



TURQUOISE MOUNTAIN

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CONSOLIDATED REPORT and FINANCIAL STATEMENTS

For the Year Ended 31 December 2020



COMPANIES HOUSE

17 DEC 2021

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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	5
Independent Auditor's report	19
Consolidated Statement of Financial Activities	23
Consolidated Balance Sheet	24
Trust Balance Sheet	25
Consolidated and Trust Statement of Cash Flows	26
Notes to the Financial Statements	27

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CHIEF EXECUTIVE'S INTRODUCTION

Dear friends,

I write this during a moment of crisis in Afghanistan, and I know that by the time this annual report is being read events will have moved forward in ways I cannot predict. With the withdrawal of international troops and the rapid transition to a new Taliban government, the country that has been the heart and soul of Turquoise Mountain for over fifteen years is facing an uncertain new era. There is much that we don't know about how the coming months and years will unfold in Afghanistan, but all of us at Turquoise Mountain remain fully dedicated to continuing our work with artisans and their families. We will have to adapt – and will prioritise the safety of those with whom we work – but we intend to continue working both within Afghanistan and with the community of skilled Afghan artisans who have been displaced around the world.

The situation in Afghanistan highlights that while a major crisis – whether political turmoil or a global pandemic – can disrupt and undermine work in the arts or humanitarian sphere, it does not render that work meaningless or void. While some commentators insist that twenty years of work in Afghanistan have been a “failure” or a “waste,” we know that the artisans and families we work with are not statistics, they are individual people. When a life is changed – through education, healthcare, or a meaningful vocation – those changes have a profound economic and personal impact and reverberate for years, through whatever challenges may come. And every person who inherits a craft tradition from the previous generation, helps to preserve it for the next.

With all of that in mind, as I look back at 2020 I am deeply proud of our achievements in an unpredictable and tumultuous year. Despite the dual challenges of the pandemic and security in Afghanistan, we supported more artisans and generated more sales of their work than in any previous year. We created work for thousands of women and men in Afghanistan, Myanmar, Saudi Arabia and Jordan, bringing over \$1m of their products to market. We are so grateful to our supporters and friends around the world who have made our work possible. And I want to particularly thank our Trustees and staff for their dedication and perseverance in the face of adversity – there has been no point during the pandemic or the disruptions of the last year when I doubted our ability to continue working with artisans, generating incomes and preserving culture and heritage.

Turquoise Mountain continues to work in four countries – Afghanistan, Myanmar, Saudi Arabia, and Jordan. To date, we have restored over 150 historic buildings in Kabul and Yangon, trained over 12,000 artisans and builders, treated over 165,000 patients at our Kabul clinic, and generated and supported over \$17m in international sales around the world. We have showcased artisans' work on the global stage, through exhibitions at the Museum of Islamic Art in Doha, the Smithsonian Museum in Washington D.C. and the Buckingham Palace Summer Opening in London, and in a wide range of virtual and online events throughout the pandemic. We have connected artisans with international retailers and five-star hotels, from Jo Malone to the Habitas Hotel. And we have launched over 50 small businesses, supporting dozens more, all of whom are contributing to the sustainable growth of the craft industry.

We continue to pursue the vision of our Royal Founding Patron, HRH The Prince of Wales, of heritage-led regeneration, bringing incomes and pride to communities where heritage is under threat, preserving unique and precious cultural traditions for future generations.

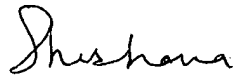
During the pandemic, I was reminded why traditional crafts are so powerful and resilient – in many cases, while economies around the world were in turmoil, artisans were able to continue working at home with traditional materials and methods that have continued through centuries. We were able to support them by providing a steady stream of orders from clients around the world, but also by providing materials, online and virtual training resources, and a new innovation: the “workshop-in-a-box” with the basic tools to allow trainee artisans to continue their work and learning from home. In times of more extreme need, we also provided personal protective equipment and food supplies when shops closed and food prices soared. This was made possible by the support of hundreds of grassroots donors who contributed to an emergency appeal.

We are lucky to work not only with extraordinarily talented artisans – but also in exceptionally beautiful and historic heritage sites. In addition to our long-term homes in the Old City of Kabul and downtown Yangon, we are now also working at two UNESCO heritage sites – a silk road era caravanserai in the Bamiyan valley, and the spectacular AlUla in Saudi Arabia – as well as Umm Qais in Northern Jordan, where an Ottoman era village is perched upon the Roman ruins of Gadara. Each of these places will in the coming years be living heritage communities – with craft training and businesses, sustainable tourism and hospitality, and programs and services for the surrounding communities. One of our most exciting new community programs is our children's heritage classes for refugee families in Jordan. One ten-year-old student said *“it took my mind away, it made me forget the sad things! For example, I had a fight with one of our neighbours and forgave him, but I kept thinking of what he said. When I was carrying the embroidery needle and the etamine fabric, I forgot what happened. Everything disappeared from my thoughts.”*

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CHIEF EXECUTIVE'S INTRODUCTION *(continued)*

There is no doubt that 2020 was an unprecedented and difficult year, but all of us at Turquoise Mountain are re-dedicated to our mission to support communities and preserve heritage under threat amidst it all. On behalf of the board, and from all of us at Turquoise Mountain, thank you for your support over the last decade, in 2020, and in the years ahead.

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

Shoshana Stewart
Chief Executive Officer
Turquoise Mountain

THE TURQUOISE MOUNTAIN TRUST
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WHERE WE WORK

In 2020, Turquoise Mountain worked in locations across the world and continued its core project work in the following regions where cultural heritage is at risk:

Afghanistan
Jordan
Myanmar
Saudi Arabia

THE TURQUOISE MOUNTAIN TRUST (A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

The Trustees present their report along with the financial statements of Turquoise Mountain Trust for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out on pages 26-28 and comply with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

1. Objectives and Activities

The Turquoise Mountain Trust was established in 2006 by HRH The 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.

As part of a long-term investment in the places where it works, Turquoise Mountain is committed to safeguarding built heritage, creating economic opportunities and building new cultural centres for the community – supporting the local people by providing jobs through craft production and heritage tourism, improving lives through economic opportunities, and changing international perceptions of these areas by sharing their rich histories with the world.

Success is measured by closely tracking performance in a range of categories, including: skills development (e.g. number of training hours offered, total number of artisans supported), employment (e.g. number of businesses supported, average number of artisans working at independent businesses/entities/groups/cooperatives), business growth and sustainability (e.g. product rejection rate 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, Turquoise Mountain has transformed the Old City neighbourhood of Murad Khani, from dilapidated conditions after decades of war into a vibrant cultural, educational and economic hub. 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 health. We are working to build the craft economy and have supported and launched 30 businesses and over 6,000 artisans in Kabul, Bamiyan, Mazar-e Sharif and Herat. The Institute for Afghan Arts and Architecture, an internationally accredited vocational institute, now sits at the heart of Murad Khani, training a new generation of Afghan artisans in woodwork, calligraphy and miniature painting, ceramics, gem-cutting and jewellery, textiles, and design. In 2020, hundreds of craft businesses in Murad Khani and across the country were 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 in Bamiyan, managing two schools and weaving centres, supporting multiple households of weavers, and (starting in 2020) restoring the historic caravanserai in Shashpul, focusing on the documentation, preservation and public access to the site.

Myanmar

Turquoise Mountain has been operating in Myanmar since the end of 2014, with a vision to save the iconic urban heritage of Yangon's Downtown 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. Yangon's historic downtown has a wealth of beautiful colonial buildings in immediate danger; our ambition is to provide a sustainable example by which all of these may be saved. The restoration of the Tourist Burma building, completed in 2019, was our largest regeneration project in Myanmar to date which saw us transform 6,000m² of building over two years of renovation. The craft industry dovetails perfectly with these buildings, both as workshop and retail spaces, but also in engaging visitors with Myanmar cultural heritage in an inspirational setting.

THE TURQUOISE MOUNTAIN TRUST (A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

1. Objectives and Activities (continued)

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 Barneys NY and Net-a-Porter, and the expansion of our textiles programme – supporting female artisans in Chin State, Kachin State, Northern Rakhine, and Mandalay – means we can now 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, and in 2020 we 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.

Kingdom of Saudi Arabia

Turquoise Mountain has been supporting artisans across the Kingdom of Saudi Arabia since 2015, and our supported artisans are now producing handmade pieces steeped in local design traditions and set in a contemporary context, for local and international clients. We have trained more than 1,100 artisans to date, and are currently the largest provider of crafts training in Saudi Arabia. In 2020, our artisans produced more than 9,000 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, Riyadh Diplomatic Quarter; the Marriott Airport Hotel in Riyadh; Amazon.com; and more. We are working with public, government and private partners to develop Saudi capabilities in the sector, including Alwaleed Philanthropies, The Royal Commission for AlUla, and JP Morgan Chase Foundation.

Jordan

In 2018, Turquoise Mountain launched a programme 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 100 individuals, are producing handcrafted pieces for clients all over the world, generating much-needed income for them and helping to ensure the survival of their craft traditions. Over 1,500 children and young people have taken part in our children's heritage outreach programme, which offers a connection to Levantine cultural heritage through a range of online and classroom-based teaching sessions. We have also 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 the Dar Hassan Palace in 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. 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 generated over \$250,000 on behalf of the artisan network. Finally, we have started work at the archaeological site of Umm Qais in Northern Jordan, installing protective barriers and a new stage to re-open the 2nd Century Western Theatre.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

2. Strategic Report

Turquoise Mountain identifies 5 key strategic aims:

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

2.1 Afghanistan

Built Heritage

Turquoise Mountain has been restoring historic buildings in Murad Khani since 2006. In 2020, Turquoise Mountain's team of national and international architects and engineers conducted repairs on over 50 community and commercial buildings in Murad Khani, providing emergency masonry and carpentry work, roof plastering and general maintenance.

Turquoise Mountain continues to train architects, engineers and site supervisors as well as masons, carpenters, electricians, plumbers, and others in traditional construction methods. In 2020, we trained over 150 people, ranging from individual trainees to engineers at the Ministry of Culture.

In 2020, we embarked on a new endeavour to document, restore, and preserve a 17th century caravanserai in Shashpul, Bamiyan. Through architectural restoration, training, and public outreach, Turquoise Mountain is transforming the location into a locus for developing skills in traditional building techniques and heritage preservation. We have also developed a long-term plan for the location that, like Murad Khani, is built around community engagement and preservation, the promulgation of intangible and built cultural heritage, and sustainable employment opportunities.

Traditional Crafts

Turquoise Mountain is committed to preserving and promoting traditional craft skills and documenting intangible cultural heritage, the cornerstones of cultural preservation.

The Institute for Afghan Arts and Architecture was founded by Turquoise Mountain in 2006 to train a new generation of artisans in calligraphy and miniature painting, jewellery and gem-cutting, woodwork, and ceramics, in order to revive these traditions, and create economic opportunities. Despite the disruptions to the economy caused by COVID-19, more than 40% of the students who graduated from the Institute in 2019 are now employed, teaching, pursuing further studies or have opened their own independent businesses. Despite the disruptions to in-person tuition, the Institute for Afghan Arts and Architecture adapted in 2020 so that students' education could proceed.

In 2020, Turquoise Mountain added six centuries-old traditions on the brink of disappearing to the 19 previously documented forms of cultural heritage, recording and advocating for the protection of important items such as: *barak* (felt) weaving and carpet making in Bamiyan. Using the UNESCO 2003 Convention as a template, we are mapping the communities of craftsmen and women and involving them in the documentation process, as well as documenting the oral history, folklore, and rituals of the respective communities. Our team has also worked to support the government in the nomination of Herati silk weaving, copper smithing, goldsmithing, and glassblowing crafts to the list of UNESCO's endangered practices.

Connecting Artisans to Markets

Turquoise Mountain works to connect Afghan artisans with national and international buyers, through a programme of business development activities, trade fairs and exhibitions.

Despite the global COVID-19 pandemic, 2020 saw an increase in the number of supported sales nationally and internationally, generating over \$2.5 million in sales for local artisans.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

2.1 Strategic Report – Afghanistan (continued)

The business development programme assisted over 30 independent handicraft businesses and delivered business development support to over 6,000 artisans. This included sales, marketing, design development, technical training and business training, with an emphasis on exporting their products to international markets. We are partnering with retailers such as Kate Spade, Asprey, Artisan & Fox, Luke Irwin, Christopher Farr, and Monsoon and driving international demand.

In 2020, we continued to expand our carpet programme. Central to our approach is the construction of weaving centres which incorporate on-site design, dyeing, washing and finishing facilities. All production processes are under the supervision of a single producer company which can respond to and meet the standards of the international market at a high level, attracting and sustaining higher value direct-to-market exports. We now work with seven carpet companies in Balkh, Jawzjan, Bamiyan and Kabul. Since January 2020, Turquoise Mountain has contributed to the export of approximately 3,567 square metres of carpets of a value of \$573,726 in direct sales. International exhibitions and fairs – such as New York Rug Show and DOMOTEX in Germany have been an important platform to showcase the uniqueness of Afghan products.

Community

The Feroz Koh (Turquoise Mountain) Family Health Centre is an urban clinic offering community-oriented primary health care and training in family medicine, which has been serving the community of Murad Khani in the old city of Kabul since 2011. It focuses on family health and specialises in maternal-child health and community health outreach. The clinic has treated over 148,000 patients since 2011 and is recognized as a beacon of best practice within Kabul.

In 2020 Turquoise Mountain provided healthcare to over 11,000 patients, 67% of whom were women. We also improved five new services: radiology, dentistry, psycho-social counselling, minor surgery, and dermatology. We have widened the scope of our Community Health Program with free care – especially maternal and infant care – provided to the poorest of families. This has been augmented by a new public health outreach program which has facilitated vaccines for over 3,000 members of the community. Some patients have indicated that they travel from hundreds of miles away on the strength of family recommendations. During the COVID-19 pandemic, the clinic supported the local community through awareness raising sessions and distribution of PPE.

In Afghanistan, the economic ramifications of COVID-19 meant that humanitarian organisations struggled to meet increasing needs. While Turquoise Mountain is primarily an arts and heritage organisation, we provided food supplies for vulnerable families in Murad Khani as well as the carpet weaving communities in Bamiyan and Northern Afghanistan. Through our family health clinic, we identified 100 vulnerable households in Kabul's Old City and distributed three rounds of an essential food supply package including staples like rice, lentils, and cooking oil to assist them immediately and directly. Based on thorough needs assessments, a total of 822 households received an essential nutrition package of rice, cooking oil, sugar, tea, and liquid soap.

The Turquoise Mountain Primary School in Murad Khani provided supplementary education to over 130 students in 2020, including classes in Calligraphy, Miniature Painting, Mathematics, Drawing, Embroidery, English, Islamic education and Dari Dictation.

2.2 Myanmar

Traditional Crafts and Connecting Artisans to Markets

Turquoise Mountain is supporting artisans in Myanmar to preserve the rich traditions of the country and provide economic opportunities through routes to market. In spite of the challenges of 2020, our crafts programmes in Myanmar continued to grow, supported by Alwaleed Philanthropies, The DaNa Facility (UKAID), The Kadoorie Charitable Foundation, the Monsoon Foundation, and Australian Volunteers International.

The textile project was a large part of the focus for the year, and as many weavers already work from home, it was relatively resilient on the production side throughout the pandemic. We expanded our support for the 230 weavers, the vast majority of whom are women from ethnic minority backgrounds, in Chin State, Kachin State, Northern Rakhine, and Mandalay Division.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

2.2 Strategic Report – Myanmar (continued)

At the height of the pandemic the team from our Textiles Atelier, working from home, began a new project in response to the shortage of face masks in Myanmar, turning leftover stock fabrics from our Atelier into unique and colourful masks made with heritage fabrics - for every mask sold one was donated to someone in the local community. Thousands of masks were ordered around the world.

The handwoven fabrics of Myanmar were given a high profile international commercial stage, being featured at the UK interiors trade event Decorex, where Turquoise Mountain won an award for 'attention to diversity and bringing together a multitude of cultures' in our designs.

Our jewellery workshop continued to produce exquisite hand-crafted gold pieces for international markets – even when the goldsmiths were working from home. As well as developing more collections with long-time partner Pippa Small and other new designers, we developed a new jewellery collection designed in-house, drawing inspiration from Myanmar's cultural and natural heritage and showcasing the traditional and intricate skills of the goldsmiths.

2.3 Kingdom of Saudi Arabia

Traditional Crafts and Connecting Artisans to Markets

In the Kingdom of Saudi Arabia, Turquoise Mountain is helping to raise the profile of the country's rich cultural heritage, and to provide training and employment platforms for the country's talented craftsmen and women. Over the last five years, our supported artisans have produced more than 9,000 craft pieces for more than 30 commercial clients in the luxury hotel, retail, and gifting sectors. Today, we are working with public, government and private partners to develop Saudi capabilities in the sector, including Alwaleed Philanthropies, The Royal Commission for AlUla, and JP Morgan Chase Foundation. We have trained more than 1,100 artisans to date and together with our partners, we are helping lay the foundations for a vibrant craft sector that supports artisans and encourages craft enterprise and innovation.

During the COVID-19 pandemic, Turquoise Mountain provided virtual training for our Saudi artisans, providing them with any tools and equipment they required to continue training from home. We conducted live group and one-to-one online sessions and created online tutorial videos when needed for more than 50 artisans participating in our programmes. We also delivered sterilised equipment and tools to artisans at home. Finally, partnering with Google Maharat – the first training platform for Arabic speakers created by Google - we provided artisans with several online training courses covering topics such as digital marketing and social media.

In 2020, we also established 99 Beads, a training workshop supporting 20 women to learn traditional beading skills under the tutelage of master artisans and to creatively interpret these techniques into contemporary products that can generate income. The women created three commercially viable collections, inspired by traditional textile patterns as well as the motifs and colours of AlUla, in Northern Saudi Arabia. We also commercially registered 99 Beads under the ownership of artisan Ghadah Al Malki and provided her with a working space in the Turquoise Mountain office. Ghadah now owns and manages the 99 Beads workshop and employs six artisans.

In 2020, Turquoise Mountain established workshops for entry-level artisans in wood carving, leather, ceramics, and candle and soap making. Working with 11 trainers, 48 trainees learned fundamental and intermediary techniques and created products to be sold as gifts in hotels and retail outlets. In addition, palm weavers across the country are collaborating on a first of its kind project to weave traditional palm into thousands of meters of ceilings and patio for the soon-to-open Habitas eco-resort in AlUla. Our supported artisans in AlUla have also provided products for the regional airport and the Winter Park visitors centre.

In January 2020, we embarked on a new partnership with the Royal Commission for AlUla. With the area fast becoming a destination for tourists and cultural events, this project aims to empower and enable new artisans, and particularly young people, to make heritage-inspired craft products which can be made and sold commercially. Our programme included conducting research to create design guidelines based on architectural, natural, and archaeological references; transforming a former school for girls, Madrasat Addeera, into a training hub; recruiting 50 trainees; and commencing training in ceramics, textiles, palm weaving, and jewellery making.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

2.4 Jordan

Urban Regeneration

Turquoise Mountain has restored and set up a dedicated training centre in Northern Amman and has embarked - on request from and in collaboration with the Ministry of Tourism and Antiquities - a new built heritage and community regeneration project at the site of Umm Qais. Over the next few years, we will work to preserve the site and reconnect members of the local community to the place their ancestors once called home, creating a hub for heritage, education, and economic opportunity through sustainable and heritage-based tourism.

In 2020, we began the project at Umm Qais by restoring the stage and installing a series of lattice arches for safety at the 2nd Century Western Theatre, which will reopen in 2021. Turquoise Mountain will soon start work on the Ottoman-era architecture and further classical remains at the site.

Traditional Crafts and Connecting Artisans to Markets

In Jordan, we offer vocational training in traditional crafts, preserving these skills for future generations and supporting the next generation of artisan entrepreneurs in the Levant.

Over the course of 2020, we provided training in woodworking, jewellery making, drawing, embroidery, and stone-carving, both within our own training centres in Amman and also within the refugee camps. Our training is now delivered across three levels: entry-level for those with no prior experience; apprenticeships for those who have graduated from entry-level or who demonstrate prior experience; and advanced for smaller groups hand-selected for our 'concept to market' course.

Despite the disruptive effects of the COVID-19 pandemic in Jordan, we expanded our training programmes during the year. In total we have now graduated 400 students in vocational training, and during the year we added design classes and online learning modules to our offering - providing graduates with both an understanding of contemporary design and of how to design with production processes in mind. Our online classes were a response to the closure of all schools and training centres during the pandemic, but we have since uploaded our course to the UNICEF online training platform and will continue to develop this resource for artisans in the future.

In 2020, Turquoise Mountain's network of master artisans grew to around 50 workshops, supported through the showroom and international commissions. This support has never been more important than during the pandemic, when many of the at-risk artisanal workshops lost their existing routes to market and were reliant upon the connections we could provide. Many of our supported masters took on and collaborated with apprentices to create unique pieces for sale in our showroom, which provided our graduates with work opportunities and helped to generate income for the masters. The showroom has now generated over \$250,000 on behalf of our artisan network and will soon open online.

Community

Turquoise Mountain has provided 1,500 children with cultural heritage education to date, reconnecting them with their heritage and instilling a love of craft in the next generation.

In 2020, Turquoise Mountain ran workshops in the refugee camps and at our training centre in northern Amman. Whilst the camps were closed to programming during part of the pandemic, we focused on some of the most underserved Syrian refugees living in informal tented settlements in harsh conditions around Jordan. These children have little access to formal education. Turquoise Mountain has been bringing them to our training centre and offering them workshops in embroidery, geometric drawing, and mosaic, and we have seen incredible improvements in their educational attainment. We provide these children with an important 'bridge' to allow them to access more formal education over time.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

3 Financial Review

Income

Total £8.7m
Donations £1.1m
Grants £6.7m
Sales £0.9m
Other (£0.008m)

Income

Income in 2020 (£8.7m) was in line with 2019 (£8.6m) driven by continuing donor contracts and resilient trading conditions. COVID-19 impacts were partly mitigated in delivery of objectives through the varied position of country operations and stages of the pandemic as well as digital and remote resilience. Pressures related to COVID-19 are expected to continue throughout 2021 with close attention to any changes in operational security conditions.

Grant income remained at £6.7m. Major donors making up grant income by geography include £1.7m USAID and US State Department in Afghanistan, £1.0m Alwaleed Philanthropies and £1.6m Royal Commission for AlUla in Saudi Arabia, £0.16m Alwaleed Philanthropies in Myanmar and £0.8m Said Foundation in Jordan. All donor funds can be seen in the reserves in section 22.

The management team recognises the need to continue to bring in high value grant awards to enable continued operation at scale while security deterioration in Afghanistan creates underlying pressure on programmes to adapt and work with new challenges.

A number of private donations were received in 2020; broadly in line with 2019. Turquoise Mountain Trust is grateful for all donations which enable core activities in vocational education, health and primary school care as well as support work to continue that would otherwise be so much more difficult to maintain.

Sales income has grown by £0.1m since 2019 reflecting artisan commissions in Saudi Arabia, continued global interest in carpets and jewellery from Afghanistan and new sales of Levantine artisan products in Jordan.

The 'other' negative values result largely from foreign exchange adjustments over 2020 and reflect a lower position to 2019.

Expenditure

Total £9.0m

Urban Regeneration £0.5m
Community Development £0.3m
Education £0.6m
Artisan Development £6.5m
Fundraising £0.2m
Trading Subsidiaries £0.9m

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

3 Financial Review (continued)

2020 has seen the expansion of artisan development activity rising from £4.6m in 2019 to £6.6m in 2020. Spread across all countries of operation (28% Afghanistan, 55% Saudi Arabia, 13% Jordan, 4% Myanmar) this represents training, support, heritage design services and community led engagement ensuring the development of heritage traditions that can both reach and be sustained through domestic and global markets. Saudi Arabia reflects the highest proportional expenditure on artisan development due to this being the focus of country activity with grants and contracts received for training, heritage designs and connections to market for Saudi artisans. There are also higher costs of operation in comparison to other countries.

Fundraising costs have reduced by £0.1m through a focus on in-house activity and lower global travel and events. Trading subsidiary costs have risen compared to 2019 but represent improved turnover performance given the context of COVID-19 and its impact upon face-to-face interactions through which many artisan products are seen and purchased.

Urban regeneration work in Kabul (£0.3m) continues to create new spaces for community and educational needs. While the majority of Murad Khani plots have been restored, community rebuilds and improvements continued through 2020. Surveying and preparation activity has taken place in Bamiyan focused on a 17th century caravanserai and surrounding area of Shashpul. In Jordan, initial work (£0.1m) has been completed to ensure a 2nd century Roman theatre is made safe for community and tourist use with plans for wider development within the site of Umm Qais in Northern Jordan.

Turquoise Mountain Trust, with the help of major institutional and private donors, continues to support the Institute for Afghan Arts and Architecture in Afghanistan (£0.3m) which is the source of education across a mix of students and is able to source global commissions for its Ustads (senior teachers). The schools in Kabul and Bamiyan (£0.1m) also support the local communities through primary education.

The reserves position at the end of 2020 of £2.6m shows a reduction from 2019, driven by £0.6m lower restricted funds but with an increase of £0.3m unrestricted funds.

Reserves

Reserves are represented by the fund balances on the balance sheet on page 24. The reserves as at 31 December 2020 are £2.6m (2019: £2.9m). 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 current assessment of the level of unrestricted cash reserves required, set at £0.8m, is that they currently provide sufficient mitigation against risk.

Overall Financial Health

Turquoise Mountain has seen consistent support from a range of institutional donors across recent years that has continued into 2020. 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 2021.

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

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

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

4 Plans for Future Periods

- Continue to grow the strength and size of the artisanal sector, providing support throughout the value chain to artisans and producers across our portfolio and bringing opportunities together with this network of artisanal excellence.
- Continue to develop a network of international designers, ready to be deployed across the charity's span of operations.
- Identify new ways to support international and domestic exhibitions.
- 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 beyond tradition and heritage and 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 monuments, catalogue architectural techniques and develop community training at sites in Bamiyan, Afghanistan, Umm Qais, Jordan and at AlUla, Saudi Arabia.

5 Principal Risks and Uncertainties

Turquoise Mountain's Board has responsibility for ensuring that:

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

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

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

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

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

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

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

5 Principal Risks and Uncertainties (continued)

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

6 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, the Republic of Afghanistan by all or any of the following:

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

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

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

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

Board of Trustees

The Turquoise Mountain Trust is the oversight body for Turquoise Mountain. The Board of Trustees meet quarterly to review progress and approve strategy for Turquoise Mountain. The Trustees hold an Annual General Meeting. The Trustees during 2020 and at the time of the approval of the financial statements were as follows:

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

6 Structure, Governance and Management (continued)

Trustees can be nominated to the board when existing Trustees resign or when the Board agrees that the expertise of additional Trustees is required. Trustees can be nominated at Board meetings and a majority vote will determine if the nominated Trustee will be appointed. New Trustees are inducted during their first quarterly meeting and provided with an introduction to their responsibilities during their first quarter in office. The Board of Trustees, which can have up to 10 members, administers the charity. Decisions are made at quarterly Trustees meetings, or via e-mail agreement based on reports from the Chairman or CEO. Richard Keith stepped down as Chairman of the Board in 2020 with Sir William Patey as replacement and Shoshana Stewart remained CEO of the Trust.

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 2020, TMTL owed The Turquoise Mountain Trust £76,241 (2019: £94,007).

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 2020, Turquoise Mountain Foundation US owed The Turquoise Mountain Trust £3,008 (2019: £1,542).

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 7. The Turquoise Mountain Trust provided The Institute with direct grant funding of £340,129 (2019: £392,431) and indirect grant funding of £Nil (2019: £Nil). At 31 December 2020, The Institute owed The Turquoise Mountain Trust £30,362 (2019: £15,803).

Myanmar Artisans Limited (MAL) is a company registered in Myanmar over which The Turquoise Mountain Trust holds no overall control but does provide practical management advice to support their social enterprise model as detailed in the Trustees' Report on pages 8 and 9. At 31 December 2020, MAL owed The Turquoise Mountain Trust £52,162 (2019: £64,955). MAL paid the Trust £4,391 (2019: £15,828) 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 £675,887 (2019: £802,411). At 31 December 2020, LLC owed The Turquoise Mountain Trust £7 (2019: £13,133).

Remuneration Policy for Senior Staff

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

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

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

7 Reference and Administrative Information

Registered Scottish Charity Number: SC037343

Company Number: SC299579

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

Advisors

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

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

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

8 Trustees' Responsibilities

The Trustees (who are also Directors of The Turquoise Mountain Trust for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and 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.

9 Appointment of auditor

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

The Trustees' Report and the Strategic Report have been approved by the Trustees on 2 December 2021 and signed on their behalf by:



Sir William Patey

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

Opinion

We have audited the financial statements of The Turquoise Mountain Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 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 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Post balance sheet events

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified:

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

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

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

During the audit, but after the balance sheet date, the political situation in Afghanistan underwent a significant upheaval when the Taliban seized control. There is currently no clarity over how laws and regulations operate in Afghanistan.

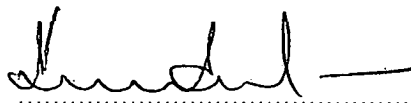
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
THE TURQUOISE MOUNTAIN TRUST *(continued)***

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

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

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members and Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....

Kenneth McDowell (Senior Statutory Auditor)
For and on behalf of
Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

10 December 2021
Date:.....

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

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

For the year ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income from:					
<i>Donations and legacies</i>	5	1,090,291	-	1,090,291	931,598
<i>Charitable activities</i>					
Grants received		-	6,725,356	6,725,356	6,910,301
Sale of goods and services		55,725	-	55,725	116,456
Other trading activities	6	867,985	-	867,985	715,074
<i>Investments</i>					
Bank interest		4,128	-	4,128	15,348
<i>Other</i>					
Foreign exchange (losses)/gains		(63,700)	10,452	(53,248)	(51,061)
Miscellaneous income		803	-	803	-
Total income		1,955,232	6,735,808	8,691,040	8,637,716
Expenditure on:					
<i>Raising funds</i>	8				
Turquoise Mountain Trust		19,128	143,072	162,200	267,869
Trading subsidiaries		841,590	42,515	884,105	689,151
<i>Charitable activities</i>	8				
Urban Regeneration		191,219	275,611	466,830	775,121
Community Development		175,347	84,743	260,090	266,932
Education		252,023	429,933	681,956	905,347
Artisan Development		182,550	6,376,456	6,559,006	4,570,296
Total expenditure		1,661,857	7,352,330	9,014,187	7,474,716
Net (expenditure)/income before transfers		293,375	(616,522)	(323,147)	1,163,000
Gross transfers between funds	22	120	(120)	-	-
Net (expenditure)/ income and net movement in funds		293,495	(616,642)	(323,147)	1,163,000
Total funds brought forward	22	1,443,308	1,449,423	2,892,731	1,729,731
Total funds carried forward	22	1,736,803	832,781	2,569,584	2,892,731

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

The notes on pages 26 to 43 form part of these financial statements.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET

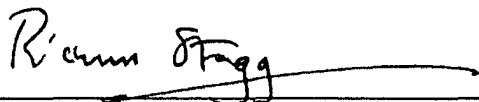
As at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	15		138,706		159,344
			<u>138,706</u>		<u>159,344</u>
Current assets					
Stocks	17	169,630		150,799	
Debtors	18	1,119,183		916,700	
Cash at bank and in hand		1,823,337		2,183,550	
		<u>3,112,150</u>		<u>3,251,049</u>	
Current liabilities					
Creditors falling due within one year	19	681,272		517,662	
		<u>681,272</u>		<u>517,662</u>	
Net current assets			2,430,878		2,733,387
Net assets			<u>2,569,584</u>		<u>2,892,731</u>
			<u>=====</u>		<u>=====</u>
The funds of the charity					
Unrestricted funds	22		1,736,803		1,443,308
Restricted funds	22		832,781		1,449,423
			<u>2,569,584</u>		<u>2,892,731</u>
Total charity funds			<u>2,569,584</u>		<u>2,892,731</u>
			<u>=====</u>		<u>=====</u>

The financial statements were approved by the Trustees on 2 December 2021 and are signed on their behalf by:



Sir William Patey



Sir Richard Stagg (Trustee)

Company Number: SC299579

The notes on pages 26 to 43 form part of these financial statements.


THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

TRUST BALANCE SHEET

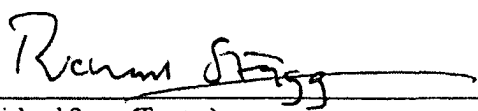
As at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	15		87,246		99,264
Investments	16		10,161		6,063
			<u>97,407</u>		<u>105,327</u>
Current assets					
Stocks	17	30,254		36,925	
Debtors:	18	1,010,674		1,119,929	
Cash at bank and in hand		1,552,328		1,834,320	
		<u>2,593,256</u>		<u>2,991,174</u>	
Current liabilities					
Creditors falling due within one year	19	353,966		298,028	
		<u>353,966</u>		<u>298,028</u>	
Net current assets			<u>2,239,290</u>		<u>2,693,146</u>
Net assets			<u>2,336,697</u>		<u>2,798,473</u>
			<u>=====</u>		<u>=====</u>
The funds of the charity					
Unrestricted funds	22		1,582,415		1,349,050
Restricted funds	22		754,282		1,449,423
			<u>2,336,697</u>		<u>2,798,473</u>
Total charity funds			<u>2,336,697</u>		<u>2,798,473</u>
			<u>=====</u>		<u>=====</u>

The financial statements were approved by the Trustees on 2 December 2021 and are signed on their behalf by:



Sir William Patey



Sir Richard Stagg (Trustee)

Company Number: SC299579

The notes on pages 26 to 43 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 2020

	Trust 2020 £	Trust 2019 £	Group 2020 £	Group 2019 £
Net movement in funds	(461,776)	1,068,742	(323,147)	1,163,000
Deduct interest income shown in investing activities	(4,128)	(16,782)	(4,128)	(15,348)
Add back depreciation charge	33,655	71,282	49,649	82,540
Add loss on disposal of fixed assets	1,408	4,574	5,137	4,574
Decrease/(increase) in stock	6,671	3,632	(18,831)	(57,491)
Decrease/(increase) in debtors	109,255	(255,210)	(202,483)	(53,203)
Increase/(decrease) in creditors	55,938	100,617	163,610	238,007
Net cash movement from operating activities	(258,977)	976,855	(330,193)	1,362,079
Cash flows from investing activities				
Interest income	4,128	16,782	4,128	15,348
Purchase of investments	(4,098)	(1,063)	-	-
Purchase of tangible fixed assets	(23,045)	(75,176)	(34,148)	(146,514)
Cash used in investing activities	(23,015)	(59,457)	(30,020)	(131,166)
Decrease/(increase) in cash in the year	(281,992)	917,398	(360,213)	1,230,913
Cash and cash equivalents at the beginning of the year	1,834,320	916,922	2,183,550	952,637
Cash and cash equivalents at the end of the year	1,552,328	1,834,320	1,823,337	2,183,550

The notes on pages 26 to 43 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 2020

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 expense of £323,147 (2019: net income of £1,163,000) 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 post balance sheet 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

The annual depreciation charge for 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, Turquoise Mountain Trading Ltd and Turquoise Mountain For Training and Preservation of Heritage LLC, on a line by line basis. A separate statement of financial activities is not presented for the Trust itself following exemptions offered by section 408 of the Companies Act.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

3. Accounting policies *(continued)*

e) Revenue recognition

Donations

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

Grant income

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

Charitable activities and other trading activities

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

Investment income

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

Volunteers

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

f) Expenditure and irrecoverable VAT

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

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

g) Foreign exchange gains and losses

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

h) Funds

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

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

3. Accounting policies *(continued)*

i) Tangible fixed assets

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

j) Depreciation

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

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

k) Stock

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

l) Debtors

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

m) Cash at bank and in hand

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

n) Creditors and provisions

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

o) Financial instruments

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

p) Pensions

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

q) Operating leases

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

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 £	2020 Total £	Un- restricted £	Restricted £	2019 Total £
Donations	1,090,291	-	1,090,291	931,598	-	931,598
	=====	=====	=====	=====	=====	=====

6. Other trading activities

	Un- restricted £	Restricted £	2020 Total £	Un- restricted £	Restricted £	2019 Total £
Trading subsidiaries – service and shipping income	867,985	-	867,985	715,074	-	715,074
	=====	=====	=====	=====	=====	=====

7. Net expenditure

		2020 £	2019 £
Net expenditure is stated after charging:			
Depreciation		52,133	82,540
Loss on disposal of fixed assets		1,039	4,574
Auditor's remuneration	- audit services for the Trust	41,500	28,200
	- audit services for the subsidiaries	13,414	9,277
	- other services	-	6,000
		=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2020

8. (a) Resources expended by activity

	Staff costs £	Direct costs £	Sub-total 2020 £	General Management £	Financial Management £	Human Resources £	IT £	Programme support £	Governance Costs £	Total 2020 £	Total 2019 £
<i>Charitable activities</i>											
Urban											
Regeneration	278,024	176,526	454,550	1,977	1,269	-	153	-	8,881	466,830	775,121
Community											
Development	147,452	104,991	252,443	1,428	917	-	111	-	5,191	260,090	266,932
Education	221,696	441,168	662,864	3,458	2,220	-	268	-	13,146	681,956	905,347
Artisan											
Development	3,507,550	2,848,087	6,355,637	37,225	23,903	-	2,884	-	139,358	6,559,006	4,570,296
	4,154,722	3,570,772	7,725,494	44,088	28,309	-	3,416	-	166,576	7,967,882	6,517,696
<i>Costs of raising funds</i>											
-Trust	119,631	37,658	157,289	974	625	-	75	-	3,237	162,200	267,869
-Trading subsidiaries	64,841	809,270	874,111	-	-	-	-	-	9,994	884,105	689,151
	184,472	846,928	1,031,400	974	625	-	75	-	13,231	1,046,305	957,020
	4,339,194	4,417,700	8,756,894	45,062	28,934	-	3,491	-	179,807	9,014,187	7,474,716

Support costs have been allocated on the following bases:

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

Included within Charitable activities, Education, direct costs, are grants payable to the Turquoise Mountain Institute of £319,894 (2019: £392,431).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

8. (b) Resources expended detailed funds allocation

	2020	2020	2020	2019	2019	2019
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Charitable activities						
Urban Regeneration	191,219	275,611	466,830	151,899	623,222	775,121
Community Development	175,347	84,743	260,090	160,274	106,658	266,932
Education	252,023	429,933	681,956	91,046	814,301	905,347
Artisan Development	182,550	6,376,456	6,559,006	316,662	4,253,634	4,570,296
	801,139	7,166,743	7,967,882	719,881	5,797,815	6,517,696
Cost of raising funds						
- Trust	19,128	143,072	162,200	70,613	197,256	267,869
- Trading subsidiaries	841,590	42,515	884,105	689,151	-	689,151
	860,718	185,587	1,046,305	759,764	197,256	957,020
	1,661,857	7,352,330	9,014,187	1,479,645	5,995,071	7,474,716
	=====	=====	=====	=====	=====	=====

9. Governance costs

	2020	2019
	£	£
Staff costs	87,217	93,107
Direct costs	35,974	83,907
General management	988	2,355
Financial management	637	1,113
Human resources	-	821
Information technology	77	237
Audit fees	51,914	43,477
	179,807	225,017
	=====	=====

10. Staff costs

	2020	2019
	£	£
Wages and salaries	4,342,289	3,562,190
Employer's national insurance	31,221	31,349
Pension costs	53,010	69,564
	4,426,520	3,663,103
	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

10. Staff costs (continued)	2020	2019
	No.	No.
The average number of employees during the year was as follows:		
Afghan National Staff	148	156
International Staff	40	21
UK Staff	12	11
Myanmar Staff	5	4
Saudi Staff	23	9
Jordan Staff	26	18
	-----	-----
	254	219
	=====	=====

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:

	2020	2019
	No.	No.
£60,001-£70,000	4	6
£70,001-£80,000	7	5
£80,001-£90,000	3	2
£90,001-£100,000	1	-
£100,001-£110,000	-	1
£110,001-£120,000	1	1

The key management personnel of the Trust comprise the Trustees, the Chief Executive Officer, the Operations Director, the Finance Director 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 £493,681 (2019: £541,684).

11. Trustee remuneration and expenses

During the year, no Trustees were remunerated for services provided to the Trust (2019: none). The Memorandum of Understanding permits payments where appropriate.

Two Trustees received reimbursement of travelling expenses incurred on Trust activities amounting to £506 (2019: £9,522). In addition, the Trust provided Trustee Indemnity Insurance with a cost of £1,241 (2019: £1,120).

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 (2019: £Nil).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

13. Prior year statement of financial activities - group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Income from:			
<i>Donations and legacies</i>	931,598	-	931,598
<i>Charitable activities</i>			
Grants received	-	6,910,301	6,910,301
Sale of goods and services	116,456	-	116,456
Other trading activities	715,074	-	715,074
<i>Investments</i>			
Bank interest	15,348	-	15,348
<i>Other</i>			
Foreign exchange (losses)/gains	(30,557)	(20,504)	(51,061)
Total income	1,747,919	6,889,797	8,637,716
Expenditure on:			
<i>Raising funds</i>			
Turquoise Mountain Trust	70,613	197,256	267,869
Trading subsidiaries	689,151	-	689,151
<i>Charitable activities</i>			
Urban Regeneration	151,899	623,222	775,121
Community Development	160,274	106,658	266,932
Education	91,046	814,301	905,347
Artisan Development	316,662	4,253,634	4,570,296
Total expenditure	1,479,645	5,995,071	7,474,716
Net income before transfers	268,274	894,726	1,163,000
Gross transfers between funds	25,522	(25,522)	-
Net income	293,796	869,204	1,163,000
Total funds brought forward	1,149,512	580,219	1,729,731
Total funds carried forward	1,443,308	1,449,423	2,892,731

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

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:

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

15. Tangible assets – Group

	Furniture and fixtures £	Tools and equipment £	Computers and software £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2020	82,354	313,771	179,630	14,469	590,224
Additions	12,447	2,574	19,127	-	34,148
Disposals	(2,013)	(610)	(3,261)	-	(5,884)
Exchange movements	(1,627)	(406)	(311)	-	(2,344)
	-----	-----	-----	-----	-----
At 31 December 2020	91,161	315,329	195,185	14,469	616,144
	-----	-----	-----	-----	-----
Depreciation					
At 1 January 2020	34,850	240,205	141,357	14,467	430,879
Charge for year	13,482	17,576	18,591	-	49,649
Disposals	(373)	(101)	(2,616)	-	(3,090)
	-----	-----	-----	-----	-----
At 31 December 2020	47,959	257,680	157,332	14,467	477,438
	-----	-----	-----	-----	-----
Net book value					
At 31 December 2020	43,202	57,649	37,853	2	138,706
	=====	=====	=====	=====	=====
Net book value					
At 31 December 2019	47,504	73,565	38,273	2	159,344
	=====	=====	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

15. Tangible assets – Trust *(continued)*

	Furniture and fixtures	Tools and equipment	Computers and software	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2020	40,672	303,382	160,363	14,469	518,886
Additions	7,696	498	14,851	-	23,045
Disposals	(1,470)	-	(2,718)	-	(4,188)
	-----	-----	-----	-----	-----
At 31 December 2020	46,898	303,880	172,496	14,469	537,743
	-----	-----	-----	-----	-----
Depreciation					
At 1 January 2020	30,456	234,533	140,166	14,467	419,622
Charge for year	5,604	16,026	12,025	-	33,655
Disposals	(328)	-	(2,452)	-	(2,780)
	-----	-----	-----	-----	-----
At 31 December 2020	35,732	250,559	149,739	14,467	450,497
	-----	-----	-----	-----	-----
Net book value					
At 31 December 2020	11,166	53,321	22,757	2	87,246
	=====	=====	=====	=====	=====
Net book value					
At 31 December 2019	10,216	68,849	20,197	2	99,264
	=====	=====	=====	=====	=====

16. Investments - Trust

	2020	2019
	£	£
Investments in subsidiaries		
Cost	10,161	6,063
	=====	=====

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 2020 the aggregate amount of capital and reserves of Turquoise Mountain Trading Limited was £26,780 (2019: £29,272) and the profit for the year was £21,780 (2019: £24,272).

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 2020 the aggregate amount of capital and reserves of Turquoise Mountain For Training and Preservation of Heritage LLC was £218,901 and the result for the year was £146,094.

	Group	2020 Trust	Group	2019 Trust
	£	£	£	£
17. Stock				
Work in progress	40,994	-	-	-
Finished goods	128,636	30,254	150,799	36,925
	-----	-----	-----	-----
	169,630	30,254	150,799	36,925
	=====	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

18. Debtors	Group £	2020 Trust £	Group £	2019 Trust £
Trade debtors	590,779	442,577	371,866	287,545
Sundry debtors	107,146	92,980	112,034	104,536
Deposits	2,337	2,337	7,030	7,030
Prepayments	248,057	240,209	67,098	230,891
Amounts due by group undertakings	10,759	87,000	-	131,255
Accrued income- grants	160,105	145,571	358,672	358,672
	-----	-----	-----	-----
	1,119,183	1,010,674	916,700	1,119,929
	=====	=====	=====	=====

19. Creditors: amounts falling due within one year	Group £	2020 Trust £	Group £	2019 Trust £
Trade creditors	286,776	210,700	167,381	106,017
Other creditors and accruals	340,414	124,732	141,723	67,647
Deferred income	54,082	18,534	208,558	124,364
	-----	-----	-----	-----
	681,272	353,966	517,662	298,028
	=====	=====	=====	=====

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 2020, TMTL owed The Turquoise Mountain Trust £76,241 (2019: £94,007).

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 2020, Turquoise Mountain Foundation US owed The Turquoise Mountain Trust £3,008 (2019: £1,542).

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 7. The Turquoise Mountain Trust provided The Institute with direct grant funding of £340,129 (2019: £392,431) and indirect grant funding of £Nil (2019: £Nil). At 31 December 2020, The Institute owed The Turquoise Mountain Trust £30,362 (2019: £15,803).

Myanmar Artisans Limited (MAL) is a company registered in Myanmar over which The Turquoise Mountain Trust holds no overall control but does provide practical management advice to support their social enterprise model as detailed in the Trustees' Report on pages 8 and 9. At 31 December 2020, MAL owed The Turquoise Mountain Trust £53,162 (2019: £64,955). MAL paid the Trust £4,391 (2019: £15,828) 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 £675,887 (2019: £802,411). At 31 December 2020, LLC owed The Turquoise Mountain Trust £7 (2019: £13,133).

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

21. Operating lease commitments

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

	2020	2019
	£	£
Operating leases for land and buildings are due:		
- within 1 year	148,353	77,685
- between 2 to 5 years	85,998	7,552
- after more than 5 years	544	3,581
	-----	-----
	234,895	88,818
	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

22. Reserves – Group and Trust

	1 January 2020	Resources recognised to income	Resources expended	Exchange gains/ (losses)	Transfers	31 December 2020
Restricted – Group and Trust	£	£	£	£	£	£
British Council	60,610	25,201	(17,567)	(5,344)	-	62,900
British Council – Jordan	-	-	(738)	738	-	-
British Council – VTP	3,769	-	-	(109)	-	3,660
British Council – CPF Impact	-	251,323	(254,331)	10,330	-	7,322
MOSAWI Foundation	14,722	-	-	(426)	-	14,296
SHP – Phase 4	206,444	293,095	(506,462)	6,923	-	-
Kadoorie	-	38,811	(38,811)	-	-	-
USAID – RACCE	83,397	-	-	(2,415)	-	80,982
USAID – AJCP	5,048	1,671,810	(1,646,362)	(1,685)	-	28,811
NRC	29,754	(4,725)	(26,026)	997	-	-
Al-Waleed – Saudi 2	521,869	980,213	(1,208,184)	(1,326)	-	292,572
Al-Waleed – Saudi 2020	-	43,001	(43,001)	-	-	-
Al-Waleed – Myanmar	97,831	155,800	(172,671)	(1,813)	-	79,147
Said Fndn 2	116	-	-	4	(120)	-
Said Fndn 3	189,765	810,868	(826,046)	(1,427)	-	173,160
Empowerment Health	2,260	1,003	(2,548)	28	-	743
JPMorgan Chase	173,341	-	(179,154)	5,813	-	-
Monsoon Trust	16,766	-	(17,328)	562	-	-
Sigrid Rausing Trust (SRT)	21,152	35,000	(40,002)	(1,003)	-	15,147
States of Guernsey	6,504	16,408	(15,136)	(584)	-	7,192
Peter Cundill Fndn	1,790	-	(1,851)	61	-	-
US Embassy – BH	14,285	-	(1,106)	(347)	-	12,832
US Embassy – ICH	-	16,320	(16,320)	-	-	-
Aliph – Emergency funds	-	38,950	(5,815)	(2,003)	-	31,132
Aliph – ICH	-	39,648	(39,648)	-	-	-
Aliph – Jordan	-	11,685	(11,685)	-	-	-
Australian Volunteers	-	5,304	(5,304)	-	-	-
Crowdfunding – May 2020	-	59,065	(55,939)	(189)	-	2,937
Dwight Holloway	-	974	(974)	-	-	-
PWCF 2020	-	350,000	(337,016)	3,731	-	16,715
RCU 2020	-	1,633,559	(1,633,559)	-	-	-
TMF – US	-	42,204	(42,204)	-	-	-
Kaplan	-	73,926	(70,629)	(64)	-	3,233
UNICEF	-	135,914	(135,914)	-	-	-
Restricted funds Group	1,449,423	6,725,357	(7,352,331)	10,452	(120)	832,781
Unrestricted funds Group	1,443,308	2,018,933	(1,661,858)	(63,700)	120	1,736,803
Total funds Group	2,892,731	8,744,290	(9,014,189)	(53,248)	-	2,569,584
Restricted funds Trust	1,449,423	6,527,527	(7,222,548)	-	(120)	754,282
Unrestricted funds Trust	1,349,050	1,095,374	(862,129)	-	120	1,582,415
Total funds Trust	2,798,473	7,622,901	(8,084,677)	-	-	2,336,697

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

22. Reserves – Group and Trust *(continued)*

	1 January 2019 £	Resources recognised to income £	Resources expended £	Exchange gains/ (losses) £	Transfers £	31 December 2019 £
<u>Prior year comparative</u>						
<u>Restricted</u>						
British Council	32,152	530,147	(514,297)	12,608	-	60,610
British Council – Jordan	-	78,260	(77,627)	(633)	-	-
British Council – VTP	-	40,192	(36,365)	(58)	-	3,769
GIZ	2,934	-	-	49	(2,983)	-
Mosawi Foundation	-	45,000	(30,601)	323	-	14,722
SHP – Phase 1	892	-	-	551	(1,443)	-
SHP – Phase 2	5,298	-	-	(529)	(4,769)	-
SHP – Phase 3	172,519	168,870	(344,237)	4,613	(1,765)	-
SHP – Phase 4	-	1,178,346	(963,893)	(8,009)	-	206,444
Kadoorie	-	90,730	(90,730)	-	-	-
USAID – RACCEW	85,198	-	-	(1,801)	-	85,397
USAID – AJCP	-	1,353,136	(1,347,892)	(196)	-	5,048
Suu Foundation	4,084	-	-	69	(4,153)	-
NRC	4,641	204,732	(178,543)	(1,076)	-	29,754
PWCF – Myanmar	885	-	-	-	(885)	-
PWCF – 2019	-	400,000	(409,007)	9,007	-	-
Al-Waleed – Saudi 1	6,781	-	-	114	(6,895)	-
Al-Waleed – Saudi 2	-	907,610	(365,494)	(20,247)	-	521,869
Al-Waleed – Myanmar	75,311	156,593	(131,545)	(2,528)	-	97,831
KSCDR/SHP – Radisson	2,506	-	-	123	(2,629)	-
World Bank	2,814	64,594	(67,460)	52	-	-
Said Foundation – 2	118	-	-	(2)	-	116
Said Foundation – 3	184,086	1,110,720	(1,100,778)	(4,263)	-	189,765
Crescent Enterprises Limited	-	7,500	(7,480)	(20)	-	-
Empowerment Health	-	6,733	(4,385)	(88)	-	2,260
JP Morgan Chase Foundation	-	180,081	(16)	(6,724)	-	173,341
Monsoon Trust	-	24,354	(6,938)	(650)	-	16,766
Swiss Development Corp (SDC)	-	141,088	(141,091)	3	-	-
Sigrid Rausing Trust (SRT)	-	35,000	(13,756)	(92)	-	21,152
States of Guernsey Overseas						
Aid & Development Commission	-	16,408	(9,394)	(510)	-	6,504
Peter Cundill Foundation	-	18,621	(16,761)	(70)	-	1,790
US Embassy – BH	-	90,216	(75,411)	(520)	-	14,285
US Embassy – ICH	-	61,370	(61,370)	-	-	-
	580,219	6,910,301	(5,995,071)	(20,504)	(25,522)	1,449,423
Unrestricted funds	1,149,512	1,778,476	(1,479,645)	(30,557)	25,522	1,443,308
	1,729,731	8,688,777	(7,474,716)	(51,061)	-	2,892,731
	=====	=====	=====	=====	=====	=====

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

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.
- ii. **British Council – Jordan:** support for the training of artisans in Syrian, Jordanian and wider Levantine craft techniques 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 – The Saudi Commission for Tourism & National Heritage, via the Saudi Handicraft Programme:** provided funds to pursue the study of Saudi handicrafts.
- v. **Kadoorie:** helping to build livelihoods for women weavers in Myanmar and create support for the wider textiles sector.
- 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:** creating shelter solutions, socio-economic reintegration and urban regeneration for displaced Afghans in Afghanistan.
- viii. **PWCF:** bridge funding to Turquoise Mountain to reach a sustainable fundraising model
- ix. **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.
- x. **Al-Waleed Myanmar:** support to artisans in Myanmar through training in conservation techniques for builders and professionals involved in restoration; support to the historic restoration of the Tourist Burma building.
- xi. **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.
- xii. **JP Morgan Chase Foundation:** ‘Common Threads’ supporting women artisans collective in Riyadh to generate sustainable income by making and selling artisan jewellery collections based on local heritage and designs
- xiii. **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.
- xiv. **Sigrid Rausing Trust (SRT):** Grant to support the staff and running costs of the Turquoise Mountain Institute in Kabul.
- 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. **Monsoon Trust:** Creating quality livelihoods for Myanmar’s young people through the funding of jewellery apprenticeships covering both local and international training support.
- xvii. **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.
- xviii. **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.

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

22. Reserves (continued)

- xix. **US Embassy – ICH:** To preserve major aspects of Afghanistan's threatened intangible practices through high-level documentation, engagement with communities of practitioners, training of young stakeholders, and nationwide outreach to children and adults in Herat and Kabul. The project will focus on four traditional Herati crafts, identified and selected in collaboration with the MoIC on the basis of interest, historical significance, economic impact, threat level, and overall coherence with the current efforts of the city of Herat to be registered on the UNESCO World Heritage list.
- xx. **Aliph – Jordan –** Grant provided for the protection of at-risk Syrian heritage in Jordan by supporting Syrian refugees' workshops to protect the crafts of wood mosaic, mother of pearl inlay, wood carving, and carpentry.
- xxi. **Aliph – Afghanistan –** To protect Afghanistan's endangered Intangible Heritage and Emergency funds to preserve the Heart of an Historic Neighbourhood in Kabul at the Old Kabul Hotel
- xxii. **Australian Volunteers –** To raise health and hygiene awareness among hundreds of weavers and their families in rural areas of Myanmar
- xxiii. **Crowdfunding –** COVID-19 crisis support in Afghanistan through distribution of food and equipment to provide food supplies for 100 vulnerable families in Murad Khani, and 100 of the most vulnerable families in the carpet weaving communities in Northern Afghanistan
- xxiv. **Dwight Holloway –** support Artisans in Jordan
- xxv. **Royal Commission for AlUla –** Creating sustainable training workshops for Saudi artisan crafts and providing local employment within the UNESCO heritage site of AlUla
- xxvi. **Turquoise Mountain Foundation US –** in support of primary education schooling in Afghanistan
- xxvii. **Kaplan –** Repairing, Restoring and Revitalizing the Roman Western Theatre At Umm Qais, Hashemite Kingdom of Jordan.
- xxviii. **Unicef –** creating training programmes for cultural heritage community activities and delivering educational courses for children in partnership with UNICEF

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

	Tangible Fixed Assets	Net Current Assets	2020 Total
	£	£	£
23. Analysis of net assets between funds - Group			
Restricted funds	60,453	1,676,350	1,736,803
Unrestricted funds	78,253	754,528	832,781
	-----	-----	-----
	138,706	2,430,878	2,569,584
	=====	=====	=====
	Tangible Fixed	Net Current	2019
	£	£	£
Restricted funds	138,854	1,310,569	1,449,423
Unrestricted funds	20,490	1,422,818	1,443,308
	-----	-----	-----
	159,344	2,733,387	2,892,731
	=====	=====	=====

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 £30,356 (2019: £31,365). Pension contributions outstanding at 31 December 2020 were £5,054 (2019: £3,595).

25. Post balance sheet events and going concern – COVID-19 and security landscape

COVID 19

The COVID-19 pandemic continues to cause significant disruption to societies and economies across the globe. In addition, the stability of the security landscape in each of the Group's operational regions (in particular within Afghanistan) remains a sustainability risk for the charitable company and Group.

In March 2020, and in accordance with government and international advice, the company and group suspended operations at each of its premises. The group's premises reopened gradually during Summer 2020 as local conditions allowed. Measures taken to contain the spread of the virus, including social distancing, travel restrictions and closures of non-essential services have triggered some disruptions to our activities. After a period of working from home during which many operations were able to continue through digital tools, all offices continue to operate with adherence to local conditions and guidance.

Security Landscape

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

During August 2021, the Taliban seized control of Afghanistan which represents a variety of significant risks to the activities of the charity. At the date of approval of the financial statements these risks remain under ongoing review and continue to have a serious potential impact on performance and future prospects, potentially prohibiting the charity from fulfilling its obligations to funders and meeting its charitable aims in Afghanistan.

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

THE TURQUOISE MOUNTAIN TRUST
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the Year Ended 31 December 2020

25. Post balance sheet events and going concern – COVID-19 and security landscape (continued)

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

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

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

26. Contingent liability

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