taxation

The Turquoise Mountain Trust's charitable activities fall within the exemptions afforded by part 11 of the Corporation Tax Act 2010. The subsidiary, Turquoise Mountain Trading Limited, has not incurred a charge to corporation tax due to the profits for the year being relieved by gift aid payment to the Trust. Accordingly, there is no Corporation Tax charge in these financial statements (2020: £Nil).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

13. Prior year statement of financial activities - group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Income from:			
<i>Donations and legacies</i>	1,090,291	-	1,090,291
<i>Charitable activities</i>			
Grants received	-	6,725,356	6,725,356
Sale of goods and services	55,725	-	55,725
Other trading activities	867,985	-	867,985
<i>Investments</i>			
Bank interest	4,128	-	4,128
<i>Other</i>			
Foreign exchange (losses)/gains	(63,700)	10,452	(53,248)
Miscellaneous Income	803	-	803
Total income	1,955,232	6,735,808	8,691,040
Expenditure on:			
<i>Raising funds</i>			
Turquoise Mountain Trust	19,128	143,072	162,200
Trading subsidiaries	841,590	42,515	884,105
<i>Charitable activities</i>			
Urban Regeneration	191,219	275,611	466,830
Community Development	175,347	84,743	260,090
Education	252,023	429,933	681,956
Artisan Development	182,550	6,376,456	6,559,006
Total expenditure	1,661,857	7,352,330	9,014,187
Net income before transfers	293,375	(616,522)	(323,147)
Gross transfers between funds	120	(120)	-
Net income	293,495	(616,642)	(323,147)
Total funds brought forward	1,443,308	1,449,423	2,892,731
Total funds carried forward	1,736,803	832,781	2,569,584
	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

14. Financial activities of the Trust

The financial activities shown in the consolidated statement includes those of the Trust's related undertakings, Turquoise Mountain Trading Ltd and Turquoise Mountain For Training and Preservation of Heritage LLC.

A summary of the financial activities undertaken by the Trust is set out below:

	2021 £	2020 £
Gross incoming resources	7,343,368	7,622,901
Cost of raising funds	(166,093)	(162,200)
Total expenditure on charitable activities	(7,278,893)	(7,922,477)
	-----	-----
	(101,618)	(461,776)
Total funds brought forward	2,336,697	2,798,473
	-----	-----
Total funds carried forward	2,235,079	2,336,697
	=====	=====
Represented by:		
Unrestricted funds	1,262,137	1,582,415
Restricted funds	972,942	754,282
	-----	-----
	2,235,079	2,336,697
	=====	=====

Fund movements and the surpluses arising on restricted and unrestricted funds for the trust are disclosed in note 22.

A summary of the prior year financial activities undertaken by the Trust is set out below:

	2020 £	2019 £
Gross incoming resources	7,622,901	7,939,687
Cost of raising funds	(162,200)	(267,869)
Total expenditure on charitable activities	(7,922,477)	(6,603,076)
	-----	-----
	(461,776)	1,068,742
Total funds brought forward	2,798,473	1,729,731
	-----	-----
Total funds carried forward	2,336,697	2,798,473
	=====	=====
Represented by:		
Unrestricted funds	1,582,415	1,349,050
Restricted funds	754,282	1,449,423
	-----	-----
	2,336,697	2,798,473
	=====	=====

Fund movements and the surpluses arising on restricted and unrestricted funds for the trust are disclosed in note 22.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

15. Tangible assets – Group

	Furniture and fixtures	Tools and equipment	Computers and software	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2021	91,161	315,329	195,185	14,469	616,144
Additions	49,403	17,415	38,294	-	105,112
Disposals	(3,917)	(1,655)	(4,402)	-	(9,974)
	-----	-----	-----	-----	-----
At 31 December 2021	136,647	331,089	229,077	14,469	711,282
	-----	-----	-----	-----	-----
Depreciation					
At 1 January 2021	47,959	257,680	157,332	14,467	477,438
Charge for year	17,788	22,929	30,605	-	71,322
Disposals	(2,141)	(1,101)	(3,566)	-	(6,808)
	-----	-----	-----	-----	-----
At 31 December 2021	63,606	279,508	184,371	14,467	541,952
	-----	-----	-----	-----	-----
Net book value					
At 31 December 2021	73,041	51,581	44,706	2	169,330
	=====	=====	=====	=====	=====
Net book value					
At 31 December 2020	43,202	57,649	37,853	2	138,706
	=====	=====	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

15. Tangible assets – Trust *(continued)*

	Furniture and fixtures	Tools and equipment	Computers and software	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2021	46,898	303,880	172,496	14,469	537,743
Additions	2,043	15,363	19,706	-	37,112
Disposals	(2,406)	(1,655)	(4,402)	-	(8,463)
At 31 December 2021	46,535	317,588	187,800	14,469	566,392
Depreciation					
At 1 January 2021	35,732	250,559	149,739	14,467	450,497
Charge for year	4,016	25,127	17,011	-	46,154
Disposals	(1,665)	(1,101)	(3,566)	-	(6,332)
At 31 December 2021	38,083	274,585	163,184	14,467	490,319
Net book value					
At 31 December 2021	8,452	43,003	24,616	2	76,073
	=====	=====	=====	=====	=====
Net book value					
At 31 December 2020	11,166	53,321	22,757	2	87,246
	=====	=====	=====	=====	=====

16. Investments - Trust

	2021	2020
	£	£
Investments in subsidiaries		
Cost	10,210	10,161
	=====	=====

The Trust holds 100% of the share capital of Turquoise Mountain Trading Limited. Turquoise Mountain Trading Limited is incorporated in Scotland with company registration number SC487651.

The subsidiary's principal activity is the purchase and sale of goods such as jewellery, woodwork and carpets.

At 31 December 2021 the aggregate amount of capital and reserves of Turquoise Mountain Trading Limited was £51,092 (2020: £26,780) and the profit for the year was £51,092 (2020: £21,780).

The Trust also holds 100% of the share capital of Turquoise Mountain For Training and Preservation of Heritage LLC. The LLC is incorporated in Jordan and was incorporated on 20 January 2019.

The subsidiary's principal activity is training and preservation of national heritage.

At 31 December 2021 the aggregate amount of capital and reserves of Turquoise Mountain For Training and Preservation of Heritage LLC was £517,405 (2020: £218,901) and the result for the year was £303,662 (2020: £146,094).

17. Stock	Group	2021	Group	2020
	£	Trust	£	Trust
		£		£
Raw Materials	11,202	-	-	-
Work in progress	63,975	-	40,994	-
Finished goods	155,809	25,731	128,636	30,254
	230,986	25,731	169,630	30,254
	=====	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

18. Debtors	Group	2021 Trust	Group	2020 Trust
	£	£	£	£
Trade debtors	134,957	66,849	590,779	442,577
Sundry debtors	85,787	43,095	107,146	92,980
Deposits	79,614	73,807	2,337	2,337
Prepayments	122,820	95,593	248,057	240,209
Amounts due by group undertakings	-	89,541	10,759	87,000
Accrued income- grants	181,184	140,762	160,105	145,571
	-----	-----	-----	-----
	604,362	509,647	1,119,183	1,010,674
	=====	=====	=====	=====

19. Creditors: amounts falling due within one year	Group	2021 Trust	Group	2020 Trust
	£	£	£	£
Trade creditors	277,305	168,908	286,776	210,700
Other creditors and accruals	313,222	199,625	340,414	124,732
Deferred income	42,128	25,476	54,082	18,534
	-----	-----	-----	-----
	632,655	394,009	681,272	353,966
	=====	=====	=====	=====

20. Related party transactions

Turquoise Mountain Trading Ltd (TMTL), a company registered in Scotland, is a 100% subsidiary of The Turquoise Mountain Trust. Both entities have settled liabilities on behalf of the other and sales invoices have also been received by The Turquoise Mountain Trust on behalf of TMTL. At 31 December 2021, Turquoise Mountain Trading Ltd owed The Turquoise Mountain Trust £90,225 (2020: £76,241).

Turquoise Mountain Foundation US is a US 501c3 that works to achieve similar goals to The Turquoise Mountain Trust. During the year transactions between the parties for recharging costs and reimbursing expenditure on shared resources were incurred. At 31 December 2021, Turquoise Mountain Foundation US owed The Turquoise Mountain Trust £5,675 (2020: £3,008).

The Organization for Afghan Arts & Architecture (The Institute), an NGO registered in Afghanistan, is a related party as detailed in the Trustees' Report on page 6. The Turquoise Mountain Trust provided The Institute with direct grant funding of £316,534 (2020: £340,129) and indirect grant funding of £Nil (2020: £Nil). At 31 December 2021, The Turquoise Mountain Trust owed The Institute £20,538 (2020: Institute owed the Trust £30,362).

Myanmar Artisans Limited (MAL) is a company registered in Myanmar over which The Turquoise Mountain Trust hold no overall control but does provide practical management advice to support their social enterprise model as detailed in the Trustees' Report on page 8. As at 31 December 2021, MAL owed The Turquoise Mountain Trust £47,360 (2020: £53,162). MAL paid the Trust £11,373 (2020: £4,391) for services and support provided during the year.

Turquoise Mountain for Heritage Preservation Training (LLC), a Non-Profit limited liability company registered in Jordan, is a 100% subsidiary of The Turquoise Mountain Trust. The Turquoise Mountain Trust provided LLC with direct grant funding of £703,505 (2020: £675,887). At 31 December 2021, The LLC owed The Turquoise Mountain Trust £Nil (2020: £7).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

21. Operating lease commitments

Total amounts payable under operating leases at 31 December are analysed below.

	2021	2020
	£	£
Operating leases for land and buildings are due:		
- within 1 year	83,101	148,353
- between 2 to 5 years	65,276	85,998
- after more than 5 years	56	544
	-----	-----
	148,433	234,895
	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

22. Reserves – Group and Trust

	1 January 2021	Resources recognised to income	Resources expended	Exchange gains/ (losses)	Transfers	31 December 2021
Restricted	£	£	£	£	£	£
British Council	62,900	-	-	(429)	(62,471)	-
British Council - VTP	3,660	(3,635)	-	(25)	-	-
British Council - CPF Impact	7,322	99,230	(99,268)	610	(7,894)	-
Mosawi Foundation	14,296	-	-	(97)	(14,199)	-
USAID - RACCE	80,982	-	-	762	-	81,744
USAID – AJCP	28,811	1,700,213	(1,681,537)	577	-	48,064
Al-Waleed - Saudi 2	292,572	93,407	(383,982)	(1,997)	-	-
Al-Waleed - Saudi 2020-21	-	40,703	(40,703)	-	-	-
Al-Waleed - Myanmar	79,147	145,381	(169,832)	344	-	55,040
Said Fndn 3*	75,269	-	(77,237)	1,127	841	-
Said Fndn 3	97,891	-	(97,225)	(666)	-	-
Empowerment Health	743	-	(1,367)	(5)	629	-
Sigrid Rausing Trust (SRT)	15,147	75,000	(30,493)	379	-	60,033
States of Guernsey	7,192	-	-	68	-	7,260
Peter Cundill Fndn	-	5,452	(5,452)	-	-	-
US Embassy - BH	12,832	36,082	(48,827)	(87)	-	-
US Embassy – AFCP	-	12,286	(12,286)	-	-	-
US Embassy – AFCP	-	115,478	(10,517)	1,715	-	106,676
US Embassy - Bam/Caravanserai	-	110,456	(110,456)	-	-	-
Aliph - Emergency funds	31,132	17,230	(48,149)	(213)	-	-
Aliph - ICH	-	19,756	(19,757)	1	-	-
Aliph - UR	-	72,690	(53,375)	316	-	19,631
Crowdfunding - May 2020	2,937	-	(2,917)	(20)	-	-
Crowdfunding - Aug 2021	-	432,869	(50,556)	4,461	-	386,774
Crowdfunding - Mar 2021	-	20,494	(20,494)	-	-	-
PWCF 2020	16,715	-	(16,600)	(115)	-	-
PWCF 2021	-	5,000	(4,982)	(18)	-	-
RCU 2021	-	2,092,920	(2,092,920)	-	-	-
RCU - Other	-	75,352	(65,720)	157	-	9,789
TMF - US	-	355	(355)	-	-	-
Swarovski	-	25,669	(25,669)	-	-	-
Swiss Agency for Development and Cooperation (SDC)	-	196,264	(132,948)	1,034	-	64,350
Women Forward	-	10,904	(629)	167	-	10,442
Intl/Blumera	-	-	-	-	-	-
Aramco (Ithra)	-	92,787	(92,787)	-	-	-
Anthony Ford	-	3,635	-	59	-	3,694
Findlay Charitable Trust	-	50,000	-	(382)	-	49,618
Guy Oliver/Amy Towers	-	7,190	-	117	-	7,307
John Tusa	-	1,000	-	(6)	-	994
Monsoon GT (Food)	-	34,052	-	(789)	-	33,263
Monsoon Bamiyan	-	38,333	(29,516)	(80)	-	8,737
Morning Star Development	-	2,050	(2,050)	-	-	-
Rockcliffe CT	-	20,000	-	(473)	-	19,527
Kaplan*	3,233	77,968	(46,577)	(181)	-	34,443

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

22. Reserves – Group and Trust (continued)

	1 January 2021	Resources recognised to income	Resources expended	Exchange gains/ (losses)	Transfers	31 December 2021
UNICEF*	-	474,373	(474,373)	-	-	-
GIZ*	-	114,442	-	(760)	-	113,682
SCHEP*	-	14,853	(14,853)	-	-	-
	-----	-----	-----	-----	-----	-----
Restricted funds Group	832,781	6,330,239	(5,964,409)	5,551	(83,094)	1,121,068
Unrestricted funds Group	1,736,803	2,861,769	(3,011,195)	11,445	83,094	1,681,916
	-----	-----	-----	-----	-----	-----
Total funds Group	2,569,584	9,192,008	(8,975,604)	16,996	-	2,802,984
	=====	=====	=====	=====	=====	=====
Restricted funds Trust	754,282	5,648,604	(5,351,346)	5,337	(83,935)	972,942
Unrestricted funds Trust	1,582,415	1,679,578	(2,093,640)	9,849	83,935	1,262,137
	-----	-----	-----	-----	-----	-----
Total funds Trust	2,336,697	7,328,182	(7,444,986)	15,186	-	2,235,079
	=====	=====	=====	=====	=====	=====

* Turquoise Mountain for Heritage Preservation Trust (LLC), Jordan, restricted funds.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

22. Reserves – Group and Trust (continued)

	1 January 2020	Resources recognised to income	Resources expended	Exchange gains/ (losses)	Transfers	31 December 2020
Prior Year Comparative						
Restricted	£	£	£	£	£	£
British Council	60,610	25,201	(17,567)	(5,344)	-	62,900
British Council - Jordan	-	-	(738)	738	-	-
British Council - VTP	3,769	-	-	(109)	-	3,660
British Council - CPF Impact	-	251,323	(254,331)	10,330	-	7,322
MOSAWI Foundation	14,722	-	-	(426)	-	14,296
SHP - Phase 4	206,444	293,095	(506,462)	6,923	-	-
Kadoorie	-	38,811	(38,811)	-	-	-
USAID - RACCEW	83,397	-	-	(2,415)	-	80,982
USAID - AJCP	5,048	1,671,810	(1,646,362)	(1,685)	-	28,811
NRC	29,754	(4,725)	(26,026)	997	-	-
Al-Waleed - Saudi 2020	521,869	980,213	(1,208,184)	(1,326)	-	292,572
Al-Waleed - Saudi 2021	-	43,001	(43,001)	-	-	-
Al-Waleed - Myanmar	97,831	155,800	(172,671)	(1,813)	-	79,147
Said Fndn 2	116	-	-	4	(120)	-
Said Fndn 3	189,765	810,868	(826,046)	(1,427)	-	173,160
Empowerment Health	2,260	1,003	(2,548)	28	-	743
JPMorgan Chase Foundation	173,341	-	(179,154)	5,813	-	-
Monsoon Trust	16,766	-	(17,328)	562	-	-
Sigrid Rausing Trust (SRT)	21,152	35,000	(40,002)	(1,003)	-	15,147
States of Guernsey	6,504	16,408	(15,136)	(584)	-	7,192
Peter Cundill Fndn	1,790	-	(1,851)	61	-	-
US Embassy - BH	14,285	-	(1,106)	(347)	-	12,832
US Embassy - ICH	-	16,320	(16,320)	-	-	-
Aliph - Emergency funds	-	38,950	(5,815)	(2,003)	-	31,132
Aliph - ICH	-	39,648	(39,648)	-	-	-
Aliph - Jordan	-	11,685	(11,685)	-	-	-
Australian Volunteers	-	5,304	(5,304)	-	-	-
Crowdfunding - May 2021	-	59,065	(55,939)	(189)	-	2,937
Dwight Holloway	-	974	(974)	-	-	-
PWCF 2021	-	350,000	(337,016)	3,731	-	16,715
RCU 2021	-	1,633,559	(1,633,559)	-	-	-
TMF - US	-	42,204	(42,204)	-	-	-
Kaplan	-	73,926	(70,629)	(64)	-	3,233
UNICEF	-	135,914	(135,914)	-	-	-
Restricted funds Group	1,449,423	6,725,357	(7,352,331)	10,452	(120)	832,781
Unrestricted funds Group	1,443,308	2,018,933	(1,661,858)	(63,700)	120	1,736,803
Total funds Group	2,892,731	8,744,290	(9,014,189)	(53,248)	-	2,569,584
	=====	=====	=====	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

22. Reserves – Group and Trust (continued)

	1 January 2020	Resources recognised to income	Resources expended	Exchange gains/ (losses)	Transfers	31 December 2020
Trust funds prior year 2020						
Restricted funds Trust	1,449,423	6,527,527	(7,222,548)	-	(120)	754,282
Unrestricted funds Trust	1,349,050	1,095,374	(862,129)	-	120	1,582,415
	-----	-----	-----	-----	-----	-----
Total funds Trust	2798,473	7,622,901	(8,084,677)	-	-	2,336,697
	=====	=====	=====	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

22. Reserves (continued)

Restricted fund projects:

- i. **British Council:** funding designed to protect cultural heritage through documentation and restoration of buildings in central Kabul, developing Afghan skills and labour in heritage restoration and opening wider access to local Afghan cultural heritage (including VTP which was a video based learning approach).
- ii. **British Council CPF Impact:** in Jordan, support for the training of artisans in craft techniques from Syria, Jordan and wider Levantine region as well as cultural heritage protection and awareness raising.
- iii. **Mosawi Foundation:** contributing to the effective operations of the clinic in Kabul providing healthcare to residents of the local community.
- iv. **SHP – Phase 4:** specific projects, programmes and activities, relating to the national programme for the development of handicrafts in Saudi Arabia.
- v. **Kadoorie:** building resilience within artisanal textiles communities across Myanmar.
- vi. **USAID:** Turquoise Mountain Trust has been supported through a number of grant contracts with USAID, the most significant of which is a recent 4 year award of funding to support the development of jobs in Afghan carpet and jewellery sectors (AJCP). This follows on from a previous multi-year award working to create jobs, change perceptions of Afghanistan and empower women artisans (RACCEW).
- vii. **NRC (Norwegian refugee council):** Shelter solutions, socio-economic reintegration, and urban regeneration for Displaced Afghans in Afghanistan and Iran.
- viii. **Al-Waleed Saudi:** creating sustainable livelihoods for women through the revival and training in traditional craft techniques, developing jewellery lines and establishing a centre of crafts excellence.
- ix. **Al-Waleed Myanmar:** support to artisans in Myanmar through training and support in traditional crafts to improve income
- x. **Said Foundation - 2nd and 3rd phase:** funding providing the initiation of work in cultural heritage and intangible heritage in Jordan to support local and wider Levant society.
- xi. **Empowerment Health:** Community Health Outreach program, employing community health workers, providing them with training in maternal-child health; nutrition; hygiene and basic family health matters, and facilitating their distribution of hygiene packages to families in need.
- xii. **JP Morgan Chase Foundation –** supporting the Common Threads programme in Saudi Arabia.
- xiii. **Monsoon (emergency food distribution & Bamiyan schools):** Operate two schools and provide English-language courses to 180 students over three years in the Bamiyan region and support the 40 weaver families in Bamiyan to achieve food security through winter
- xiv. **Sigrid Rausing Trust (SRT):** Grant to support the staff and running costs of the Turquoise Mountain Institute in Kabul and to support humanitarian assistance provided by TMT through its clinic and schools, as well as other emergency interventions (such as food distribution) caused by change in Government in country in August.
- xv. **States of Guernsey Overseas Aid & Development Commission:** to improve local access to mother & child health services for the community in the Old City of Kabul, thereby promoting healthy pregnancies and deliveries, and reducing preventative childhood diseases and infant mortality.
- xvi. **Peter Cundill Foundation:** Connecting traditional crafts with contemporary job markets by expanding professional opportunities for female calligraphy artisans in Afghanistan through technical masterclasses, contemporary design training and employment mentorship.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

22. Reserves (continued)

- xvii. **US Embassy – BH:** To further the understanding and preservation of and public access to Afghanistan's urban built heritage with a particular focus on the domestic architecture of 19th century houses in Kabul, and to make this sustainable by developing skills in heritage preservation and generating public appreciation.
- xviii. **US Embassy ICH (Afghanistan):** To document traditional craft styles and Afghan building techniques.
- xix. **Aliph - Afghanistan (Emergency/ICH):** To protect Afghanistan's endangered Intangible Cultural Heritage and Emergency funds to preserve the Heart of an Historic Neighbourhood in Kabul at the Old Kabul Hotel.
- xx. **Aliph Jordan:** to support the heritage protection sector in the face of the covid 19 pandemic.
- xxi. **Australian Volunteers:** To build capacity for women weavers from ethnic minority communities to improve their technical, design, and doing business skills.
- xxii. **Crowdfunding Aug 2021:** Afghanistan emergency crisis support funding focused on emergency food and other supply distribution, healthcare services for children and families, and support for the individuals and communities for whom TMT is responsible.
- xxiii. **Crowdfunding Mar 2021:** A campaign launched in April 2021 to provide free healthcare for communities in central Kabul.
- xxiv. **Prince of Wales Charitable Foundation 2021:** To bridge funding to Turquoise Mountain to reach a sustainable fundraising model and to support the clinic in the old City of Kabul
Royal Commission for Al Ula: Creating sustainable training workshops for Saudi artisan crafts (21) and providing local employment within the UNESCO heritage site of Al Ula (OTH)
- xxv. **Turquoise Mountain Foundation US:** To support of primary education schooling in Afghanistan
- xxvi. **Kaplan:** Repairing, restoring and revitalizing the Roman Western Theatre at Umm Qais, Hashemite Kingdom of Jordan.
- xxvii. **UNICEF:** Creating training programmes for cultural heritage community activities and delivering educational courses for children in partnership with UNICEF in Jordan

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

23. Analysis of net assets between funds - Group	Tangible Fixed Assets	Net Current Assets	2021 Total
	£	£	£
Restricted funds	34,050	1,087,018	1,121,068
Unrestricted funds	135,280	1,546,636	1,681,916
	-----	-----	-----
	169,330	2,633,654	2,802,984
	=====	=====	=====
	Tangible Fixed Assets	Net Current Assets	2020 Assets
	£	£	£
Restricted funds	60,453	1,676,350	1,736,803
Unrestricted funds	78,253	754,528	832,781
	-----	-----	-----
	138,706	2,430,878	2,569,584
	=====	=====	=====

Similar to group, the net assets between funds for the Trust are principally represented by net current assets.

24. Pensions

UK employees are entitled to join a defined contribution scheme. The assets of the scheme are held separately from those of the Trust in independently administered funds. The pension charge represents contributions payable by the Trust amounting to £40,773 (2020: £30,356). Pension contributions outstanding at 31 December 2021 were £5,520 (2020: £5,054).

25. Significant events and going concern – COVID-19 and security landscape

COVID 19

During 2021 the impact of COVID-19 on the organisation has reduced and stability in the regions has improved. In some countries, particularly Afghanistan, local restrictions still apply and offices continue to adhere to local conditions and guidance as required. COVID-19 is considered a lower risk than it was in 2020 and does take into account the possible emergence of any new variant. Should a new variant emerge, the organisation is well placed to adapt to any changes through remote working and the use of digital tools.

Security Landscape

During February 2021, a military government took charge in Myanmar impacting the Trust's ability to operate within the region which continues to be an operational and financial risk to the charity.

During August 2021, the Taliban seized control of Afghanistan which represents a variety of significant risks to the activities of the charity. At the date of approval of the financial statements these risks remain under ongoing review and continue to have a serious potential impact on the charity's programmes in Afghanistan.

The Trustees are continually reviewing the operating infrastructure in both Afghanistan and Myanmar against ongoing uncertainties. The Trustees, aware of the requirement to operate within jurisdictional law and regulations are seeking, where possible, clarity on revised requirements including the movement of funds in accordance with best practice measures and this is ongoing at the date of approval of the financial statements.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2021

25. Significant events and going concern - COVID-19 and security landscape (continued)

The future operations of the company and group are dependent on the continued financial support of the company's core funding bodies and sufficient surpluses from the company's and group's trading operations to meet obligations as they fall due. The charitable company and group also rely on the stability of the security landscape in each of the operational regions for the continuation of activities. Against this background, the Trustees' have prepared and approved up to date company and group management accounts, budgets and cash flow projections which include key income and cost assumptions including ongoing support from core funders and trading surpluses that the Trustees' consider reasonable and prudent.

The Trustees' have also assessed at the date of approval the ongoing security risk associated with activities and mindful of the ongoing position in Afghanistan, have assessed the financial impact of withdrawal from the region and are satisfied, based on assumptions considered reasonable by the Trustees and successful unrestricted fundraising subsequent to the year-end that the charity will be able to meet exit obligations should the need arise. Where this decision is taken, there would also be a requirement, at that time, to consider impairment of physical assets within the region currently carried within the company and Group balance sheet.

Having considered the above matters, the Trustees' are of the view that, at the date of approval of the financial statements, the company will have sufficient centrally held financial resources and operational capacity to continue to deliver the group's objectives and to meet debts as they fall due for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

26. Contingent liability

Turquoise Mountain Trust works in post-conflict countries and seeks to comply with all national and international laws. In changing national environments new laws create risks and liabilities associated with activity that may have previously been deemed compliant or of lower risk. This has been further complicated by changes in government in Afghanistan and Myanmar during 2021. The Board are taking the necessary professional advice and mitigations will be sought such that the obligations are reduced or removed as a risk. At the date of approval of the financial statements, the Board is not able to reliably estimate the amount of this obligation.