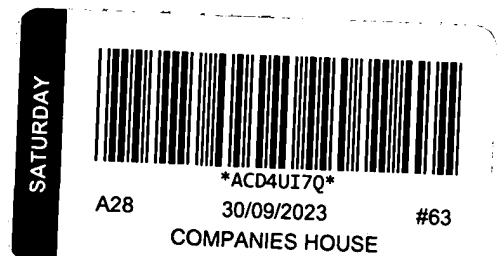


TURQUOISE MOUNTAIN

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CONSOLIDATED REPORT and FINANCIAL STATEMENTS

For the Year Ended 31 December 2022



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

contact@turquoisemountain.org www.turquoisemountain.org

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

Contents

| | Page |
|--|-------------|
| Chief Executive's Introduction | 2 |
| Trustees' Report | 4 |
| Independent Auditor's Report | 18 |
| Consolidated Statement of Financial Activities | 22 |
| Consolidated Balance Sheet | 23 |
| Trust Balance Sheet | 24 |
| Consolidated and Trust Statement of Cash Flows | 25 |
| Notes to the Financial Statements | 26 |

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CHIEF EXECUTIVE'S INTRODUCTION

Dear Friends,

We write this to you in a moment of reflection on 2022 – the year where we rebuilt and even expanded – following the extraordinary challenges that our Turquoise Mountain family, and wider communities faced over the previous year.

Dramatic political upheaval – the military coup in Myanmar in February 2021, the departure of US and international troops from Afghanistan and subsequent takeover of the Taliban in August – and the ever-present backdrop of the global pandemic, meant the most difficult year possible for artisans and their communities, and difficult decisions for all organisations. We committed to stay and adjust, and to find ways to support them. Our team's resilience and agility in the face of such challenges is humbling and is the reason we were able to recover and rebuild over 2022. Thank you to them, and to those supporters around the world who made our work possible.

The situation in Afghanistan in 2022 has shown us that our work here has never been more important. The humanitarian crisis driven by decades of war, the sudden political upheaval, Covid and the ensuing economic contraction, is compounded by some of the natural challenges that face the country in its long bitter winters, drought, earthquakes and flash flooding. According to the UN Office for the Coordination of Humanitarian Affairs, 97% of Afghans were living in poverty as of 2022 – an increase from 47% just two years prior. In spite of this, our in-country team of over 200 staff worked tirelessly to bring all elements of the project back up to full capacity – from the primary school in Murad Khani to bringing carpet orders from weaving communities in the North to clients internationally. Our commitment to working with artisan communities and training the next generation, in a sector that can continue to support predominantly women is vital right now.

In Myanmar, the second project Turquoise Mountain set up, the impacts of conflict intensified during 2022, particularly for the weaving communities with whom we work across Rakhine, Chin, Kachin, Shan and Kayah – and those displaced to camps around the outskirts of Yangon. All this was compounded by the brutal impact of Covid on the country which raged throughout 2021 and into the beginning of 2022. The current political climate poses a direct threat to the cultural heritage of the communities with whom we work. Bringing artisans' products to international markets generates much-needed income for predominantly female artisans across the country, at a time when the economic downturn and collapse of the tourist industry has decimated their domestic market. It also presents a very tangible and positive perception of the country to the outside world, preserving and celebrating an element of their rich and diverse cultural heritage at a time when it faces existential threat. The weaving industry in particular holds great promise for Myanmar, and we continue to work across the supply chain to improve and refine operations, using our experience and networks from our work in weaving in Afghanistan to shape the programme and wider industry best practices. We are also delighted to have completed work on our new atelier and cultural centre in Yangon – simultaneously restoring a beautiful early 20th century teak villa near the historic Kandawgyi Lake, and creating a publicly accessible space for artisan workshops, a showroom, education space and café.

In Jordan, we grew to support more artisans - Syrian, Jordanian and Palestinian - and bring more of their products to market than ever before. Retail sales in Jordan almost doubled and we brought a series of high-end commissions completed by our talented design team and artisans to the global stage. We expanded our reach and worked with more artisans in the region than ever before, introducing new crafts at risk such as Ajami wood painting and embroidery into the showroom, as well as crafts from Hebron. We also conducted wider research into Palestinian crafts from the West Bank and are excited about developing our support for artisans across the region. We continue to train the new generation of craftspeople who will grow the sector and have a huge impact on the protection of Levantine cultural heritage.

Saudi Arabia is investing heavily in the cultural sector. For the past 7 years, we have built our expertise in heritage and crafts such as Sadu weaving, Zari embroidery, wood, palm, plaster, Qatt painting and ceramics, and have become one of the largest trainers in Saudi Arabia, having trained more than 1,100 local artisans. Overwhelmingly, these artisans are unemployed young women who are eager to stake their claim in the marketplace. 2022 was a breakthrough year for us as we began a three-year partnership with the Ministry of Culture. We are delighted to be working with them to improve the craft ecosystem at a time when they are making such significant investments in cultural heritage, and look forward to establishing spaces to showcase the best of Saudi crafts, to support the next generation of talent in the industry.

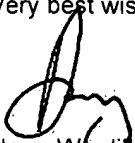
THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

We have continued to showcase artisans' work on a global stage, and we are so often reminded of the power of art and craftsmanship to unite us all through our shared human experience. Afghan, Syrian, Jordanian and Saudi artisans came together to produce a series of pieces which originally launched at the King Abdulaziz Center for World Culture (Ithra) in 2021, and then went on tour as part of the Shatr Al Masjid: The Art of Orientation exhibition. Focusing on mosque design and architecture, the production of these pieces was an incredibly meaningful process for so many of our master artisans, and a beacon of their outstanding talent. It united our artisans from across the Islamic world in a celebration of their rich heritage, and was particularly powerful given the pieces from Afghanistan were shipped out at the end of 2021, a matter of months after the Taliban takeover.

We were also so proud to be part of the beautiful refurbishment of Leighton House in London, through a specially commissioned set of furniture handmade by artisans in Jordan inspired by traditional Syrian craft and woodwork. The pieces extend the dialogue with craftsmanship from the Middle East and North Africa in the Arab Hall into the present day, and display the remarkable craftsmanship of artisans throughout the Levant to a global audience.

Finally, we just want to thank so many of our supporters – in particular our Royal Founding Patron, Trustees, staff and supporters. In 2023 and beyond, we intend to grow and strengthen the support we can provide to artisan communities across the globe. We will continue to pursue the vision of our Royal Founding Patron, HM King Charles III, to work with artisan communities, where heritage is at risk, to improve incomes, strengthen skills, and help preserve and celebrate their heritage.

Very best wishes,



Harry Wardill (CEO) and Shoshana Stewart (President)
Turquoise Mountain

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

Objectives and Activities

The Turquoise Mountain Trust was established in 2006 by His Majesty King Charles III, the former Prince of Wales. 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.

Turquoise Mountain is committed to creating economic opportunities for artisans in areas where cultural heritage is at risk, safeguarding built heritage, and building new cultural centres for the community. Our focus is on providing jobs and income-generating opportunities 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 entities/groups/cooperatives), business growth and sustainability (e.g. product rejection rate across all supported businesses), income generation (e.g. total product sales, number of national/international stockists), heritage preservation (e.g. total area of buildings restored, traditional crafts documented), education (e.g. number of children enrolled in primary school/cultural heritage programmes, 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, total number of 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.

Work continued throughout 2021 despite the significant political change and in 2022, we sought to re-open all of our services and get all of our programmes back to full working capacity.

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 165,000 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, continues to train a new generation of Afghan artisans in woodworking, 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.

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

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.

Like in Afghanistan, 2021 was a particularly challenging year for our staff and the artisans we work with due to the coup at the beginning of the year, compounded by the savage impact of Covid. This led Turquoise Mountain to provide emergency humanitarian interventions, distributing food and other essential supplies to displaced families in artisan communities in times of crisis. 2022 was a year of recovery and learning to work within the inevitable new normal – and our support to the communities within which we work, particularly the women weavers across the country, the majority of whom are in areas affected by ongoing conflict, is more important than ever.

In 2022, Turquoise Mountain undertook the conservation of a 1920s colonial teak villa on Pho Sein Street in Kandawgyi with our trusted and long-standing partners Statement Architects and building contractors Myanmar Integrated Engineering Group. The building was transformed into a new public hub of Myanmar art, architecture, design and crafts, and is also home to our offices and atelier.

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.

After extensive discussions, Turquoise Mountain finalised a framework agreement with the Ministry of Culture in 2022 covering the next three-year period, encompassing three entities; the Heritage Commission; The Royal Institute for Traditional Arts (TRITA); and the International Cultural Relations Deputyship. The new contract began in August 2022 and builds on the important work started nearly seven years ago.

We have trained more than 1,100 artisans to date and are currently the largest provider of crafts training in Saudi Arabia. Our artisans have 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

THE TURQUOISE MOUNTAIN TRUST

(A Company Limited by Guarantee)

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 US\$1m 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.

In 2022, we sought to expand and grow the commercial and retail side of our offering, building on the added exposure from a number of high profile international exhibitions and events.

Strategic Report

In 2022, Turquoise Mountain continued to work to 5 key strategic aims:

1. To support and preserve the growth of craft traditions and artisans, and provide wider support to the communities of artisans who produce them
2. To strengthen and grow routes to market for affiliated artisans with both domestic and international clients, increasing incomes and preserving traditions.
3. 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.
4. To restore and preserve historic built heritage.
5. To maintain a strong financial base, with sufficient reserves and significant core funding from a diverse range of funders to undertake our activities

Afghanistan

Traditional Crafts and Connecting Artisans to Market

The Institute for Afghan Arts and Architecture was founded by Turquoise Mountain to train a new generation of artisans in calligraphy and miniature painting, jewellery and gem-cutting, woodwork, and ceramics, in order to revive and restore these traditions, harness the existing potential within Afghanistan, and meet the demands of ever-expanding national and international markets. The Institute was legally registered as an independent Afghan NGO in 2011.

Despite periods of uncertainty following the instability of 2021, the Institute for Afghan Arts and Architecture has continued to operate. Over the reporting period, the Institute delivered 10,565 hours of education across its four schools (Calligraphy & Miniature Painting, Ceramics, Jewellery & Gem-Cutting, and Woodwork). As of December 2022, there were 133 students (91 male and 42 female) enrolled at the Institute. 79 of these were new students enrolled during the reporting period.

Turquoise Mountain has worked hard to maintain continuity for its female students following the ban on co-education in December 2021. The Institute established separate sections (Women's Centres) in July 2022, fully equipped with the necessary tools and equipment for the women to finish their lessons.

Turquoise Mountain works to connect Afghan artisans with national and international buyers through a programme of business development activities and exhibitions. Turquoise Mountain works across the key segments of the value chain including production, processing and marketing.

In 2022, the business development programme created 8,541 jobs in carpet weaving – with almost all of these being filled by women. Despite ongoing political and economic instability in the region further exacerbated by natural disasters, Turquoise Mountain exported carpets with a value of almost US\$2.75m, followed by jewellery

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

with a value of US\$169,996. Throughout the reporting period, Turquoise Mountain supported 12 carpet producer companies and 16 jewellery firms.

Built Heritage

Turquoise Mountain has been restoring historic buildings in Murad Khani since 2006. In 2022, major construction works completed created 9,891 days of work for both skilled and unskilled labourers.

Throughout 2022, the Murad Khani community and bazaar faced a water shortage due to the ongoing water crisis in Kabul. The urban regeneration team provided clean drinking water for over 100 people on a daily basis by building a deep well equipped with a handpump.

The urban regeneration team completed construction/repurposing of two furnished women-only centres, one for Calligraphy & Miniature Painting and one for Jewellery. These Women's Centres are women-only spaces where female students and artisans receive education from the Institute run their businesses and get crucial access to Turquoise Mountain's business development mentoring services.

Haji Mohammad's house – one of the oldest houses in Murad Khani and featuring a special woodwork design – was restored from foundation to roof in 2022 with financial support from ALIPH. Its owner – a widow with her two children – had been living with her two children in the remaining room prior to the restoration.

The Imam Zaman Takia Khana is an important place for social and religious activities for the people of Murad Khani. The building had been neglected and had seen a degree of damage over the past two decades. Turquoise Mountain's urban regeneration team completed the restoration of the building – also with support from ALIPH – and returned it to a crucial site of social interaction and religious practice for the community.

Community

The Ferozkoh (Turquoise Mountain) Family Health Clinic is a primary healthcare clinic that has served the Murad Khani community in Kabul since 2011. It delivers community-oriented primary healthcare and training in family medicine, specialising in maternal-child health and community health outreach. Situated close to major bus routes, it also attracts patients from the wider Kabul area and is recognised as a beacon of best practice within the city. The clinic follows a charity system allowing clinic managers to identify and support selected patients suffering from poor economic conditions through provision of discounted or exempted doctors' fees, laboratory tests and medicines.

In 2022, the clinic provided healthcare services to 21,965 patients – 66% of these being women – the highest number of patient visits in a single year since it was established. The clinic organised a number of different health education sessions on topics such as anaemia during pregnancy, neonatal care, family planning, breastfeeding, neonatal vaccination and mental health, as well as URTI disease, pneumonia and skin disease. The clinic also provided psychological consulting services to 678 patients.

The Murad Khani Primary School was established in 2007 and has been delivering high quality education services for the children of Murad Khani and Baagh Alimardan – two of the most deprived communities in the city of Kabul. The school provided education for 150 students in 2022. Classes include Calligraphy, Miniature Painting, Mathematics, Drawing, Embroidery, Dari Dictation and English.

The school organised four exhibitions to celebrate the children's artwork during the reporting period, as well as bi-weekly events where students deliver speeches about historic topics and areas of Afghanistan.

Myanmar

Traditional Crafts and Connecting Artisans to Market

After 8 years of operating in Myanmar, Turquoise Mountain has established a strong reputation in the heritage sector, working in 6 of 14 States and Regions – almost all gravely affected by ongoing political crisis and conflict.

In 2022, Turquoise Mountain trained 693 weavers in hand weaving, sewing and essential business and financial literacy skills – most of whom were living in communities with the highest incidences of armed conflict

THE TURQUOISE MOUNTAIN TRUST

(A Company Limited by Guarantee)

or who were internally displaced. Following the training, they were able to achieve an income increase of up to 65%. Together with NGO Label STEP, 52 weaver artisans received spectacles, and 100 received a new backstrap loom. Finally, an antique ikat woven fabric from Inle Lake in Southern Shan State was studied and revived in a textile workshop with eight dyeing technicians and 12 weavers.

Turquoise Mountain is working with traditional goldsmiths to create heritage-inspired pieces for international designers and buyers – producing items for the Turquoise Mountain Maze collection and further collaborating with four designers including Pippa Small during the reporting period. One of the goldsmiths supported by Turquoise Mountain was selected as a finalist for the AGAATI Foundation's Global Eco Artisans Award 2022 for his creation and workmanship for a square 18 karat gold and spinel ring.

Despite challenging issues across supply chain, logistics, banking and security, 15 international buyers have sourced from Myanmar in 2022, bringing up to US\$229,270 in income to the artisan communities with whom we work.

Built Heritage

In 2022, Turquoise Mountain undertook the conservation of a 1920s colonial teak villa near the historic Kandawgyi Lake in Yangon, with our trusted and long-standing partners Statement Architects and Myanmar Integrated Engineering Group. The building has been transformed into a new public hub of Myanmar art, architecture, design and crafts, and is also home to our offices and atelier. Turquoise Mountain also completed the restoration of a 4-storey heritage building – a private residential property in an iconic urban heritage area of downtown Yangon.

With these two projects, 95 building professionals received on-the-job training, and 80% of builders trained by Turquoise Mountain in heritage building conservation techniques continued to apply their skills.

Community

Through Turquoise Mountain's community support activities in 2022, 60 participants engaged in four traditional Myanmar drawing classes led by a well-known local artist; 55 women attended sewing classes; and 68 children and young people in IDP settlements benefitted from a combination of heritage outreach activities and group counselling workshops. Beyond helping to preserve Myanmar's unique cultural heritage, these projects contribute to livelihood opportunities and stable income against a volatile economic backdrop and increasing poverty.

Artisans supported by Turquoise Mountain have expressed that trainings are a rare and meaningful opportunity in a conflict-affected country, especially for women, to learn and preserve their identity and culture in a systematic way; to earn an income for their livelihoods and plan their finances; and which also help them to regain hope and purpose and feel a sense of normalcy in uncertain times.

Kingdom of Saudi Arabia

Traditional Crafts and Connecting Artisans to Market

After extensive discussions, Turquoise Mountain finalised a framework agreement with the Ministry of Culture covering the next three-year period, encompassing three entities; the Heritage Commission; The Royal Institute for Traditional Arts (TRITA); and the International Cultural Relations Deputyship. The new contract began in August 2022 and provides sustainability for Turquoise Mountain in Saudi Arabia and builds on the important work started nearly seven years ago. The team have been working hard to fill vacant roles to successfully deliver the programme, with a heavy emphasis on employing young Saudis with a passion for cultural heritage and community development.

Turquoise Mountain completed its 2-year pilot programme with The Royal Commission for AlUla in May 2022, which saw us transform Madrasat Addeera (a local school and landmark) into a training programme for 50 local artisans in traditional jewellery making, palm weaving, ceramics and textiles. The school has become a popular destination for tourists looking to engage with local community members and to learn about the region's traditional crafts. Through this programme, Turquoise Mountain has played a part in ensuring that around 50,000 residents benefit from economic and training opportunities, and that their stories are told through their own voices and perspectives in the rapidly developing area.

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

Exciting international collaborations include a project with Piaget and Geneva's HEAD School to provide design mentorship to jewellery artisans in AIUla, working with The Azza Fahmy Design Studio on specialised jewellery training techniques and visits from textile expert, Rebecca Hoyes, and ceramics expert, Helen Johannessen. International artist Catalina Swinburn visited the school with the Evening Standard to host a workshop at Madrasat Addeera with artisans from the palm weaving and textiles workshop. The end of 2022 saw the launch of a partnership with Olayan Holding to develop the capabilities of 12 artisans to create commercial collections using natural wax from bee populations in Al Baha.

Turquoise Mountain continues to provide artisans with unprecedented access to markets including the delivery of the Six Senses Red Sea signage project, various craftworks for The KAUST Hotel in Jeddah, handmade wood and palm ceilings for the visitor centre at the Diriyah Gate Development Authority in Riyadh. A great number of pieces were also produced for the soon-to-be launched AlMoosa Hospital and Rehabilitation Centre, Maiz restaurant in historic Diriyah and Istidamah Bank in Riyadh as well as impressive gift collections.

Community

Four Madrasat Addeera artisans were selected to represent AIUla at the KSA Pavilion at Dubai Expo where they engaged with more than 500 guests who visited the artisan corner. In January 2022, ten artisans in the programme also participated in the first Winter Youth Camp, where they ran several crafts workshops in ceramics and palm weaving. Finally, Desert X, an international site-specific art exhibition came to AIUla for the first time and requested to work with textile artisans from Madrasat Addeera to decorate several metal trunks for a family picnic activation. The trunks were inspired by local heritage and designed and painted by our artisans using a printing technique they learned with international trainer, Rebecca Hoyes.

Jordan

Traditional Crafts and Connecting Artisans to Market

A strong commercial offer provides hundreds of artisans and their families with a regular income and the chance to build their own client bases with new market opportunities.

The commercial side of our operation continues to grow, and in turn grows domestic and export opportunities for the 70 workshops within our partner network. We have two elements to our commercial operation: retail and bespoke commissions. This year we have sales totalling US\$380k (2021: US\$371k), representing a modest increase on the prior year. This small increase of year-on-year sales belies an excellent performance on the retail operation. Whilst bespoke commissions halved in 2022 compared to 2021, the retail sales grew by 37% on the prior year, with off-the-shelf products showing the strongest performance. Design commissions have turned around dramatically in 2023 and are predicted to show 500% growth, evidence that this side of the commercial work remains a key part of our work.

Indeed, many of the projects conducted in late 2021, were installed during this year with the incredible work of our design and production team making a huge impact at Leighton House Museum, and the Ithra Exhibition in Saudi Arabia. These projects raise our profile and we hope to see this grow again in 2023.

This year we have introduced new crafts at risk such as Ajami and embroidery to the showroom, and we have introduced crafts from Hebron, and conducted research into Palestinian crafts within the West Bank. Glassware from Hebron dates back to the Phoenician era and has been well received at our Amman shop. We will continue to explore Palestinian workshops, where the many challenges to their continued work and their key position within the landscape of Levantine craft make them excellent candidates for our support.

Built Heritage

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.

Our sitework has continued both the Treaty Court and the Western Theatre, with the Ottoman-era courtyard, Hawsh Al Rousan, seeing the greatest amount of activity in 2022. Our trainees working on the site were inducted into a certified training course which will see them leave with a certification in conservation heritage work at the conclusion of the project.

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

In addition to this, we completed a Visitor and Site Management Framework, in partnership with government, which describes our collective vision for the future of Umm Qais. Most importantly, this also defines the challenges facing the site in terms of landscape protection and offers recommendations to protect the landscape in the future.

Finally, we completed the year by testing out the Western Theatre as a performance venue. In October, the Ministry of Culture hosted a Diversity Celebration, with dancers performing from different communities, and in November Turquoise Mountain presented an evening of music. Both events drew large audiences, with not a spare seat in the theatre and served to inform us of what improvements can be made in the future; we will be working on these in the coming years.

Community

Training a new generation of craftspeople, who can grow the craft sector through rewarding careers is incredibly impactful in terms of the preservation of cultural heritage. Alongside this, by growing the market itself and showcasing the incredible skills of artisans in Jordan, we are creating both market demand, and a creative craft sector that can meet it.

This year we have run technical training classes on woodwork and jewellery making, alongside courses on design and business skills. For those who have graduated from our classroom-based training, we have provided supported apprenticeships with our network of artisan workshops in Amman. Since starting we have graduated nearly 800 students from across the range of training courses, of whom 58% are female.

Design skills are critical for the development of well-rounded craft graduates who can not only work for others, but understand design, empowering them to be self-employed, or to attract designers to work with them. To develop this we brought international designers William Hardy, Katherine Parr, Pippa Small, Central Saint Martins, and Jinks McGrath to lecture students and makers on design principles.

We have also established an online design training course, launching across the region late 2022. The uptake has been remarkable, with nearly 10,000 participants enrolling in the early months since launch. Design is crucial in sustaining the craft sector, providing makers with the context, language and references that open up new market opportunities.

In 2022 we prepared students for exhibitions and trade shows in Berlin, Paris and Abu Dhabi, all of which have not only inspired graduates, but also created sales opportunities and partnerships that will continue into 2023. The most challenging aspect of training is graduate progression into either a job, further education, or self-employment.

The economy in Jordan is beset by conflict and the aftershocks of global pandemic; recovery is slow, which leaves young people in Amman struggling to find work. To address this, we hired an employment coach, who has been incredibly effective in building connections with employers, working with students on their technical and soft skills and coaching them through a progression pathway. We are so proud of our graduates who are entering the job market with confidence, skills and ambition that will see them succeed. Developing our employee relationships has helped our courses evolve too, as we develop our curriculum to match their needs, we will expand this work in 2023 and beyond.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

Financial Review

Income

Total £11.8m
Donations £1.1m
Grants £9.4m
Sales £0.9m
Other £0.4m

Income

Income in 2022 (£11.8m) grew by £2.6m from 2021 (£9.2m). This was led by an increase of grants received (£3.1m) through Artisan Development activity in Saudi Arabia offsetting lower donations by £0.4m and a reduction in sales of £0.2m. Strong fundraising at the end of 2021 following significant country disruptions in Myanmar and Afghanistan resulted in lower new donations in 2022 while lower sales activity reflects a move to localise Saudi sales away from the UK.

Major donors making up grant income (£9.4m) by geography include £4.9m Ministry of Culture and £0.8m Royal Commission for Al Ula funding in Saudi Arabia, £2.0m of USAID funding for Afghanistan, £0.1m Kadoorie Foundation in Myanmar and £0.1m UNICEF fundings in Jordan, a range of foundations and private donors provided the balance of grant funding and full details can be seen in Table 22.

After higher instability in 2021 resulting from government changes in key operational countries and COVID-19 impacts 2022 provided a chance to recover and plan fresh strategic goals including an increased level of activity and funding in Saudi Arabia which will contribute to a near doubling of income in future years. Afghanistan has seen retention of our long-term partnership with USAID and both Myanmar and Jordan are expected to see strong multi-year funding agreements. Higher institutional donor funding is expected to reduce reliance on unrestricted donor funds, however unrestricted donor funding remains important to provide flexibility to operations and overall fundraising across a range of channels will continue into 2023.

Expenditure

Total £10.2m
Urban regeneration £0.9m
Community Development £0.3m
Education £0.7m
Artisan Development £7.5m
Fundraising £0.2m
Trading subsidiaries £0.7m

2022 has seen higher growth in artisan development with expenditure rising by £1.4m from 2021. While artisan development takes place in every country of operation this rise is led by additional activity in Saudi Arabia following new contract agreements with the Ministry of Culture. Artisan Development activity 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. Other expenditure areas are broadly flat when compared with 2021 and reflect ongoing multi-year contracts, the lower costs associated with trading are a result of lower overall sales.

After operational issues in 2021 related to international payments linked to government changes in Afghanistan and Myanmar, informal transfer systems e.g. hawala mechanisms have been introduced. These have been developed alongside enhanced due diligence controls to enable compliance with international laws and regulations.

Fund-raising costs at £0.2m reflect a small in-house development team and minimal global travel and large events.

The Trust reserves position at the end of 2022 of £4.3m is higher than 2021 (£2.8m), driven by £2.1m higher restricted funds reflecting greater grant and contract activities. The higher debtor position in 2022 of £2.5m v 2021 of £0.6m is due to payment pending on Saudi Arabia contracts while the higher creditor position for

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

2022 of £1.6m compared to £0.6m in 2021 is mainly related to deferred income from contract receipts not yet able to be recognised.

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 was reviewed in 2022 from £0.8m to £1.2m. It is expected over the next period that reserves may dip below this level, but then will rise back up. In the longer term the aspiration is that reserves will rise to £1.5-2.0m to reflect growth in organisational size as well as 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 2022. Management continues 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 2023.

While the medium to longer term global impacts around climate and political instability 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 for their continued support to the charity and its mission.

Plan 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, and Yangon, Myanmar.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

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.

A principal risk to the organisation's operations is the volatile political and security landscape that exists in some of the places in which it operates - which came to a head in 2021 with significant events in both Afghanistan and Myanmar. This continued to have a serious potential impact on performance and future prospects during 2022, but has been actively managed and mitigated to enable Turquoise Mountain to continue fulfilling its obligations to funders and meeting its charitable aims.

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

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.

THE TURQUOISE MOUNTAIN TRUST

(A Company Limited by Guarantee)

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 2022 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

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 2022, Turquoise Mountain Trading Ltd owed The Turquoise Mountain Trust £152,722 (2021: £90,225).

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 2022, Turquoise Mountain Foundation US owed The Turquoise Mountain Trust £2,268 (2021: £5,675).

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 £329,801 (2021: £316,534) and indirect grant funding of £Nil (2021: £Nil). At 31 December 2022, The Turquoise Mountain Trust owed the Institute £39,849 (2021: £20,538 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 2022, MAL owed The Turquoise Mountain Trust £35,989 (2021: £47,360). MAL paid the Trust £579 (2021: £11,373) 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 £1,266,276 (2021: £703,505). At 31 December 2022, The LLC owed The Turquoise Mountain Trust £Nil (2021: Nil).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

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 for the majority of 2022 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

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: | Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP |
| 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' 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 principles 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.

Appointment of auditor

Moore Kingston Smith 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 28th September 2023 and signed on their behalf by:



.....
Sir William Patey

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

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 2022 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 2022, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) 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.

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.

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

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 strategic report or the trustees' annual 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 16, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you 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.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

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

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

as issued by the Financial Reporting Council. In addition, certain laws and regulations relevant to material operations in regimes such as Afghanistan are also of direct significance.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. 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.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 29 September 2023

Moore Kingston Smith 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 2022

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ | Total Funds 2021 £ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| <i>Donations and legacies</i> | 5 | 1,083,919 | - | 1,083,919 | 1,544,485 |
| <i>Charitable activities</i> | | | | | |
| Grants received | | - | 9,368,383 | 9,368,383 | 6,330,239 |
| Sale of goods and services | | 207,921 | - | 207,921 | 112,620 |
| Other trading activities | 6 | 731,099 | - | 731,099 | 1,202,088 |
| <i>Investments</i> | | | | | |
| Bank interest | | 2,203 | - | 2,203 | 141 |
| <i>Other</i> | | | | | |
| Foreign exchange gains/(losses) | | 156,879 | 204,623 | 361,502 | 16,996 |
| Miscellaneous income | | 5,209 | - | 5,209 | 2,435 |
| Total income | | 2,187,230 | 9,573,006 | 11,760,236 | 9,209,004 |
| Expenditure on: | | | | | |
| <i>Raising funds</i> | 8 | | | | |
| Turquoise Mountain Trust | | 72,815 | 109,645 | 182,460 | 146,585 |
| Trading subsidiaries | | 658,067 | 607 | 658,674 | 1,131,287 |
| <i>Charitable activities</i> | 8 | | | | |
| Urban Regeneration | | 444,644 | 458,989 | 903,633 | 762,740 |
| Community Development | | 83,190 | 236,528 | 319,718 | 161,780 |
| Education | | 413,286 | 260,003 | 673,289 | 691,997 |
| Artisan Development | | 1,018,176 | 6,472,698 | 7,490,874 | 6,081,215 |
| Total expenditure | | 2,690,178 | 7,538,470 | 10,228,648 | 8,975,604 |
| Net (expenditure)/income before transfers | | (502,948) | 2,034,536 | 1,531,588 | 233,400 |
| Gross transfers between funds | 22 | - | - | - | - |
| Net (expenditure)/ income and net movement in funds | | (502,948) | 2,034,536 | 1,531,588 | 233,400 |
| Total funds brought forward | 22 | 1,681,916 | 1,121,068 | 2,802,984 | 2,569,584 |
| Total funds carried forward | 22 | 1,178,968 | 3,155,604 | 4,334,572 | 2,802,984 |

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 25 to 44 form part of these financial statements.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET

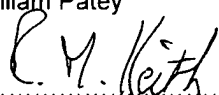
As at 31 December 2022

| | Notes | £ | 2022 £ | £ | 2021 £ |
|---------------------------------------|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 15 | | 279,701 | | 169,330 |
| | | | ----- | | ----- |
| | | | 279,701 | | 169,330 |
| Current assets | | | | | |
| Stocks | 17 | 318,940 | | 230,986 | |
| Debtors | 18 | 2,504,762 | | 604,362 | |
| Cash at bank and in hand | | 2,830,868 | | 2,430,961 | |
| | | ----- | | ----- | |
| | | 5,654,570 | | 3,266,309 | |
| Current liabilities | | | | | |
| Creditors falling due within one year | 19 | 1,599,699 | | 632,655 | |
| | | ----- | | ----- | |
| Net current assets | | | 4,054,871 | | 2,633,654 |
| | | | ----- | | ----- |
| Net assets | | | 4,334,572 | | 2,802,984 |
| | | | ===== | | ===== |
| The funds of the charity | | | | | |
| Unrestricted funds | 22 | 1,178,968 | | 1,681,916 | |
| Restricted funds | 22 | 3,155,604 | | 1,121,068 | |
| | | ----- | | ----- | |
| Total charity funds | | | 4,334,572 | | 2,802,984 |
| | | | ===== | | ===== |

The financial statements were approved by the Trustees on 28th September 2023 and are signed on their behalf by:



.....
Sir William Patey



.....
Richard Keith OBE (Trustee)

Company Number: SC299579

The notes on pages 25 to 44 form part of these financial statements.

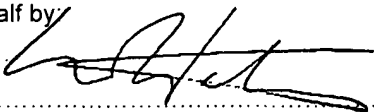
THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

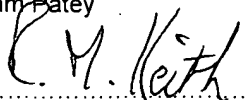
TRUST BALANCE SHEET

As at 31 December 2022

| | Notes | £ | 2022 £ | £ | 2021 £ |
|---------------------------------------|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 15 | | 168,655 | | 76,073 |
| Investments | 16 | | 11,465 | | 10,210 |
| | | | <u>180,120</u> | | <u>86,283</u> |
| Current assets | | | | | |
| Stocks | 17 | 28,504 | | 25,731 | |
| Debtors: | 18 | 2,465,618 | | 509,647 | |
| Cash at bank and in hand | | 2,385,842 | | 2,007,427 | |
| | | <u>4,879,964</u> | | <u>2,542,805</u> | |
| Current liabilities | | | | | |
| Creditors falling due within one year | 19 | 1,319,338 | | 394,009 | |
| | | <u>1,319,338</u> | | <u>394,009</u> | |
| Net current assets | | | 3,560,626 | | 2,148,796 |
| Net assets | | | <u>3,740,746</u> | | <u>2,235,079</u> |
| | | | ===== | | ===== |
| The funds of the charity | | | | | |
| Unrestricted funds | 22 | | 679,852 | | 1,262,137 |
| Restricted funds | 22 | | 3,060,894 | | 972,942 |
| | | | <u>3,740,746</u> | | <u>2,235,079</u> |
| Total charity funds | | | ===== | | ===== |

The financial statements were approved by the Trustees on 28th September 2023 and are signed on their behalf by:


.....
Sir William Patey


.....
Richard Keith OBE (Trustee)

Company Number: SC299579

The notes on pages 25 to 44 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 2022

| | Trust 2022 £ | Trust 2021 £ | Group 2022 £ | Group 2021 £ |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Net movement in funds | 1,505,724 | (101,618) | 1,531,006 | 233,400 |
| Deduct interest income shown in investing activities | - | (141) | - | (141) |
| Add back depreciation charge | 10,338 | 46,154 | 48,103 | 71,322 |
| Add loss on disposal of fixed assets | 1,770 | 2,096 | 3,275 | 3,131 |
| Decrease/(increase) in investments | (1,255) | - | - | - |
| Decrease/(increase) in stock | (2,773) | 4,523 | (87,955) | (21,823) |
| Decrease/(increase) in debtors | (1,955,971) | 501,027 | (1,900,400) | 475,288 |
| Increase/(decrease) in creditors | 925,329 | 40,043 | 967,044 | (48,617) |
| Net cash movement from operating activities | 483,162 | 492,084 | 561,073 | 712,560 |
| Cash flows from investing activities | | | | |
| Interest income | - | 141 | - | 141 |
| Purchase of investments | - | - | - | - |
| Purchase of tangible fixed assets | (104,747) | (37,126) | (161,163) | (105,077) |
| Cash used in investing activities | (104,747) | (36,985) | (161,163) | (104,936) |
| Decrease/(increase) in cash in the year | 378,415 | 455,099 | 399,910 | 607,624 |
| Cash and cash equivalents at the beginning of the year | 2,007,427 | 1,552,328 | 2,430,958 | 1,823,337 |
| Cash and cash equivalents at the end of year | 2,385,842 | 2,007,427 | 2,830,868 | 2,430,961 |

The notes on pages 25 to 44 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 2022

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 £1,531,588 (2021: net income of £233,400) 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.

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

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.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

3. Accounting policies (continued)

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.

i) Tangible fixed assets

All assets costing £200 (US\$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 2022

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 £ | 2022 Total £ | Un- restricted £ | Restricted £ | 2021 Total £ |
|-----------|------------------------|-----------------|--------------------|------------------------|-----------------|--------------------|
| Donations | 1,083,919 | - | 1,083,919 | 1,544,485 | - | 1,544,485 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

6. Other trading activities

| | Un- restricted £ | Restricted £ | 2022 Total £ | Un- restricted £ | Restricted £ | 2021 Total £ |
|--|------------------------|-----------------|--------------------|------------------------|-----------------|--------------------|
| Trading subsidiaries – service and shipping income | 731,099 | - | 731,099 | 1,202,088 | - | 1,202,088 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

7. Net expenditure

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Net expenditure is stated after charging: | | |
| Depreciation | 48,103 | 71,322 |
| Loss on disposal of fixed assets | 3,219 | 3,131 |
| Auditor's remuneration - audit services for the Trust | 37,574 | 40,735 |
| - audit services for the subsidiaries | 13,876 | 10,167 |
| - other services | - | - |
| | ===== | ===== |

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2022

8(a) Resources expended by activity

| | Staff costs £ | Direct costs £ | Sub-total 2022 £ | General management £ | Financial management £ | Human resources £ | IT £ | Programme support £ | Premises & facilities £ | Governance costs £ | Total 2022 £ | Total 2021 £ |
|-------------------------------|---------------------|----------------------|------------------------|----------------------------|------------------------------|-------------------------|---------|---------------------------|-------------------------------|--------------------------|--------------------|--------------------|
| Charitable activities | | | | | | | | | | | | |
| Urban | | | | | | | | | | | | |
| Regeneration | 432,613 | 420,261 | 852,874 | 18,551 | 9,920 | 906 | 799 | 3,606 | 128 | 16,849 | 903,633 | 762,740 |
| Community | | | | | | | | | | | | |
| Development | 197,330 | 101,533 | 298,863 | 7,704 | 4,120 | 376 | 332 | 1,498 | 54 | 6,771 | 319,718 | 161,780 |
| Education | 135,465 | 494,862 | 630,327 | 15,850 | 8,476 | 774 | 683 | 3,081 | 112 | 13,986 | 673,289 | 691,997 |
| Artisan | | | | | | | | | | | | |
| Development | 4,128,416 | 2,878,169 | 7,006,585 | 179,406 | 95,940 | 8,761 | 7,731 | 34,874 | 1,244 | 156,333 | 7,490,874 | 6,081,215 |
| | 4,893,824 | 3,894,825 | 8,788,649 | 221,511 | 118,456 | 10,817 | 9,545 | 43,059 | 1,538 | 193,939 | 9,387,514 | 7,697,732 |
| Costs of raising funds | | | | | | | | | | | | |
| Trust | 83,493 | 86,037 | 169,530 | 4,959 | 2,652 | 242 | 214 | 964 | 34 | 3,865 | 182,460 | 146,585 |
| -Trading | | | | | | | | | | | | |
| subsidiaries | 57,143 | 600,893 | 658,036 | - | - | - | - | - | - | 638 | 658,674 | 1,131,287 |
| | 140,636 | 686,930 | 827,566 | 4,959 | 2,652 | 242 | 214 | 964 | 34 | 4,503 | 841,134 | 1,277,872 |
| | 5,034,460 | 4,581,755 | 9,616,215 | 226,470 | 121,108 | 11,059 | 9,759 | 44,023 | 1,572 | 198,441 | 10,228,648 | 8,975,604 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

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 £329,801 (2021: £316,534).

Charitable activities include costs incurred by Turquoise Mountain for Training and Preservation of Heritage LLC relating to Built Heritage of £540,120 (2021 - £239,803), Education of £62,641 (2021 - £52,386) and Artisan Development of £1,071,919 (2021 - £701,575).

Costs of raising funds include trading activity expenditure of £261,162 (2021 - £209,286) 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 2022

8. (b) Resources expended detailed funds allocation

| | 2022 Unrestricted £ | 2022 Restricted £ | 2022 Total £ | 2021 Unrestricted £ | 2021 Restricted £ | 2021 Total £ |
|------------------------------|---------------------------|-------------------------|--------------------|---------------------------|-------------------------|--------------------|
| Charitable activities | | | | | | |
| Urban Regeneration | 444,644 | 458,989 | 903,633 | 306,672 | 456,068 | 762,740 |
| Community Development | 83,190 | 236,528 | 319,718 | 115,725 | 46,055 | 161,780 |
| Education | 413,286 | 260,003 | 673,289 | 411,696 | 280,301 | 691,997 |
| Artisan Development | 1,018,176 | 6,472,698 | 7,490,874 | 930,923 | 5,150,292 | 6,081,215 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 1,959,296 | 7,428,218 | 9,387,514 | 1,765,016 | 5,932,716 | 7,697,732 |
| Cost of raising funds | | | | | | |
| - Trust | 72,815 | 109,645 | 182,460 | 122,823 | 23,762 | 146,585 |
| - Trading subsidiaries | 658,067 | 607 | 658,674 | 1,123,356 | 7,931 | 1,131,287 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 730,882 | 110,252 | 841,134 | 1,246,179 | 31,693 | 1,277,872 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 2,690,178 | 7,538,470 | 10,228,644 | 3,011,195 | 5,964,409 | 8,975,604 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

9. Governance costs

| | 2022 £ | 2021 £ |
|------------------------|-----------|-----------|
| Staff costs | 51,948 | 58,149 |
| Direct costs | 85,207 | 17,885 |
| General management | 5,379 | 821 |
| Financial management | 2,879 | 374 |
| Human resources | 263 | 26 |
| Information technology | 232 | 47 |
| Programme support | 1,046 | - |
| Premises & facilities | 37 | - |
| Audit fees | 51,450 | 50,902 |
| | ----- | ----- |
| | 198,441 | 128,204 |
| | ===== | ===== |

10. Staff costs

| | 2022 £ | 2021 £ |
|-------------------------------|-----------|-----------|
| Wages and salaries | 4,697,488 | 4,224,128 |
| Pension costs | 113,124 | 40,773 |
| Employer's national insurance | 70,563 | 58,360 |
| | ----- | ----- |
| | 4,881,135 | 4,323,261 |
| | ===== | ===== |

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

| 10. Staff costs (continued) | 2022 No. | 2021 No. |
|---|---------------------|---------------------|
| The average number of employees during the year was as follows: | | |
| Afghan National Staff | 157 | 158 |
| International Staff | 35 | 29 |
| UK Staff | 15 | 13 |
| Myanmar Staff | 22 | 10 |
| Saudi Staff | 23 | 24 |
| Jordan Staff | 40 | 30 |
| | ----- | ----- |
| | 292 | 264 |
| | ===== | ===== |

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:

| | 2022 No. | 2021 No. |
|-------------------|---------------------|---------------------|
| £60,001-£70,000 | 4 | 3 |
| £70,001-£80,000 | 3 | 3 |
| £80,001-£90,000 | 2 | 5 |
| £90,001-£100,000 | 2 | 2 |
| £100,001-£110,000 | 1 | - |
| £110,001-£120,000 | - | 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 £648,117 (2021: £592,555).

11. Trustee remuneration and expenses

During the year, no Trustees were remunerated for services provided to the Trust (2021: none). The Memorandum of Understanding permits payments where appropriate.

Three Trustees received reimbursement of travelling expenses incurred on Trust activities amounting to £1,357 (2021: £1,993). In addition, the Trust provided Trustee Indemnity Insurance with a cost of £3,115 (2021: £1,882).

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 (2021: £Nil).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

13. Prior year statement of financial activities - group

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

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:

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Gross incoming resources | 10,651,840 | 7,343,368 |
| Cost of raising funds | (182,460) | (166,093) |
| Total expenditure on charitable activities | (8,963,656) | (7,278,893) |
| | ----- | ----- |
| | 1,505,724 | (101,618) |
| Total funds brought forward | 2,235,079 | 2,336,697 |
| | ----- | ----- |
| Total funds carried forward | 3,740,803 | 2,235,079 |
| | ===== | ===== |
| Represented by: | | |
| Unrestricted funds | 679,852 | 1,262,137 |
| Restricted funds | 3,060,951 | 972,942 |
| | ----- | ----- |
| | 3,740,803 | 2,235,079 |
| | ===== | ===== |

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:

| | 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.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

15. Tangible assets – Group

| | Furniture and fixtures £ | Tools and equipment £ | Computers and software £ | Motor vehicles £ | Total £ |
|--------------------------|---|--|---|---------------------------------|--------------------|
| Cost or valuation | | | | | |
| At 1 January 2022 | 136,647 | 331,089 | 229,077 | 14,469 | 711,282 |
| Additions | 23,509 | 45,588 | 79,148 | 12,918 | 161,163 |
| Disposals | (927) | - | (5,305) | - | (6,232) |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 December 2022 | 159,229 | 376,677 | 302,920 | 27,387 | 866,213 |
| | ----- | ----- | ----- | ----- | ----- |
| Depreciation | | | | | |
| At 1 January 2022 | 63,606 | 279,508 | 184,371 | 14,467 | 541,952 |
| Charge for year | 22,305 | 5,465 | 20,332 | - | 48,102 |
| Disposals | (633) | - | (2,909) | - | (3,542) |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 December 2022 | 85,278 | 284,973 | 201,794 | 14,467 | 586,512 |
| | ----- | ----- | ----- | ----- | ----- |
| Net book value | | | | | |
| At 31 December 2022 | 73,951 | 91,704 | 101,126 | 12,920 | 279,701 |
| | ===== | ===== | ===== | ===== | ===== |
| Net book value | | | | | |
| At 31 December 2021 | 73,041 | 51,581 | 44,706 | 2 | 169,330 |
| | ===== | ===== | ===== | ===== | ===== |

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

15. Tangible assets – Trust *(continued)*

| | Furniture and fixtures £ | Tools and equipment £ | Computers and software £ | Motor vehicles £ | Total £ |
|--------------------------|---|--|---|---------------------------------|--------------------|
| Cost or valuation | | | | | |
| At 1 January 2022 | 46,535 | 317,588 | 187,800 | 14,469 | 566,392 |
| Additions | 1,268 | 25,685 | 64,876 | 12,918 | 104,747 |
| Disposals | - | - | (1,934) | - | (1,934) |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 December 2022 | 47,803 | 343,273 | 250,742 | 27,387 | 669,205 |
| | ----- | ----- | ----- | ----- | ----- |
| Depreciation | | | | | |
| At 1 January 2022 | 38,083 | 274,585 | 163,184 | 14,467 | 490,319 |
| Charge for year | 2,016 | 668 | 7,654 | - | 10,338 |
| Disposals | - | - | (107) | - | (107) |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 December 2022 | 40,099 | 275,253 | 170,731 | 14,467 | 500,550 |
| | ----- | ----- | ----- | ----- | ----- |
| Net book value | | | | | |
| At 31 December 2022 | 7,704 | 68,020 | 80,011 | 12,920 | 168,655 |
| | ===== | ===== | ===== | ===== | ===== |
| Net book value | | | | | |
| At 31 December 2021 | 8,452 | 43,003 | 24,616 | 2 | 76,073 |
| | ===== | ===== | ===== | ===== | ===== |

16. Investments - Trust

| | 2022 £ | 2021 £ |
|-----------------------------|-------------------|-------------------|
| Investments in subsidiaries | | |
| Cost | 11,465 | 10,210 |
| | ===== | ===== |

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 2022 the aggregate amount of capital and reserves of Turquoise Mountain Trading Limited was a negative £25,690 (2021: positive £51,092) and the loss for the year was £24,659 (2021: £51,092 profit).

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 2022 the aggregate amount of capital and reserves of Turquoise Mountain For Training and Preservation of Heritage LLC was £556,441 (2021: £517,405) and the result for the year was a surplus of £49,036 (2021: £303,662).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2022

| 17. Stock | Group £ | Trust £ | Group £ | Trust £ |
|---|--------------------|-----------------------------|--------------------|-----------------------------|
| Raw Materials | 11,976 | - | 11,202 | - |
| Work in progress | 134,057 | - | 63,975 | - |
| Finished goods | 172,907 | 28,504 | 155,809 | 25,731 |
| | ----- | ----- | ----- | ----- |
| | 318,940 | 28,504 | 230,986 | 25,731 |
| | ===== | ===== | ===== | ===== |
| 18. Debtors | Group £ | 2022 Trust £ | Group £ | 2021 Trust £ |
| Trade debtors | 1,669,874 | 1,605,514 | 134,957 | 66,849 |
| Sundry debtors | 80,804 | 13,094 | 85,787 | 43,095 |
| Deposits | 90,085 | 82,880 | 79,614 | 73,807 |
| Prepayments | 270,025 | 217,295 | 122,820 | 95,593 |
| Amounts due by group undertakings | - | 152,861 | - | 89,541 |
| Accrued income- grants | 393,974 | 393,974 | 181,184 | 140,762 |
| | ----- | ----- | ----- | ----- |
| | 2,504,762 | 2,465,618 | 604,362 | 509,647 |
| | ===== | ===== | ===== | ===== |
| 19. Creditors: amounts falling due within one year | Group £ | 2022 Trust £ | Group £ | 2021 Trust £ |
| Trade creditors | 434,127 | 417,958 | 277,305 | 168,908 |
| Other creditors and accruals | 394,198 | 306,885 | 313,222 | 199,625 |
| Deferred income | 771,375 | 594,495 | 42,128 | 25,476 |
| | ----- | ----- | ----- | ----- |
| | 1,599,700 | 1,319,338 | 632,655 | 394,009 |
| | ===== | ===== | ===== | ===== |

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 2022, Turquoise Mountain Trading Ltd owed The Turquoise Mountain Trust £152,722 (2021: £90,225).

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 2022, Turquoise Mountain Foundation US owed The Turquoise Mountain Trust £2,268 (2021: £5,675).

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 £329,801 (2021: £316,534) and indirect grant funding of £Nil (2021: £Nil). At 31 December 2022, The Turquoise Mountain Trust owed The Institute £39,849 (2021: Institute owed the Trust £20,538).

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 2022, MAL owed The Turquoise Mountain Trust £35,989 (2021: £47,360). MAL paid the Trust £579 (2021: £11,373) for services and support provided during the year.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

20. Related party transactions (continued)

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 £1,266,276 (2021: £703,505). At 31 December 2022, The LLC owed The Turquoise Mountain Trust £Nil (2021: Nil).

21. Operating lease commitments

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

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Operating leases for land and buildings are due: | | |
| - within 1 year | 60,127 | 83,101 |
| - between 2 to 5 years | 139,074 | 65,276 |
| - after more than 5 years | - | 56 |
| | ----- | ----- |
| | 199,201 | 148,433 |
| | ===== | ===== |

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2022

22. Reserves – Group and Trust

| | 1 January 2022 | Resources recognised to income | Resources expended | Exchange gains/ (losses) | Transfers | 31 December 2022 |
|--------------------------|-------------------|--------------------------------------|-----------------------|--------------------------------|-----------|------------------------|
| Restricted | £ | £ | £ | £ | £ | £ |
| USAID - RACCE | 81,744 | - | - | 10,049 | - | 91,793 |
| USAID – AJCP | 48,064 | - | - | 5,909 | - | 53,973 |
| Al-Waleed - Myanmar | 55,040 | - | - | 6,766 | - | 61,806 |
| Sigrid Rausing Trust | 60,033 | - | - | 7,380 | - | 67,413 |
| States of Guernsey | 7,260 | - | - | 892 | - | 8,152 |
| US Embassy – AFCP | 106,676 | - | - | 13,114 | - | 119,790 |
| Aliph - Emergency funds | - | (18,970) | (1,038) | (732) | - | (20,740) |
| Aliph - UR | 19,631 | - | (80,081) | (519) | - | (60,969) |
| Crowdfunding - Aug 2021 | 386,774 | - | - | 47,546 | - | 434,320 |
| RCU 2021 | - | 199,273 | (210,825) | (423) | - | (11,975) |
| RCU - Other | 9,789 | - | - | 1,203 | - | 10,992 |
| SDC | 64,350 | 80,030 | (172,302) | 4,532 | - | (23,390) |
| Women Forward Intl | 10,442 | - | - | 1,287 | - | 11,729 |
| Anthony Ford | 3,694 | - | - | 454 | - | 4,148 |
| Findlay Charitable Trust | 49,618 | - | - | 6,099 | - | 55,717 |
| Guy Oliver/Amy Towers | 7,307 | - | (7,916) | 609 | - | - |
| John Tusa | 994 | - | - | 122 | - | 1,116 |
| Monsoon GT (Food) | 33,263 | - | - | 4,090 | - | 37,353 |
| Monsoon Bamiyan | 8,737 | - | - | 1,074 | - | 9,811 |
| Rockcliffe CT | 19,527 | 36,914 | - | 3,752 | - | 60,193 |
| AFCP | - | 45,688 | (150,762) | (3,848) | - | (108,922) |
| Al-Waleed Myanmar | - | 66,692 | (116,919) | (1,840) | - | (52,067) |
| Al-Waleed-Myanmar23-27 | - | - | (7,325) | (268) | - | (7,593) |
| Aramco/City Neon Arabia | - | 3,457 | (3,458) | 1 | - | - |
| Australian Volunteers 2 | - | 5,704 | (5,704) | - | - | - |
| Badr Jafar 2022 | - | 80,616 | (38,220) | 1,552 | - | 43,948 |
| CHK Foundation | - | 21,660 | (21,660) | - | - | - |
| Crowdfunding-Aug21 | - | 91,613 | (417,994) | (11,949) | - | (338,330) |
| DAI Global | - | 62,291 | (62,291) | - | - | - |
| DAI/USAID | - | 54,580 | (50,682) | 143 | - | 4,041 |
| Findlay CT | - | 53,749 | (25,644) | 1,029 | - | 29,134 |
| Kadoorie 2022-2024 | - | 107,822 | (87,919) | 729 | - | 20,632 |
| Kaplan | - | - | (8,003) | (293) | - | (8,296) |
| Manifold Trust | - | 4,501 | (4,509) | - | - | (8) |
| MoC | - | 4,919,587 | (2,426,597) | 91,271 | - | 2,584,261 |
| Monsoon - GT (food) | - | - | (21,249) | (778) | - | (22,027) |
| Monsoon – Bamiyaan | - | 40,564 | (56,490) | (584) | - | (16,510) |
| NMCT | - | 21,086 | - | 772 | - | 21,858 |
| RCU - FM | - | 35,845 | (49,785) | (510) | - | (14,450) |
| RCU - Shop | - | 120,249 | (132,660) | (454) | - | (12,865) |

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

22. Reserves – Group and Trust (continued)

| | £ | £ | £ | £ | £ | £ |
|--------------------------|------------------|-------------------|---------------------|----------------|----------|------------------|
| RCU 2021 - EXT | - | 623,112 | (639,612) | (604) | - | (17,104) |
| RCU 2023 | - | - | (30,970) | (1,134) | - | (32,104) |
| SRT | - | 34,004 | (40,912) | (253) | - | (7,161) |
| SRT - Emergency Support | - | - | (45,527) | (1,666) | - | (47,193) |
| Swarovski Fndn 2 | - | 41,075 | (51,326) | (375) | - | (10,626) |
| TMT | - | 633 | - | 23 | - | 656 |
| TMT-Afghanistan | - | 150,949 | (702) | 5,500 | - | 155,747 |
| Duke of Devonshire | - | 5,232 | - | 192 | - | 5,424 |
| Flora Family Foundation | - | 8,003 | (8,003) | - | - | - |
| Peter Cundill 2022 | - | 80,014 | - | 2,929 | - | 82,943 |
| USAID-AJCP | - | 2,003,225 | (2,115,394) | (4,107) | - | (116,276) |
| WFI – Blumera Phase 1 | - | - | (5,092) | (187) | - | (5,279) |
| WFI – Blumera Phase 2 | - | 16,936 | (36) | 619 | - | 17,519 |
| Not Specified | - | 327 | (290) | 917 | - | 954 |
| Kaplan* | 34,443 | - | - | 4,146 | - | 38,589 |
| UNICEF 2021* | - | 83,034 | (83,034) | - | - | - |
| GIZ* | 113,682 | 68,074 | (186,271) | 9,639 | - | 5,124 |
| GIZ 2* | - | 70,140 | (14,929) | 1,888 | - | 57,099 |
| LCF – UAL* | - | 9,030 | (7,677) | 46 | - | 1,399 |
| Swarovski Fndn 2* | - | - | 25,956 | - | - | 25,956 |
| UNICEF 2022* | - | 141,644 | (137,299) | 149 | - | 4,494 |
| Kaplan 2022* | - | - | (37,319) | (1,276) | - | (38,595) |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Restricted funds Group | 1,121,068 | 9,368,383 | (7,538,470) | 204,623 | - | 3,155,604 |
| Unrestricted funds Group | 1,681,916 | 2,030,351 | (2,690,178) | 156,879 | - | 1,178,968 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total funds Group | 2,802,984 | 11,398,734 | (10,228,648) | 361,502 | - | 4,334,572 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Restricted funds Trust | 972,969 | 8,996,463 | (7,133,541) | 187,786 | - | 3,023,677 |
| Unrestricted funds Trust | 1,262,136 | 1,346,165 | (2,048,507) | 120,083 | - | 679,877 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total funds Trust | 2,235,105 | 10,342,628 | (9,182,048) | 307,869 | - | 3,703,554 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

* 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 2022

22. Reserves – Group and Trust (continued)

| | 1 January 2021 | Resources recognised to income | Resources expended | Exchange gains/ (losses) | Transfers | 31 December 2021 |
|---|----------------------|--------------------------------------|-----------------------|--------------------------------|-----------|------------------------|
| <u>Prior Year Comparative</u> | £ | £ | £ | £ | £ | £ |
| 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/Caravanseraï | - | 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 Intl/Blumera | - | 10,904 | (629) | 167 | - | 10,442 |
| 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 2022

22. Reserves – Group and Trust (continued)

| | | | | | | |
|------------------------------------|------------------|------------------|--------------------|---------------|----------|------------------|
| 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 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Trust funds prior year 2021 | | | | | | |
| 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 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

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.

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2022

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 2022:** 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 2022:** A campaign launched in April 2022 to provide free healthcare for communities in central Kabul.
- xxiv. **Prince of Wales Charitable Foundation 2022:** 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 2022

| 23. Analysis of net assets between funds - Group | Tangible Fixed Assets £ | Net Current Assets £ | 2022 Total £ |
|---|----------------------------------|-------------------------------|--------------------|
| | | | |
| Restricted funds | 72,053 | 3,083,551 | 3,155,604 |
| Unrestricted funds | 207,648 | 971,320 | 1,178,968 |
| | ----- | ----- | ----- |
| | 279,701 | 4,054,871 | 4,334,572 |
| | ===== | ===== | ===== |
| | | | |
| | 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 |
| | ===== | ===== | ===== |

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 £113,124 (2021: £40,773). Pension contributions outstanding at 31 December 2022 were £5,887 (2021: £5,520).

25. Significant events and going concern

Following the significant political upheaval in 2021 in both Afghanistan and Myanmar, operations stabilised during the course of 2022.

The Trustees are continually reviewing the operating infrastructure in both Afghanistan and Myanmar against any ongoing uncertainties. The Trustees, aware of the requirement to operate within jurisdictional law and regulations have sort, where possible, clarity on revised requirements including the movement of funds in accordance with best practice measures.

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.

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.