
The Kusuma Gibraltar Charitable Trust

Financial Statements

31 March 2009

**The Kusuma Gibraltar Charitable Trust
Report and Financial Statements
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The Kusuma Gibraltar Charitable Trust
Charity Information

Trustee

Fiduciary Trust Limited

Auditor

Grant Thornton (Gibraltar) Limited
6A Queensway
Gibraltar

Bankers

NatWest Bank plc
57 Line Wall Road
Gibraltar

Lombard Odier Darier Hentsch Private Bank Limited
Suite 921 Europort
Gibraltar

Rothschild Bank (CI) Limited
St Julian's Court
St Julian's Avenue
St Peter Port
Guernsey
GYI 3UA
United Kingdom

Registered office

3 Bell Lane
Gibraltar

Registered number

Gibraltar - 196

**The Kusuma Gibraltar Charitable Trust
Trustees' Report**

The trustee presents his annual report and audited financial statements for the period from 22 January 2008 to 31 March 2009.

Trustees

The trustee who served during the period were as follows:

Fiduciary Trust Limited

The Trustee form the Board of Trustees.

A trustee may be appointed or discharged by a resolution of a meeting of the Trustee.

Objectives

The Kusuma Gibraltar Charitable Trust was incorporated under a Declaration of Trust on 22 January 2008.

The Kusuma Gibraltar Charitable Trust's charitable objectives include:

- Relief for the elderly and the infirm
- Relief for the poor and the disadvantaged
- The advancement of education
- Young people
- The relief of unemployment
- Advice and counselling
- Conservation of the environment
- The promotion of equality and diversity
- The promotion of rural and urban regeneration in areas of social and economic deprivation
- The assistance of charities

The Kusuma Gibraltar Charitable Trust Trustees' Report

Aims and Focus

Our geographical focus and main area of work is India where Kusuma would like to make a difference and change lives for the better. We therefore fund a broad range of visionary charitable and philanthropic projects which have a direct and positive impact on the people we are trying to help.

Kusuma works alongside academic institutions, NGOs and governments to achieve its goals and avoid duplication of its efforts.

Still very much in its infancy, Kusuma is addressing a wide number of issues concerning education and children at risk with the intention of narrowing our focus in a few years time. At that point we intend to direct funding to fewer initiatives proven to have the most dramatic impact on society as a whole.

Our key focus areas are:

At Risk Children:

We want to improve the lives of disadvantaged children by funding projects which will provide them with education, financial support, healthcare, encouragement and in some cases, shelter and safety. We are currently focusing our attention on street children, orphans, children in distress and children with disabilities.

Education:

We believe every child has the right to a formal education. For us learning is the key to ensuring our society continues to grow and flourish.

Community:

Prescribing to the belief charity begins at home, Kusuma has gone to great lengths to support and improve the constituencies we operate out of. As such, we fund a broad number of community-based charities located in Gibraltar, the home of our founders, and Hyderabad.

Internet:

The internet is a global phenomenon and closely associated with our founders. We believe internet is a mirror of our society and has upside as well as downside. We intend to support projects to keep the medium as open as possible but at the same time realizing and curtailing the downside effects.

Review of activities

The Trust generated incoming resources of £15,427,668 and expended resources of £756,159 in the period ended 31 March 2009.

Reserve policy

The trustee aims to maintain free reserves in unrestricted funds at a level which enables the charity to generate sufficient income to respond to requests for charitable distributions. The level of free reserves at 31 March 2009 was £14,702,503. The trustee considers that this is appropriate but will continue to monitor the level of reserves over forthcoming periods.

Investment policy

The Trust operates a low risk investment strategy. The investment decisions of the Trust focus on making short term investments (under 3 years primarily) that will provide both capital growth and a income stream (in the form of dividends and interest). Within its investment portfolio, assets can be held in the form of cash, fixed interest securities, equities and commodities.

The Kusuma Gibraltar Charitable Trust Trustees' Report

Grant making policy

The trustee considers grant making an effective means of delivering aid. The Trust works with a series of consultants and an advisory board, who along with the trustees identify worthwhile projects (in various geographical locations) that fall within the Trust's objectives. Grant applications are then invited. Grant applications are then reviewed and approved by the Trustee subsequent to which appropriate payment is made.

The grant making policy is reviewed each year to ensure it is aligned with the Trust's strategic focus and charitable objectives.

Risk management

The Trustee has identified the major risks facing the charity and developed systems to monitor and control these risks to mitigate the impact they have on the charity.

Trustees' responsibilities

Charity law requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustee is required to:

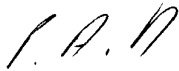
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will not continue in business.

The Trustee is responsible for keeping proper accounting records which 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 Gibraltar Charities Act, other applicable legislation and Gibraltar Accounting Standards. He is 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.

Auditor

A resolution to reappoint Grant Thornton (Gibraltar) Limited as auditor will be put to the Trustee at the Annual General Meeting.

This report was approved by the board on



Fiduciary Trust Limited
Trustee

The Kusuma Gibraltar Charitable Trust

INDEPENDENT AUDITOR'S REPORT to the Trustee of The Kusuma Gibraltar Charitable Trust

Report on the financial statements

We have audited the accompanying financial statements (the "financial statements") of The Kusuma Gibraltar Charitable Trust for the period from incorporation, 22 January 2008, to 31 March 2009 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Trustee's responsibility for the financial statements

The trustee is responsible for the preparation and true and fair presentation of these financial statements in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Gibraltar Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended.

Report on other legal and regulatory requirements

In addition to reporting on the financial statements, Gibraltar legal and regulatory requirements also require us to:

- (a) Report to you our opinion as to whether the financial statements have been properly prepared in accordance with the Gibraltar Charities Act, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and other applicable legislation.
- (b) State in our report whether in our opinion the information given in the trustees' report is consistent with the financial statements.
- (c) Report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

Opinion

In our opinion the financial statements have been properly prepared in accordance with the Gibraltar Charities Act, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and other applicable legislation, and the information given in the trustees' report is consistent with the financial statements.

We have nothing to report to you in respect of our responsibility set out in (c) above.

Other matters

This report, including the opinion, has been prepared for and only for the charity's trustees as a body in accordance with the Gibraltar Charities Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Frederick D J White (Statutory Auditor)
For and on behalf of Grant Thornton (Gibraltar) Limited
6A Queensway
Gibraltar

Date:

The Kusuma Gibraltar Charitable Trust
Statement of Financial Activities
for the period from 22 January 2008 to 31 March 2009

	Notes	Unrestricted Funds
		For the period from 22 January 2008 to 31 March 2009 £
Incoming resources		
Incoming resources from generated funds		
Funds transferred from The Kusuma Trust		15,156,615
Investment income	2	271,053
Total incoming resources		<u>15,427,668</u>
Resources expended		
Costs of generating funds		
Investment management costs		1,120
Charitable activities	3	692,782
Governance costs	4	62,257
Total resources expended		<u>756,159</u>
Net incoming resources before transfers		14,671,509
Gains/(losses) on investment assets		(6,952)
Foreign exchange gains/(losses) on retranslation of assets		37,946
Net movement in funds		<u>14,702,503</u>
Total funds brought forward		-
Total funds carried forward		<u>14,702,503</u>

The statement of financial activities includes all gains and losses recognised in the period. All incoming resources and resources expended derive from continuing activities.

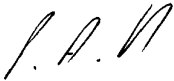
The notes on pages 9 to 13 form part of these financial statements.

The Kusuma Gibraltar Charitable Trust
Balance Sheet
as at 31 March 2009

	Notes	2009 £
Fixed assets		
Investments	8	1,968,027
Current assets		
Debtors	9	33,189
Cash at bank and in hand		<u>12,727,490</u>
		12,760,679
Creditors: amounts falling due within one year	10	(26,203)
Net current assets		<u>12,734,476</u>
		<u>14,702,503</u>
Funds of the Charity		
Unrestricted funds	11	14,702,503
		<u>14,702,503</u>

Approved by the board on

and signed on its behalf by:



Fiduciary Trust Limited
Trustee

The notes on pages 9 to 13 form part of these financial statements.

The Kusuma Gibraltar Charitable Trust
Notes to the Financial Statements
for the period from 22 January 2008 to 31 March 2009

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception that investments are included at market value. The financial statements have been prepared in accordance with the Gibraltar Charities Act, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 by the Accounting Standards Board and Gibraltar Accounting Standards.

Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted income funds comprise those funds which the trustee is free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable activities

Costs of charitable activities include the costs of grant making and associated support costs.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include the statutory audit and legal fees together with an apportionment of support costs.

Grants payable

Grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

Investments

Investments are valued at their market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and the brought forward market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the period end and the brought forward market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

The Kusuma Gibraltar Charitable Trust
Notes to the Financial Statements
for the period from 22 January 2008 to 31 March 2009

2 Investment Income

	2009
	£
Interest on cash deposits	<u>271,053</u>

3 Expenditure on charitable activities

	2009
	£
Grants payable (see note 7)	652,464
Allocation of support costs and overheads (see note 6)	<u>40,318</u>
	<u>692,782</u>

4 Analysis of governance costs

	2009
	£
Audit fees	3,000
Trustees expenses	400
Legal fees	30,000
Allocation of support costs and overheads (see note 6)	<u>28,857</u>
	<u>62,257</u>

5 Allocation of support costs and overheads

The breakdown of support costs and how these were allocated between Governance and Charitable Activities is shown in the table below:

	Total allocated £	Governance £	Charitable Activities £
Administration costs	33,833	25,375	8,458
Bank charges	975	-	975
Sundry expenses	19,785	3,482	16,305
Consultancy fees	<u>14,580</u>	<u>-</u>	<u>14,580</u>
	<u>69,173</u>	<u>28,857</u>	<u>40,318</u>

Basis

Administration costs	Time spent
Bank charges	All relate to costs of grant making
Sundry expenses	Nature of costs incurred
Consultancy fees	Time spent

The Kusuma Gibraltar Charitable Trust
Notes to the Financial Statements
for the period from 22 January 2008 to 31 March 2009

6 Grants payable

	2009
	£
Grants to institutions	
Mango Tree Orphan Support	2,000
The University of Salford	45,000
M Venkatarangaiya Foundation	25,002
Camino Del Santiago	1,000
Cancer Research	600
Udayan Care	32,027
Tarik dance Group	800
L.E.T.R.S.O.G	500
Loreto Convent	240
TATA Institute of Social Sciences	25,793
De Nobili	228,109
Calpe House	10,660
The Cheshire Home Group	500
SOS Children	18,863
Society for the Internal Development of Himalayas	6,389
Divya Disha	49,243
Pragathi Seva Samithi	49,627
British Red Cross	13,153
Vikash Vidyalaya Foundation	18,515
Down's Syndrome Support Group	5,018
GBC	12,000
Enable Ethiopia	500
Gibraltar Stage Dance Festival	800
iCommons	71,526
Gibraltar Senior Citizens Club South District	550
	<u>618,415</u>
Grants to individuals	
University Scholarships (3 x £3,000)	9,000
Sarvodaya Ashram	24,475
Dr G Offer	34
Paul Teulon	506
Hannah Pimperton	34
	<u>34,049</u>
	<u><u>652,464</u></u>

7 Taxation

The organisation is a registered charity and is not liable to taxation under Gibraltar legislation.

The Kusuma Gibraltar Charitable Trust
Notes to the Financial Statements
for the period from 22 January 2008 to 31 March 2009

8 Investments

	2009 £
Market value brought forward at 22 January 2008	-
Additions to investments at cost	1,963,907
Gain/(Loss) on revaluation of investments	(6,952)
Gain/(Loss) due to fluctuations in exchange rates	11,072
Market value as at 31 March 2009	<u>1,968,027</u>

Investments at market value comprised:

	2009 £
Fixed interest securities	1,494,330
Equities	211,316
Commodities	262,381
	<u>1,968,027</u>

The historical cost of investments as at 31 March 2009 was £1,963,907.

9 Debtors

	2009 £
Accrued interest	<u>33,189</u>

10 Creditors: amounts falling due within one year

	2009 £
Grants payable	9,744
Other creditors	8,459
Accruals and deferred income	8,000
	<u>26,203</u>

11 Analysis of funds

	Unrestricted funds 2009 £
Balance at 22 January 2008	-
Incoming resources	15,427,668
Resources expended	(756,159)
Other movements	30,994
Balance at 31 March 2009	<u>14,702,503</u>

Unrestricted funds are available to be spent for any of the purposes of the charity.

The Kusuma Gibraltar Charitable Trust
Notes to the Financial Statements
for the period from 22 January 2008 to 31 March 2009

12 Trustees' remuneration

The Trustee did not receive emoluments or reimbursed expenses in the period ended 31 March 2009.