

**Charity registration number 327461 (England and Wales)**

**Company registration number 02132178**

**THE KARUNA TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

# THE KARUNA TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Su Yen Tan (Treasurer) Sundeep Grewal Carolyn Milosevic MBE Peter White (Chair)
<b>Secretary</b>	M C Baird
<b>Charity number (England and Wales)</b>	327461
<b>Company number</b>	02132178
<b>Principal address</b>	72 Holloway Road Holloway London N7 8JG
<b>Registered office</b>	72 Holloway Road Holloway London N7 8JG
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<b>Bankers</b>	Clydesdale Bank Plc Studio B 146-158 Kensington High Street London W8 7RL
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

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# THE KARUNA TRUST

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2025

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The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Deed of Trust, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" as amended for accounting periods beginning after 01 January 2016.

#### **Objectives and activities**

Karuna works alongside the most excluded people in South Asia, overcoming poverty and discrimination with locally led education, gender equality and sustainable livelihood projects.

We support locally led Civil Society Organisations (CSO) to become more self-reliant and sustainable, fostering a cycle of empowerment and transformation within communities by focusing on both financial support and capacity building. This multi-faceted approach ensures a broad impact by addressing immediate needs while building long-term resilience and capability among partner organisations and communities.

#### **International Development and Grant-Making**

We make grants to a range of in-country and locally-led partner CSOs in India, Nepal, and Bangladesh. By providing people with access to tools, support, and skills, they become champions of their communities and support others. Working with locally led organisations within the affected communities, we support self-reliance and sustainability. We facilitate the formation of networks between these organisations, enabling them to extend their impact to even more individuals and extend the cycle of transformation beyond their communities.

Over the past year we have continued our strategy of broadening the geographical focus of our work by reaching out to more communities in Nepal and Bangladesh.

#### **Building a strong vibrant community-led voluntary sector**

Grassroots CSOs, especially those led by historically marginalised communities, face disproportionate challenges in sustaining and growing their work. The impact of the pandemic, combined with tougher Government regulations for Indian non-profits and cuts in overseas development funding, has meant that many of these organisations are struggling to sustain their work, with larger funders often unable to support them.

In addition to funding projects, we support our project partners and other grassroots CSOs to become more effective and sustainable, combining the expertise of local trainers, capacity builders and advisors with our knowledge and networks. Our partners lead the way in this process, while we provide the necessary resources and assistance. A considerable proportion of our work goes towards partner and other grassroots CSOs training in effective project management including strategic planning, financial management, monitoring and evaluation. We also support mentoring and training in good governance, leadership development, safeguarding children and vulnerable adults and fundraising from in-country and overseas sources. In this way, Karuna is helping to build a strong, vibrant community-led voluntary sector that is capable of empowering people from marginalised communities and bringing about sustainable change at a local level.

Since 2007, Karuna has invested a small part of its unrestricted funds into the development of sister organisations in Germany and, more recently, in the US, opening access to new audiences and funding sources for our work with marginalised communities.

After 17 years in operation, Karuna Germany has grown to become a key contributor to our overall programme, leveraging major grant funds from German-based sources such as BMZ (the German Government's agency for International Development) and the European Union. This year, Karuna Germany's contribution of £1.1 million was almost half of our total combined programmes grant funding.

The Karuna Trust is investing in salary and running costs of these sister Karuna organisations, as well as providing technical support in Programmes, Communications, Legal and Fundraising. For this reason, we present figures that show the consolidated income and expenditure for all three organisations together, as this presents a picture of the actual income and costs of our fundraising and programmes work, taken as a whole.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### **Awareness-Raising**

Through our website, annual review, social media channels, public talks, networks, and other events, we aim to raise awareness of the impact of poverty, inequality, and discrimination in South Asia.

### **Fundraising**

Fundraising is conducted through several different streams: door-to-door campaigns, phone campaigns, digital platforms, one-off donations and grant applications to charitable trusts and institutional donors. In recent years, Karuna Germany has contributed significantly due to major grants from BMZ and the EU.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what fundraising activities the charity should undertake.

## **Programmes Annual Report**

### **Introduction**

Over the past year, Karuna has expanded and strengthened its programmes, launching new projects in India, Nepal and Bangladesh at a time when the global context for international development has become increasingly unstable and uncertain. In recent months, the UK and US governments have announced unprecedented cuts to their aid budgets, threatening future humanitarian and development programmes across the world. But, despite the global downturn in aid and ongoing political unpredictability, Karuna's programmes have achieved excellent results.

In 2024/25, we worked with 24 local partner organisations to deliver 43 projects across India, Nepal and Bangladesh, directly reaching 115,000 people and benefitting a wider community of 1.2 million. Our partners have provided critical support in the areas of education, gender equality and climate resilience, and have strengthened the capacity of a further 26 grassroots organisations through training and mentoring.

This success was largely due to our locally-led way of working with community-based partner organisations. Their well-developed networks within the most excluded communities mean they are directly informed by the lived experience of the issues facing those communities. As a result, our support can be delivered where it is needed most. Not only does this ensure that even the most disadvantaged get access to the support they need, it also means that even relatively small grants can translate into significant impact on the ground and significant changes in peoples' lives.

We continued to prioritise organisational capacity building, supporting partner organisations to become more resilient through in-country fundraising and leadership. This work helps to build a strong, vibrant voluntary sector that can identify and respond to the needs of the most vulnerable groups. Our network of in-country consultants has also grown, with the recruitment of specialists focusing on finance, safeguarding, fundraising and evaluation, enabling us to shift more of the programme leadership from UK-based programme managers to local experts.

These achievements highlight the effectiveness of Karuna's community-based partnership model, which ensures that the most marginalised and hard-to-reach communities are not left behind, even in this most challenging global environment. Looking ahead, we are focussed on consolidating our existing projects in India, Nepal and Bangladesh, actively seeking new sources of funding to support future initiatives and reach more communities, while ensuring that our work continues to prioritise those most at risk.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Overview

In 2024/25, the Karuna Trust provided grant funding to our network of 24 local partner organisations across India, Nepal and Bangladesh. These partners implemented a total of 43 separate projects:

- 30 projects in India (reaching 76,000 people)
- 8 projects in Nepal (reaching 26,000 people)
- 5 projects in Bangladesh (reaching 13,000 people)

Through these initiatives, Karuna directly reached 115,000 people from marginalised communities and positively impacted a wider community of 1.2 million individuals.

As well as supporting 24 Civil Society Organisations (CSOs) directly through grant funding, we have facilitated capacity building support for a further 26 organisations, covering strategic planning, financial management, monitoring and evaluation, governance, leadership development, safeguarding, project management and fundraising. Our partners have benefited from training delivered by in-country experts, advisors and mentors with funding and support provided by Karuna.

#### Progress Against our Strategy in 2024-25

In the second year of our ambitious three-year strategy, we focused our grant funding on four key priorities designed to create lasting change for the most marginalised communities. Our strategy was developed in close consultation with our partners and in-country advisors, who helped us identify the priority development needs of historically excluded communities, especially in the years of recovery following the Covid pandemic. Our current key priorities are:

1. To support children, especially girls, to get back into full-time education, avoid dropping out of school and stay free from early marriage and child labour.
2. To protect women from violence and trafficking by improving their access to justice and legal protection.
3. To support migrant workers and people from other marginalised communities to develop safe, sustainable livelihoods and gain access to government welfare schemes.
4. To work with those marginalised communities most affected by the impacts of climate change, improving disaster preparedness and promoting climate-adapted livelihoods.

Indicator of progress 2024/25	Target	Actual
1. Number of girls supported to stay in school and avoid early marriage.	14,000	16,000
2. Number of women and girls protected from violence and trafficking.	34,000	35,000
3. Number of migrant workers and people from marginalised communities supported to access improved livelihoods and welfare entitlements.	55,000	45,000
4. Number of people from vulnerable communities supported to adapt to climate change.	18,000	19,000

These results highlight the remarkable progress Karuna has made in the second year of our three-year strategy, not only meeting but exceeding most of our ambitious targets. By supporting more girls than expected to stay in school, protecting thousands of women and girls from violence and trafficking and helping vulnerable communities adapt to climate change, we have delivered real, measurable changes in the lives of those most at risk.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Our Programmes by Theme

Our mission is to reach out to people from the most excluded communities, particularly those most affected by poverty and deeply entrenched forms of stigma and social discrimination. Our work focuses on Education, Gender Equality, Sustainable Livelihoods and Climate Change, supporting people to free themselves from poverty and access lives of opportunity and freedom. Our experience is that when an individual's life changes, they can change their community – and that when a community changes, they can start to transform the wider society. At the heart of this approach is a commitment to partnership and community-based working. Projects are designed by our partners working alongside people from the communities themselves, and community members are involved in every stage of project planning, implementation and evaluation.

### Children and Education

Education is often the first step in supporting people to escape from poverty. Yet, in all the areas where we work, children from disadvantaged and historically excluded communities – especially adolescent girls – struggle to either access or stay in fulltime education. As a result, they remain at increased risk of dropping out and are forced into child labour and early marriage instead.

Until recently, education was seen as exclusive to privileged communities, and people from marginalised communities were often excluded. That has now changed, and education is treated as a legal right in all the countries where we work. However, the legacy of traditional discrimination lives on, particularly in social practices that value the education of boys more highly than that of girls. This puts increased pressure on adolescent girls from excluded backgrounds to drop out of school for early marriage or to focus on domestic work.

Over the past year, our partners supported 16,000 girls to stay in school, giving them the opportunity to complete their education and build brighter futures, free from child labour and early marriage.

#### **Strong Girls/Learning Champions - Partner: Green Tara and REED, Nepal**

This initiative gives girls from marginalised Dalit and tribal communities in remote areas of Southern Nepal access to quality education, enabling them to complete primary school and transition to secondary education.

The project aims to engage students and their parents more fully in the education process by introducing innovative, child-centred approaches to teaching and learning. Teachers are trained to deliver more interesting and culturally relevant classroom activities, parents are enrolled to act as school inspectors and governors, children are formed into student groups for mutual support and school facilities are upgraded with low-cost, locally available teaching materials. The work is implemented with the close involvement of the local Rural Municipalities and Education Authorities, ensuring that its achievements become embedded in long-term local strategies for educational delivery.

In the last year, the project engaged directly with 6,517 girls in 55 schools and brought positive benefits to a further 30,769 parents and other family members.

#### **Child Protection and Preventing Trafficking - Partner: Future Generation Nepal, Kathmandu**

This new pilot initiative addresses the serious and growing problem of children from rural areas in Nepal being trafficked through networks of bogus orphanages. Traffickers often prey on families facing poverty or hardship, promising parents that their children will receive a better education and future in the city. In reality, these so-called "orphanages" are frequently a front for exploitative child labour and, in some cases, sexual abuse. Many children are kept in extremely poor conditions, denied education and forced to beg or work, while their families are deceived and sometimes prevented from reclaiming their children. The rise in such trafficking has been fuelled by the demand for "orphanage tourism" and a lack of effective oversight.

The innovative new project aims to train 3,500 community members and 530 local government officials in Kalika municipality to the issues and dangers of child trafficking and will work to prosecute perpetrators. 19 children trafficking survivors will receive mentoring support for their continued reintegration and 15 further children will be rescued from abusive situations and reintegrated into their families. The Karuna grant commitment is £15,000 over two years, with plans to scale up in future years as funds become available.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### **Education for NT/DNT Communities - Partner: Nirman**

Nirman is a community-based organisation working with some of the most excluded and discriminated-against groups in India: The Notified and De-notified Tribal (NT/DNT) Communities. These communities were once classified by British colonial authorities under the "Criminal Tribes Act" of 1871, which branded entire groups as "criminal castes" by birth, a label that led to generations of stigma and exclusion. Although the Act was repealed in 1952 and these groups were officially "de-notified," the legacy of discrimination persists, with many NT/DNT communities still facing extreme poverty, social ostracism and lack of access to most basic services.

Over the past year, this project has supported 1,919 children from these very disadvantaged communities to continue their education. By providing educational access and support, Nirman is helping to break the cycle of stigma and exclusion that NT/DNT communities have faced for generations.

### **Inclusion of Disabled Children - Partner: AAINA**

Aaina is one of the leading organisations in Odisha working for the inclusion of people with disabilities. The disabled community in Odisha, as in many parts of India, faces substantial barriers to accessing quality education and livelihood opportunities. These barriers include societal stigma, inadequate infrastructure, lack of specialized training programmes and limited access to resources tailored to their specific needs. Disabled children often struggle with accessing mainstream education due to a lack of inclusive school environments, specially trained teachers and adaptive learning materials. Inclusive education programs that address these challenges by providing accessible infrastructure, curriculum modifications and teacher training are urgently needed to bridge this gap.

By forming Disabled People's Groups and working with teachers, parents and school management committees, this project gives 250 children with physical and learning disabilities the opportunity to become integrated into the mainstream school system. Over the past year, the project engaged directly with 809 children in the area around Bhubaneswar in Odisha, India, bringing benefits to 2,107 family and other community members.

### **Women's Empowerment & Gender Equality**

Violence against women continues to be a huge problem both globally and across South Asia, affecting women and girls at all levels of society. Those living in the poorest or most excluded communities are especially vulnerable to domestic violence, caste or descent-based abuse, trafficking and other forms of exploitation. All too often, women from disadvantaged communities struggle to access legal protection, while survivors of violence seeking legal redress face multiple barriers at every stage of the legal process. The families themselves may be reluctant to report cases due to shame or fears of victim blaming. Police may be unwilling to register cases, especially when the perpetrator is from a powerful family. Families may come under pressure, including threats of further violence, to force them to settle out of court, while the legal system itself may be compromised or corrupted by the influence of external powers.

Over the past year, our partners have worked directly with 35,000 women and girls, supporting them to protect themselves from gender-based violence and trafficking through increased awareness of legal provisions, training on safe approaches to migration and improved access to legal protection.

### **Women's Empowerment Network - Partner: Maitri, India**

The Maitri Network, started by Karuna in 2009, is an alliance of Indian civil society organisations working to build women's leadership and prevent violence against women and girls, particularly among Dalit and other excluded communities. Currently, the network consists of eight Karuna-supported partners operating across nine states in India. Maitri's core activities include annual campaigns, leadership development, advocacy and community mobilisation, all focused on empowering women and preventing gender-based violence.

Over the past year, the Maitri Network engaged directly with 12,062 people, with a further 34,051 benefitting more broadly from its initiatives. Through this collaborative approach, Maitri has reached tens of thousands of women and girls since its inception.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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#### **Building Resilient Communities to Combat Sexual Violence against Women and Children - Partner: Maitri Women's Network, India**

In 2024/25, Karuna Germany secured a major grant of €1,140,000 from BMZ for the third phase of the Maitri Network project, with a total budget of €1,390,000. This new funding enables the Maitri Network to expand its work across 22 districts in seven states of India, strengthening grassroots civil society organisations to prevent violence against women and children. The project runs from May 2024 through to June 2028 and empowers women and girls, trains boys in positive masculinity and ensures survivors receive comprehensive psycho-social, medical and legal support.

#### **Dignity for Women – Challenging Chhaupadi - Partner: Green Tara/REED Nepal**

This initiative sets out to challenge the traditional and degrading practice of *Chhaupadi* (Menstrual Exile). In remote areas of Western Nepal, women are excluded from their homes and forced to live in unsafe huts during their menstruation, often at considerable risk to their health and safety. Through a series of targeted information and awareness-raising campaigns with key stakeholders (including mothers and local community leaders), the project works directly with women and girls from 36 villages in Western Nepal promoting safe menstruation practices. The project, which started in 2021, is a joint initiative between Karuna Trust and Karuna Germany with BMZ, providing 75% funding of the total four-year budget of £535,000. Over the past year, they have worked with 12,658, girls, mothers and other stakeholders, with a wider impact on 19,154 community members.

#### **Voice of Women - Partner: Jan Sahas, India**

This programme provides legal and counselling support for women victims of violence across four states in Western and Central India, enabling them to access justice and legal protection through a criminal justice system that often doubly discriminates against women from marginalised communities (i.e. based on both caste and gender). By training volunteer paralegals, known as “barefoot lawyers”, and providing access to free legal representation, the project aims to provide readily accessible legal aid for women in need. Over the past year, it has worked directly with 9,606 women and engaged with a further 26,118 through training and awareness-raising campaigns.

#### **Safe Migration - Partner: Pragya**

This project, which started in 2021, aims to provide 15,000 women and girls from vulnerable border areas of West Bengal with protection from gender-based violence and human trafficking. The border areas between India and Bangladesh are economically very deprived and have become a hotspot for trafficking with many thousands of women and girls being trafficked every year from both sides of the border, most often into the cities of Mumbai and Kolkata. Families in the border areas are targeted by traffickers who prey on the economically most vulnerable, offering the promise of good jobs in the cities. But, in reality, trafficked women and girls are sold into underpaid domestic work, labour work on construction sites or, in the worst cases, into prostitution.

This initiative focuses on prevention, focusing on women and girls in vulnerable areas, raising awareness of migration risks and providing advice on safe migration practices. In the past year, 5,925 women have received training and counselling in safe migration, while awareness campaigns have reached a further 14,350 people in the region.

#### **Shelter for Homeless Women - Partner: URJA, Mumbai**

This project provides safe shelter and rehabilitation to women and girls who arrive at Dadar, one of the main railway stations in Mumbai, having run away from home, often to escape domestic violence and abuse. Most of the girls need psychological counselling to recover from trauma as well as vocational skills training for employment. In 2024/25, it enabled 1,329 homeless young women and survivors of gender-based violence to access safe spaces and sheltered accommodation, where they received the support needed to build healthy relationships and develop coping strategies which enhance their quality of life and resilience.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Sustainable Livelihoods

Our Livelihoods programmes focus especially on the needs of migrant and daily wage labourers, who typically lack protection and work security under employment legislation, making them vulnerable to extreme exploitation. India is home to an estimated 140 million migrant workers, many of whom work in agriculture, construction and domestic labour sectors often in different States far away from their home villages. One of our partners, Jan Sahas, operates a helpline for migrant workers. They receive more than 12,000 calls per month from migrant workers in distress, including cases of kidnapping, trafficking, sexual abuse, injury and disablement, non-payment of wages and non-provision of even basic amenities such as access to food or clean drinking water. The work supported by Karuna includes:

- **Prevention:** Working with vulnerable communities to raise awareness of the dangers of migration.
- **Rescue:** In some cases, partners work with police and courts to rescue migrant workers from situations of extreme exploitation.
- **Rehabilitation:** Partners provide returning migrants with psychosocial rehabilitation and support with accessing financial compensation, helping them recover from trauma and re-integrate into their home communities.
- **Reform:** Working with Government agencies and duty bearers for strengthened state protection for vulnerable migrants.

Over the past year, our partners have provided direct support to 50,000 migrant workers and daily wage labourers, supporting them to develop more secure livelihoods as well as access government entitlements and welfare schemes.

### Reintegration of Returnee Migrant Workers - Partner: OKUP, Dhaka Bangladesh

This new project, implemented by our Bangladeshi partner 'OKUP', offers livelihood, medical, counselling and legal support to 2,500 migrant workers returning from overseas (mostly from Gulf States), enabling them to reintegrate into their families and society. As well as offering support and rehabilitation to returning migrants, the project creates a network of returned migrants who offer pre-departure training and advice to people planning to migrate who are at risk of exploitation. Karuna offers a grant commitment of £25,000 per year for four years.

### Migrant Labourer Resilience - Partner: Jan Sahas, India

Migrant labourers are among the most vulnerable groups across South Asia, often working without contracts on a daily wage basis, and lacking access to basic employment rights available to other types of workers. All too often, migrant workers are subject to extreme exploitation. Over the past year, the project has worked in 600 villages across six Indian states to help unemployed migrants access government welfare schemes, such as the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGREGA) which guarantees a basic level income to unemployed daily wage labourers. A team of 60 community mobilisers based in six regional migration centres have provided outreach to 120,000 households, helping a total of 16,371 families register for government welfare payments. In addition, a helpline offering advice and counselling to returning migrants has received 144,000 calls over the past year. Karuna supports with a grant of £25,000 per year.

### Participatory Climate Change Adaptation - Partner: Pragya, India & Bangladesh

This project works with cyclone affected households in 400 villages across four districts of Bangladesh and West Bengal in Eastern India. The focus is on supporting smallholder farmers to adapt their agricultural livelihoods to the changing weather patterns caused by climate change. Altogether, 4,000 smallholder farmers are being equipped to develop new climate-adapted livelihoods by providing access to targeted information about climate adapted agricultural practices. In addition, 4,000 women are being mobilised and organised into peer support groups for training in livelihood skills and protection from gender-based violence.

### Programme Funding

Karuna budgets its Indian programme funding at an exchange rate of ₹100 to £1 to ensure stability and predictability for our partners. Last year, the actual exchange rate was more favourable than predicted. As a result, while the reported value of grant payments in pounds appears lower than budgeted, the rupee value received by our partners matched our original plans exactly. This meant that all partner organisations were fully funded and able to deliver their projects as intended.

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# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### A Full List of Karuna-Supported Projects 2024/25

Partner/ Project Name/Location	Overall Project Objective
<b>INDIA</b>	
AAINA: Odisha	Supports 250 children with disabilities to attend mainstream schools.
Aryaloka: Raipur, Chhattisgarh	Provides computer education and IT training to 243 children.
Aryaloka: Nagpur	Provides computer education and IT training to 2,225 children from Nagpur.
Bahujan Hitay: Amravati	1,500 children from 20 Amravati schools receive training in prevention of gender-based violence.
TBMSG Nagpur: Women's Social Project	Early education support, health and livelihoods training for 2,500 women and girls.
ITBCI: Kalimpong	Ongoing support for a library and visitors' centre on the site of the former ITBCI school.
Jan Sahas: Child Rights Project, Dewas, Madhya Pradesh.	Provision of quality education and rights awareness among 4,200 children from Dalit communities.
Jan Sahas: Livelihoods Development	Provision of skills training and enterprise support to 600 women from ex-manual scavenger communities.
Jan Sahas: Migrant Labourers, Madhya Pradesh	Empowering 40,000 migrant workers and their families across three districts by providing access to social security schemes, raising awareness on safe migration and providing access to legal services.
Jan Sahas: Voice of Women	8,000 Dalit and Adivasi women in 12 districts and four states affected by violence have access to legal services and are supported by competent civil society organisations.
SoulScale: Grassroots Resilience Initiative	To capacity build 40 newly established grassroots Civil Society Organisations so they can work effectively with most marginalised communities.
Maitri Women's Network: India	A network of 22 Civil Society Organisations working across eight states to combat gender-based violence reaching 20,200 women from Dalit and other marginalised communities.
NIRMAN: Educate and Empower NT/DNT, rural Maharashtra	Supporting 400 children from Notified / De-Notified Tribal children (NT/DNT) Communities to complete their education.
NIRMAN: Livelihoods NT/DNT	200 families from NT/DNT tribal communities achieve improved food security through support for rural livelihoods.
NISD: Girls' Education Project, rural Maharashtra	Enabling 2,455 girls from marginalised communities to get the education they need to transform their lives and secure their future.
Nishtha: Bhalobasha, Baruipur, West Bengal	100 children with severe disabilities are supported to attend a day care centre providing professional support and rehabilitation.
Nishtha: Higher Secondary Girls, West Bengal	320 girls from marginalised communities are supported to complete higher secondary education.
Nishtha: Natun Diganta (post-cyclone) Project, Namkhana, West Bengal	645 girls and their mothers supported to remain in school and avoid early marriage.
Nishtha: Sikhai Hatiyar, West Bengal	800 girls and their parents supported to stay in school and avoid early marriage.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Pragya: Ending Violence Against Women in West Bengal	Providing 15,000 women and girls from vulnerable border areas of West Bengal protection from gender-based violence and human trafficking.
Pragya: India Climate Adaptation, Assam and West Bengal	The project empowers communities to manage climate risks and disasters benefitting 20,000 households in vulnerable river and coastal regions.
SSEVS: SLIDE Livelihoods, West Champaran, Bihar	500 Dalit farmers are being trained to achieve sustainable income through vegetable farming in 12 villages.
URJA: Journey with Homeless Young Women, Dardar, Mumbai	800 homeless young women and survivors of gender-based violence enabled to access safe spaces and build healthy relationships and coping strategies that enhance their quality of life and resilience.
<b>NEPAL</b>	
Green Tara Nepal: Dignity for Women, Bhajan and Bhadura, Western Nepal	4,000 women and adolescent girls from 36 villages in rural Western Nepal are empowered to make well-informed decisions about their menstrual practices and health in supportive environments.
Green Tara Nepal: Strong Girls, Palpa, Rupandehi, Southern Nepal	To support 1,577 girls from marginalised communities to stay in school.
REED: Learning Champions Education, Southern Nepal	9,500 girls from rural marginalised communities are supported to stay in school, complete their education and avoid early marriage.
Pragya Solutions: Climate Resilience, Sindalpalchuk	Promoting disaster resilience and climate adaptation among marginalised communities in two districts that are most vulnerable to adverse effects of climate change, directly benefitting 2,000 smallholder households with outreach to an estimated 20,000 households in target area.
REED: Strengthening Climate Resilience, Melamchi	The project works with 4,900 children and young people in schools to raise awareness of climate change and strengthen the climate resilience of local communities.
FEDO: Mahila Saman: Education and Women's Empowerment, Kapilvastu	The project works with 1,000 children and adults from marginalised communities to support children's access to education and increase participation of women in local governance.
Future Generation Nepal: Prevention of Child Trafficking, Kalika	Awareness-raising to prevent child trafficking and rescue and rehabilitation of 34 child survivors.
<b>BANGLADESH</b>	
Pragya Solutions: Participatory Climate Change Adaptation, Khulna, Munchiganj and Narayanganj	The project spans three districts of Bangladesh, empowering communities to manage climate risks and disasters, benefitting 20,000 households in vulnerable river and coastal regions.
Grambangla: Education for Children of Waste Pickers, Dhaka	Informal primary education is provided to 215 children of waste pickers at an education centre near the waste site (with the nearest school located four kilometres away), alongside advocacy efforts for improved welfare provisions for waste picker communities.
OKUP: Rehabilitation of Returning Migrants, Dhaka and Munshiganj	Resettlement and rehabilitation of 2,500 migrant workers returning from overseas, providing pre-departure training and support for migrants vulnerable to exploitation.
Nari Maitri: Livelihoods and Education for Slum-Dwelling Migrant Communities, Dhaka	Livelihoods and entrepreneurship training to 500 women from urban slum districts and secure daycare and early childhood education for 45 children.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### The Karuna Family

Since 1980, Karuna (previously Aid for India) has mobilised resources to transform the lives of people in South Asia. We have grown and now have two sister charities—Karuna Germany (since 2007) and Karuna USA (since 2021). Together, we have built a network of organisations that work together and share resources and skills to support our programmes in South Asia. Collaborating in this way has enabled us to significantly expand the scale of the projects we fund and build new ones.

### Karuna Germany

The Karuna Trust and Karuna Germany have a close working relationship and jointly fund and manage many of the same projects. We collaborate on funding applications and last year secured funding for a third phase of our Maitri Women's Empowerment programme and a new phase of funding for our Participatory Climate Change Adaptation Project.

In the year 2024, Karuna Germany was able to invest a record sum of over €1.3 million (£1.1 million) into 12 projects in India, Nepal and Bangladesh. These initiatives reached more than 98,000 people, making a significant difference in challenging areas, such as tackling violence against women and addressing the impacts of climate change.

Karuna Germany's total income rose by 21% over the previous year, reaching €1,489,532. This growth was largely driven by securing two new projects funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). As a result, BMZ grants increased by 33%, with Karuna Germany receiving a total of €926,335 government funding.

The "Nirbhaya: Empowering Women and Girls to End Sexual Violence in India" project received €319,595 in EU funding to continue its work in India, which began in 2023. Nirbhaya is a consortium of five organisations: Jan Sahas, Nirman, Adecom, Gramin Swavlambhan Samiti (GSS) and Yuva Vikas Mandal (YVM). Together, they focus on strengthening the resilience of women and girls against sexual violence across eight districts in four states. Building on the approach of the groundbreaking Voice of Women project, Nirbhaya also provides training and sensitisation for key stakeholders, including police and Legal Service Authorities. Over the past year, 10,271 people have taken part in these activities, among them 4,031 girls and 2,832 women.

In the year 2024, Karuna Germany received a total of €85,736 in individual and multiple donations from private individuals and organisations. That is 21% more than in the previous year. In addition, it was able to receive grants of €142,144 from charitable foundations (up 20%).

The Karuna Trust's financial year runs from April to March, while Karuna Germany's financial year is January to December. As a result, the figures presented in this section reflect different reporting periods for each organisation, and direct comparisons should take these different financial year-ends into account.

### Karuna USA

In 2021, we established Karuna USA with the purpose of widening our base, reaching new funders and generating more support for our work. Karuna USA attracted a highly skilled and innovative Board of Trustees and, having met the relevant legal requirements, was formally registered in November 2022.

Karuna USA aimed to identify resources and champions of our work and engage partners with similar operations to uplift marginalised groups in South Asia and eventually in the United States itself. In 2022, the focus of Karuna USA was establishing itself legally, creating a new website and social media presence, hiring staff and initial fundraising campaigns. It formally launched in November 2022.

Since then, Karuna USA has made £167,948 in grants to Karuna UK but at the same time has relied on financial support from Karuna UK to cover operational costs.

In the year 24/25, Karuna Trust made the difficult decision to reduce funding for Karuna US and ultimately transition to a minimal model. This decision followed a period of unprecedented upheaval in the global aid sector, triggered by the new US administration's policies and the abrupt USAID funding freeze.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

In January 2025, the new US administration imposed a 90-day freeze on all US foreign development aid. This was soon extended, resulting in the termination of over 80% of USAID programmes, with only a small minority of activities continuing under the State Department. The US also announced plans to withdraw from key multilateral bodies and halt funding to major UN agencies. As the US previously provided nearly a third of all OECD aid, these moves have destabilised the global aid landscape. The impact has been immediate and severe: worldwide, thousands of aid contracts have been cancelled and staff laid off, with critical health, education and humanitarian projects suspended or shut down. The impact on the aid sector within the US has also been devastating.

Smaller and new organisations like KUSA, which lack substantial reserves or a longstanding and committed donor base, have been disproportionately affected. Despite efforts to diversify income, KUSA was unable to meet revised fundraising targets, and the prospects for future US-based institutional funding have completely dried up. In this context, the Karuna Trust Board agreed to a four-month tapered reduction in support, after which KUSA would run as much smaller organisation which keeps its US charity registration and ability to receive donations but will have no paid staff or active programmes.

Throughout this transition, the Karuna Trust has prioritised the stewardship of KUSA's 23 regular donors, including their major supporters. Our team in the UK is also actively following up on promising leads and relationships with US-based trusts, while ensuring that donors stay informed and engaged. Looking ahead, the Karuna will continue to nurture these donor relationships and pursue new opportunities with new US-based partners.

<b>CONSOLIDATED ACCOUNTS FOR KARUNA UK, KARUNA GERMANY &amp; KARUNA USA</b>					
<b>FOR THE YEAR ENDED 31 MARCH 2025</b>	<b>Karuna UK</b>	<b>Karuna DE</b>	<b>Karuna USA</b>	<b>Total funds</b>	<b>Total funds</b>
<b>Income from:</b>	<b>2024/25</b>	<b>2024/25</b>	<b>2024/25</b>	<b>2024/25</b>	<b>2023/24</b>
Donations and legacies	1,996,826	1,369,929	21,904	3,388,659	2,921,563
Grants K UK/K USA	20,905	-	76,674	-	10,547
Other income	82,845	-	-	82,845	71,582
	<b>2,100,576</b>	<b>1,369,929</b>	<b>98,578</b>	<b>3,471,504</b>	<b>3,003,692</b>
<b>Expenditure on:</b>					
Raising funds	839,092	27,617	68,751	935,460	895,303
Charitable activities	1,294,149	1,278,429	10,630	2,583,209	2,418,300
Grants K UK/K USA	76,674	-	20,905	-	10,547
Total resources expended	<b>2,209,916</b>	<b>1,306,046</b>	<b>100,286</b>	<b>3,518,669</b>	<b>3,324,150</b>
Net Income/(expenditure)	<b>-109,340</b>	<b>63,883</b>	<b>-1,708</b>	<b>-47,165</b>	<b>-320,458</b>
Fund balances at 1 April 2024	1,196,650	153,488	9,108	1,359,246	1,679,704
<b>Fund balances at 31 March 2025</b>	<b>1,087,310</b>	<b>217,371</b>	<b>7,400</b>	<b>1,312,081</b>	<b>1,359,246</b>

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

CONSOLIDATED BALANCE SHEET					
AS AT 31 MARCH 2025	Karuna UK	Karuna DE	Karuna USA	Total funds	Total funds
	2024/25	2024/25	2024/25	2024/25	2023/24
<b>Fixed Asset</b>					
Tangible assets	230,216	-	-	230,216	227,784
<b>Current Assets</b>					
Debtors	151,283	-	-	151,283	398,100
Cash at bank and in hand	779,773	217,371	7,400	1,004,544	799,252
	931,056	217,371	7,400	1,155,827	1,197,352
Creditors: amounts due within one year	73,961	-	-	73,961	65,889
<b>Total Assets less Current Liabilities</b>	<b>1,087,311</b>	<b>217,371</b>	<b>7,400</b>	<b>1,312,082</b>	<b>1,359,247</b>
<b>Funds</b>					
Unrestricted funds	1,006,102	-	7,400	1,013,501	1,112,388
Restricted funds	81,209	217,371	-	298,580	246,859
	1,087,311	217,371	7,400	1,312,081	1,359,247

Note: Figures for Karuna DE & Karuna USA are drawn from unaudited accounts, contain inter-organisational transactions and exchange rate estimates and are provided for indicative purposes only.

## THE KARUNA TRUST

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Charitable Activities including Grants to Partners					
	Karuna UK	Karuna DE	Karuna USA	Total 2024/25	Total 2023/24
<b>Grants to Indian partners</b>					
AAINA	30,806	-	-	30,806	29,679
Adecom	-	8,112	-	8,112	18,949
Aryaloka	28,827	-	-	28,827	27,259
Aryaloka - Chhattisgarh	22,349	-	-	22,349	10,804
BH Amravati	24,683	12,650	-	37,333	53,128
Green Tara Foundation	-	-	-	-	6,416
ITBCI	4,443	-	-	4,443	4,613
Jambudvipa	6,356	-	-	6,356	-
Jan Sahas	154,039	453,073	-	607,111	606,524
Maitri Network	17,831	226,299	-	244,130	165,519
Nirman	59,762	10,833	-	70,595	79,846
NISD	31,195	-	-	31,195	44,381
Nishtha	154,587	-	-	154,587	129,967
PHIA Foundation	3,402	15,220	-	18,622	7,699
Pragya	93,476	158,261	-	251,737	151,216
Soulscale	90,821	-	-	90,821	165,834
SSEVS Bihar	8,387	-	-	8,387	19,487
Sukhavati Trust	-	-	-	-	4,802
TBMSG Nagpur	25,181	5,245	-	30,427	29,652
Urja	40,470	-	-	40,470	52,502
<b>Grants to Nepalese partners</b>					
ADWAN	15,546	-	-	15,546	-
FEDO	30,241	-	-	30,241	20,261
Future Generation	20,013	-	-	20,013	-
Green Tara Trust Nepal	84,507	64,235	-	148,742	239,329
Pragya	46,839	66,829	-	113,668	71,491
REED	89,832	128,999	-	218,831	238,433
<b>Grants to Bangladeshi partners</b>					
Grambangala Uhnayan Committee	27,831	-	-	27,831	33,087
Nari Maitree	29,371	-	-	29,371	-
OKUP	34,047	-	-	34,047	-
Pragya Solutions	21,614	127,784	-	149,397	88,557
<b>Grants to German partners</b>					
Karuna DE (BMZ match funding)	14,019	-	-	14,019	18,618
<b>Grants US partners</b>					
Karuna USA (adjusted for support costs & reciprocal grant)	81,392	-	-	81,392	40,006
<b>Sub-totals</b>	<b>1,291,868</b>	<b>1,277,539</b>	<b>-</b>	<b>2,569,407</b>	<b>2,358,059</b>
Governance & other charitable costs	58,050	891	10,630	69,571	70,788
<b>Totals</b>	<b>1,349,918</b>	<b>1,278,429</b>	<b>10,630</b>	<b>2,638,977</b>	<b>2,428,847</b>

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Financial review

#### Income

The total income received by The Karuna Trust for the year ended 31 March 2025 was £2,100,576 (2023/24: £2,182,785), a decrease of £82,209 year-on-year.

In the year to 31 March 2025, total income from Regular Giving was £1,455,851 (2023/24: £1,431,184). Our Regular Giving income is typically derived from door-to-door campaigns, give-as-you-earn, telephone upgrade campaigns and online giving. We rely heavily on volunteers to run most of these campaigns, all of whom are connected to the Triratna Buddhist community. Despite a challenging economic climate, we were able to run four door-to-door appeals and one telephone upgrade appeal.

One-off donations from individual donors raised £141,939 (2023/24: £101,809).

Our Christmas Appeal 2024 raised a further £78,967 plus Gift Aid (2023/24: £77,680) to support vulnerable families to build generational resilience to climate change.

We have been developing our online presence through digital campaigns, including via email, social media and the Global Giving platform which is based in the USA. This year income from digital campaigns was £10,964 (2023/24: £34,793).

During the year we received £20,087 in legacy gifts (2023/24: £68,119). We deeply appreciate that Karuna is considered for gifts left in wills, no matter how large or small; they make a significant impact on our work.

Income from grant-giving trusts was £264,641 (2023/24: £318,113) of which £241,041 was restricted income. We are deeply grateful to our Trust partners, with whom we work closely, for their ongoing support of our work in India, Nepal and Bangladesh.

#### Expenditure

Our expenditure for the year was £2,209,916 (2023/24: £2,231,425).

Over the past year, The Karuna Trust committed £1,312,773 to programmes delivery, a decrease of £53,207 from the previous year (2023/24: £1,365,980). Of this total, direct grants to partners totalled £983,948 for the year (2023/24: £1,011,300).

During the year, The Karuna Trust increased its grant expenditure to Bangladeshi partners to £84,593 in (2023/24: £38,070), an increased investment in our work in Bangladesh of £46,523.

We increased grant payments to Nepalese partners during the year to £215,096 (2023/24: £121,088), an additional £94,008.

Grant payments to partner organisations working in India were £597,078 (£2023/24: £754,361).

Programme management expenditure was £328,285 (2023/24: £354,680). This includes partner training, partner workshops, capacity building and awareness-raising activities carried out by in-country professional consultants and UK and Germany-based programmes managers. Over the past year, we have strengthened the support we give to partners, particularly emphasising financial management, compliance and the safeguarding of children and vulnerable adults.

We also made grant payments of £76,674 to Karuna USA (2023/24 £83,997) and £10,508 to Karuna Germany(2023/24 £13,784). During the year, Karuna USA made grants of £20,905 to The Karuna Trust which were applied to our overall programme grants.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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At the year-end, we carried £1,109,260 in future grant commitments to partners (2023/24: £1,668,122). These are contingent liabilities, not contractual, and therefore do not appear on our balance sheet and are not included in the reserve calculation. Nonetheless, they represent a very real responsibility for The Karuna Trust.

Combined programme expenditure delivered by both The Karuna Trust and Karuna Germany totalled £2,638,977 (2023/24: £2,428,847), an increase of £210,130.

The cost of generating funds for The Karuna Trust for the year was £839,092 (2023/24: £806,318). Of this figure, £558,805 (2023/24: £482,390) was incurred in direct fundraising costs and the balance of £280,585 (2023/24: £323,929) in administrative support costs (including IT, financial processing, and communications). This means that our direct fundraising costs this year were 26.6% of income (2024/25: 22%), a tremendous achievement by our fundraising team in what continues to be a challenging and unpredictable fundraising environment.

Governance costs for the year were £58,050 (2023/24: £59,126).

Overall, the charity recorded a deficit for the year of £109,340 (2023/24: £48,640) drawn from reserves.

#### **Reserves policy**

At the end of the year, the charity had total reserves of £1,087,311 a decrease of £109,340 against the previous year. An analysis of the reserve amount is as follows:

- Unrestricted Operating reserve: £775,886 (funds for the general operation of the charity)
- Unrestricted Fixed Asset reserve: £230,216 (tangible net assets net of bank loan)
- Restricted funds: £81,209 (funds for specific projects)

The charity's reserves policy aims to maintain an operating reserve equivalent to 4 months' costs, which, on 31 March 2025, equated to approximately £748,000.

#### **Investment Policy and Performance**

The charity's surplus funds are held in interest-bearing accounts with our bankers. We continue to do all we can to obtain the best rates of interest.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### Looking Ahead

As we enter the final year of our current three-year strategy, Karuna remains focused on deepening our impact across India, Nepal, and Bangladesh, while keeping a disciplined approach to costs and sustainability.

The global context for international aid has become increasingly challenging, with historic cuts to international aid budgets and shifting geopolitical priorities making the task of securing new funding ever more difficult. Despite these trends, Karuna's distinctive approach – rooted in our strong partnerships, local leadership, locally-led development and connection to the Buddhist community – continues to deliver measurable results for those most in need.

However, it is important to acknowledge that the world has changed dramatically since we set out this strategy nearly three years ago. Income levels have not kept pace with our original projections, mainly due to the tougher funding environment and shifting donor priorities.

Given the unprecedented levels of change and uncertainty in the external environment, the Trustees have agreed that, following the conclusion of the current strategy period, Karuna will adopt a one-year organisational plan for 2026/27. This will allow us to remain agile and responsive to emerging risks and opportunities, while we assess the longer-term landscape for international development.

Our priorities for the year ahead are clear. We will consolidate and strengthen our existing programmes, ensuring that our work in girls' education, prevention of violence against women, protection of migrant workers and climate resilience continues to reach those at greatest risk. Capacity building for grassroots civil society organisations will remain central, through initiatives like the Grassroots Resilience Initiative, which has already empowered 26 local partners to reach over half a million people and secure nearly £1 million in independent new funding.

We are also committed to building on our strong financial foundation. Our stable reserves and largely unrestricted income – underpinned by the enduring support of the Buddhist community and our successful door-to-door appeals – provide us with the flexibility to adapt to external shocks and take new opportunities as they arise. Nonetheless, we recognise that the landscape is volatile and that competition for resources is increasing. Diversifying our funding base, engaging new supporters and amplifying our voice will be essential to sustaining and growing our impact.

Our original plan was that by the end of 2026, we would have invested £8.8 million in our programmes, strengthened our relationships with our sister charities in Germany and the USA and increased our income by reaching new audiences and deepening engagement with existing supporters. As of 31 March 2025, we have invested £4.9 million in programme delivery, or 55% of our three-year target.

Karuna's dedicated team, strong planning and governance and Buddhist ethos remain our greatest assets. Together, they enable us to weather uncertainty and deliver life-changing support to communities that are too often overlooked. As we look ahead, our commitment is unwavering: to continue reaching those facing the greatest barriers, to adapt with resilience and to ensure that Karuna's work is a ray of hope in this increasingly complex world.

### Structure, governance and management

The Karuna Trust is a company limited by guarantee and registered with the Charity Commission as a charity.

The Trustees, who are also the directors for the purposes of company law and served during the year, were:

Peter White, Chair (from 31 December 2024)  
Su Yen Tan, Treasurer  
Sundeep Grewal  
Carolyn Milosevic MBE  
Vajramudita Armstrong (resigned as Trustee 06 January 2025)

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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The Trustees give their time on a voluntary basis to the management and governance of the charity. They meet four times a year to review the progress of the charity in all its activities and to make major decisions about direction, policy, staffing and grants to partner projects. When needed, the Trustees establish working groups to address specific issues and report their findings to the full board.

The Trustees of The Karuna Trust are also Trustees of Aid for India (founded 1980), which is the original name for the Trust. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. None of the Trustees has any beneficial interest in the company.

Through the CEO, the Trustees liaise closely with the Senior Management Team, Fundraising, Programmes and Finance Teams, who are paid staff and are responsible for ensuring that the standard of care required by the Trustees is carried out in the areas of grant management, governance, fundraising and publicity. The Trustees are all members of the Triratna Buddhist Order.

The day-to-day management of the charity is delegated to the Chief Executive Officer, who serves as the primary liaison with the Trustee body. The CEO ensures the effective implementation of the charity's strategic plans and policies, providing regular updates and feedback to the Trustees. This role is crucial in maintaining a cohesive and transparent relationship between the operational team and the governance structure.

New Trustees attend an induction meeting with the Chair and CEO where they receive briefings on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Business Plan and the current financial situation as set out in the latest published accounts. During the induction, the Trustee may also meet other senior staff. Trustees are encouraged to attend appropriate external training events so they may keep abreast of their duties and current developments.

#### **Risk Management**

The Trustees have carefully assessed the major risks facing the charity and are confident that systems and procedures are in place to mitigate these risks effectively.

Karuna's Management Team conducts a comprehensive annual review of all significant risks supplemented by regular interim assessments throughout the year. The findings are reported to the Trustees, and the risk register is updated accordingly. The risk review for the year 2025/26 has been completed and approved by the Trustees in May 2025, with the next full review scheduled for June 2026.

#### **Statement of trustees' responsibilities**

The trustees, who are also the directors of The Karuna Trust for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE KARUNA TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### **Auditor**

In accordance with the company's articles, a resolution proposing that Gravita Audit II Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

.....  
Su Yen Tan (Treasurer)  
**Trustee**

.....  
Peter White (Chair)  
**Trustee**

Date: 31/7/2025  
.....

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KARUNA TRUST

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### Opinion

We have audited the financial statements of The Karuna Trust (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, 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.

### 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KARUNA TRUST

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#### **Responsibilities of trustees**

As explained more fully in the sstatement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the charity were identified through discussions with trustees and other management, and from our commercial knowledge and experience of The Karuna Trust. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

# THE KARUNA TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KARUNA TRUST

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Paul Woosey FCA, FCCA (Senior Statutory Auditor)

For and on behalf of Gravita Audit II Limited, Statutory Auditor

Chartered Accountants

Aldgate Tower

2 Leman Street

London

E1 8FA

United Kingdom

Date: ..... 18/8/2025

Gravita Audit II Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# THE KARUNA TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	Notes	£	£	£	£	£	£
<b>Income from:</b>							
Donations and legacies	2	1,747,159	270,564	2,017,723	1,771,164	340,038	2,111,202
Investments	3	82,845	-	82,845	71,582	-	71,582
<b>Total income</b>		<u>1,830,004</u>	<u>270,564</u>	<u>2,100,568</u>	<u>1,842,746</u>	<u>340,038</u>	<u>2,182,784</u>
<b>Expenditure on:</b>							
Raising funds	4	826,754	12,338	839,092	788,886	17,433	806,319
Charitable activities	5	1,100,427	270,387	1,370,814	1,138,069	287,037	1,425,106
<b>Total expenditure</b>		<u>1,927,181</u>	<u>282,725</u>	<u>2,209,906</u>	<u>1,926,955</u>	<u>304,470</u>	<u>2,231,425</u>
<b>Net expenditure and movement in funds</b>		(97,177)	(12,161)	(109,338)	(84,209)	35,568	(48,641)
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2024		<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>	<u>1,187,489</u>	<u>57,802</u>	<u>1,245,291</u>
<b>Fund balances at 31 March 2025</b>		<u>1,006,103</u>	<u>81,209</u>	<u>1,087,312</u>	<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>

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

# THE KARUNA TRUST

## BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		230,215		227,784
<b>Current assets</b>					
Debtors	14	151,283		398,100	
Cash at bank and in hand		779,773		636,655	
		931,056		1,034,755	
<b>Creditors: amounts falling due within one year</b>	15	(73,959)		(65,889)	
<b>Net current assets</b>			857,097		968,866
<b>Total assets less current liabilities</b>			1,087,312		1,196,650
<b>The funds of the charity</b>					
Restricted income funds	17		81,209		93,370
Unrestricted funds	18		1,006,103		1,103,280
			1,087,312		1,196,650

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

31/7/2025

The financial statements were approved by the trustees on .....

.....  
Su Yen Tan (Treasurer)  
**Trustee**

.....  
Peter White (Chair)  
**Trustee**

Company registration number 02132178 (England and Wales)

# THE KARUNA TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

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	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	23		72,367		(163,859)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(12,094)		(5,192)	
Investment income received		82,845		71,582	
<b>Net cash generated from investing activities</b>			70,751		66,390
<b>Financing activities</b>					
Purchase of derivatives		-		(5,696)	
<b>Net cash used in financing activities</b>			-		(5,696)
<b>Net increase/(decrease) in cash and cash equivalents</b>			143,118		(103,165)
Cash and cash equivalents at beginning of year			636,655		739,820
<b>Cash and cash equivalents at end of year</b>			<u>779,773</u>		<u>636,655</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

##### Charity information

The Karuna Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 72 Holloway Road, Holloway, London, N7 8JG.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies (Continued)

#### 1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Property over 100 years
Plant and machinery	Straight line between 3 and 5 years
Fixtures, fittings & equipment	Straight line between 3 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 1 Accounting policies

(Continued)

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income and expenditure in support costs or other income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	1,727,072	270,564	1,997,636	1,702,045	340,038	2,042,083
Legacies	20,087	-	20,087	69,119	-	69,119
	<u>1,747,159</u>	<u>270,564</u>	<u>2,017,723</u>	<u>1,771,164</u>	<u>340,038</u>	<u>2,111,202</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 3 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	39,104	39,760
Interest receivable	43,741	31,822
	<u>82,845</u>	<u>71,582</u>

### 4 Expenditure on raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>Fundraising and publicity</b>						
Bank charges	12,562	-	12,562	11,968	-	11,968
Newsletters, printing and postage	15,461	-	15,461	8,473	-	8,473
Fundraising expenses	190,855	-	190,855	208,100	-	208,100
Rent and hire	23,279	-	23,279	26,352	-	26,352
Staff costs	577,383	12,338	589,721	525,978	17,433	543,411
Depreciation and impairment	7,214	-	7,214	8,015	-	8,015
	<u>826,754</u>	<u>12,338</u>	<u>839,092</u>	<u>788,886</u>	<u>17,433</u>	<u>806,319</u>

### 5 Expenditure on charitable activities

	Charitable activities 2025 £	Charitable activities 2024 £
<b>Direct costs</b>		
Grant funding of activities (see note 6)	983,942	1,011,300
<b>Share of support and governance costs (see note 9)</b>		
Support	328,822	354,678
Governance	58,050	59,128
	<u>1,370,814</u>	<u>1,425,106</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,100,427	1,138,069
Restricted funds	270,387	287,037
	<u>1,370,814</u>	<u>1,425,106</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 6 Grants payable

	Charitable activities 2025 £	Charitable activities 2024 £
Grants to institutions:		
Other	983,942	1,011,300
	<u>983,942</u>	<u>1,011,300</u>

Please see Note 8 for detail.

### 7 Grants to programme partners

Charitable Activities	Unrestricted grants	Restricted grants	Total grants	Support & development costs	Total funds 2025	Total funds 2024
	£	£	£	£	£	£
<b>Grants to Indian partners</b>						
AAINA	23,090	-	23,090	7,716	30,806	29,679
Aryaloka	21,606	-	21,606	7,221	28,827	27,259
Aryaloka - Chhattisgarh	16,751	-	16,751	5,598	22,349	10,804
BH Amravati	1,628	16,872	18,500	6,183	24,682	44,609
Green Tara Foundation						
Vishrantwadi	-	-	-	-	-	6,416
ITBCI	-	3,330	3,330	1,113	4,443	4,613
Jambudvipa	-	4,764	4,764	1,592	6,356	-
Jan Sahas	53,066	62,389	115,455	38,584	154,039	240,324
Maitri Network	13,365	-	13,365	4,466	17,831	49,994
Nirman	32,758	12,035	44,793	14,969	59,762	79,846
NISD	16,483	6,898	23,381	7,814	31,195	44,381
Nishtha	34,641	81,225	115,866	38,721	154,587	129,967
PHIA Foundation	2,550	-	2,550	852	3,402	3,444
Pragya	68,262	1,800	70,062	23,414	93,476	80,994
Soulscale	68,072	-	68,072	22,749	90,821	165,834
SSEVS Bihar	6,286	-	6,286	2,101	8,387	19,487
Sukhavati Trust	-	-	-	-	-	4,802
TBMSG Nagpur	12,484	6,390	18,874	6,307	25,181	23,973
Urja	19,649	10,684	30,333	10,137	40,470	52,502
<b>Grants to Nepalese partners</b>						
ADWAN	9,509	2,143	11,652	3,894	15,546	-
FEDO	20,523	2,143	22,666	7,575	30,241	20,261
Future Generation	12,857	2,143	15,000	5,013	20,013	-
Green Tara Trust Nepal	25,948	37,392	63,340	21,167	84,507	15,784
Pragya	32,964	2,143	35,107	11,732	46,839	71,491
Reed	59,801	7,530	67,331	22,501	89,832	56,020
<b>Grants to Bangladeshi partners</b>						
Grambangala Unnayan Committee	20,860	-	20,860	6,971	27,831	33,087
Nari Maitree	22,014	-	22,014	7,357	29,371	-

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 7 Grants to programme partners (Continued)

OKUP	25,519	-	25,519	8,528	34,047	-
Pragya Solutions	16,200	-	16,200	5,414	21,614	18,335
<b>Grants to German partners</b>						
Karuna DE	-	10,502	10,502	3,508	14,010	18,618
<b>Grants to US partners</b>						
Karuna USA	76,674	-	76,674	25,624	102,297	113,456
<b>Totals</b>	<b>713,561</b>	<b>270,381</b>	<b>983,942</b>	<b>328,822</b>	<b>1,312,764</b>	<b>1,365,980</b>

### 8 Net movement in funds 2025 £ 2024 £

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	19,179	15,620
Depreciation of owned tangible fixed assets	9,662	10,830
Operating lease charges	-	5,980

### 9 Support costs allocated to activities 2025 £ 2024 £

Staff costs	232,098	230,910
Depreciation	2,113	2,325
Operating lease charges	-	5,980
Training and development	5,729	8,350
Consultants	32,244	38,121
Exchange losses	6,953	-
Other costs	29,623	51,565
Loan interest	-	58
Travel and subsistence	15,723	12,401
Programmes communication & publicity	4,339	4,968
Governance costs	58,050	59,128
	<b>386,872</b>	<b>413,806</b>
<b>Analysed between:</b>		
Charitable activities	<b>386,872</b>	<b>413,806</b>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 9 Support costs allocated to activities

(Continued)

	2025	2024
	£	£
<b>Governance costs comprise:</b>		
Staff costs	25,279	23,144
Depreciation	335	490
Audit fees	19,179	15,620
Legal and professional	518	6,987
Office costs	8,962	11,145
Travel	3,400	1,323
Bank charges	32	43
Consultancy	345	376
	<u>58,050</u>	<u>59,128</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 3 of them were reimbursed a total of £2,496 expenses (2024: 3 were reimbursed £1,105)

### 11 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Grant management	7	7
Fundraising	16	16
Governance	1	1
Total	<u>24</u>	<u>24</u>

### Employment costs

	2025	2024
	£	£
Wages and salaries	758,463	720,949
Social security costs	67,680	56,522
Other pension costs	20,955	19,994
	<u>847,098</u>	<u>797,465</u>

There were no employees whose annual remuneration was more than £60,000.

### 12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 13 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2024	295,100	30,211	35,582	360,893
Additions	-	12,094	-	12,094
At 31 March 2025	295,100	42,305	35,582	372,987
<b>Depreciation and impairment</b>				
At 1 April 2024	77,037	21,781	34,292	133,110
Depreciation charged in the year	2,101	6,271	1,290	9,662
At 31 March 2025	79,138	28,052	35,582	142,772
<b>Carrying amount</b>				
At 31 March 2025	215,962	14,253	-	230,215
At 31 March 2024	218,063	8,431	1,290	227,784

### 14 Debtors

	2025	2024
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	114,733	312,309
Prepayments and accrued income	36,550	85,791
	151,283	398,100

### 15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	9,438	7,309
Other creditors	15,451	9,406
Accruals and deferred income	49,070	49,174
	73,959	65,889

### 16 Retirement benefit schemes

	2025	2024
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	20,955	19,994

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General Restricted Fund	93,370	270,564	(282,725)	81,209

Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General Restricted Fund	57,802	340,038	(304,470)	93,370

### 18 Unrestricted funds

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General funds	1,103,280	1,830,004	(1,927,181)	1,006,103

Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	1,187,489	1,842,746	(1,926,955)	1,103,280

### 19 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
<b>At 31 March 2025:</b>			
Tangible assets	230,215	-	230,215
Current assets/(liabilities)	775,888	81,209	857,097
	<u>1,006,103</u>	<u>81,209</u>	<u>1,087,312</u>

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>At 31 March 2024:</b>			
Tangible assets	227,784	-	227,784
Current assets/(liabilities)	875,496	93,370	968,866
	<u>1,103,280</u>	<u>93,370</u>	<u>1,196,650</u>

### 20 Financial commitments, guarantees and contingent liabilities

Karuna Trust had contingent liabilities of £1,109,260 (2024: £1,668,122) for charitable projects at the financial year end. Contingent liabilities were lower than usual because a number of funding agreements with Project Partners reach the end of their four-year cycle in 2025-26 and are subject to renewal. New four-year funding agreements will be negotiated and commissioned during 2025-26. The figures and financial impact on the charity is still to be calculated.

### 21 Operating lease commitments

#### Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	26,265	25,625
Between two and five years	-	26,265
	<u>26,265</u>	<u>51,890</u>

### 22 Related party transactions

The charity is controlled by the trustees who are all directors of the company. The trustees of the charity are also the trustees for another charity, Aid for India.

During the year Aid for India paid £2,000 (2024: £6,796) as a management fee to The Karuna Trust. At the year end the charitable company owed £0 (2024: £0) to Aid to India.

# THE KARUNA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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<b>23 Cash generated from/(absorbed by) operations</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deficit for the year	(109,338)	(48,641)
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(82,845)	(71,582)
Depreciation and impairment of tangible fixed assets	9,662	10,830
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	246,818	(74,448)
Increase in creditors	8,070	19,982
<b>Cash generated from/(absorbed by) operations</b>	<u>72,367</u>	<u>(163,859)</u>

## 24 Analysis of changes in net funds

The charity had no material debt during the year.