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The Kusuma Gibraltar Charitable Trust

Financial Statements

31 March 2010

**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  
GY1 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 year ended 31 March 2010.

### **Trustees**

The trustee who served during the year was as follows:

Fiduciary Trust Limited

### **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

### **Aims and Focus**

The Geographical focus and main area of work for the Trust is currently Gibraltar. The Trust funds a broad range of charities and causes that provide a direct benefit to the Community of Gibraltar.

Principally the focus of the Charity is on Community and Education, and the Charity has successfully introduced a Kusuma Excellence Scholarship scheme for exceptional students at undergraduate and postgraduate level as well as professional development support and specialist sports and performing arts scholarships. The Charity has also set up a volunteer programme for Gibraltarians in partnership with VSO (Voluntary Services Overseas), the international development charity.

The Charity has supported numerous other Gibraltar Community projects at a financial level seeks to provide training and support services to these Charities in order to assist in their development. The Charity also seeks to be involved in more substantial infrastructure projects in Gibraltar that provide community benefit.

Historically the Charity was also involved in supporting initiatives in India. These involved a wide range of projects which included disability, education children at risk and internet research. The focus of the Trust was then narrowed to deal principally with the education sector. More recently, the Charity moved its focus to Gibraltar with the Kusuma Trust UK taking over the responsibilities in India and continuing to support and develop the the projects there.

### **Review of activities**

The Trust generated incoming resources of £122,952 (2009: £15,427,668) and expended resources of £974,474 (2009: £756,159) in the year ended 31 March 2010.

### **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 2010 was £14,840,002 (2009: £14,702,503). The trustee considers that this is appropriate but will continue to monitor the level of reserves over forthcoming periods.

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

### **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 an 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.

### **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

15 SEPTEMBER 2010



Peter Isola  
For and on behalf of 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 year ended 31 March 2010 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 2010 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 year ended 31 March 2010**

|  | Notes | Unrestricted Funds |   |
|--|-------|--------------------|---|
|  |       | 2010               | For the period<br>from 22 January<br>2008 to 31<br>March 2009 |
|  |       | £                  | £   |
| <b>Incoming resources</b>                                  |       |                    |   |
| Incoming resources from generated funds                    |       |                    |   |
| Funds transferred from The Kusuma Trust                    |       | -                  | 15,156,615  |
| Investment income  | 2     | 122,952            | 271,053   |
| <b>Total incoming resources</b>                            |       | 122,952            | 15,427,668  |
| <b>Resources expended</b>                                  |       |                    |   |
| Costs of generating funds                                  |       |                    |   |
| Investment management costs                                |       | 58,970             | 1,120   |
| Charitable activities                                      | 3     | 835,530            | 692,782   |
| Governance costs   | 4     | 82,974             | 62,257  |
| <b>Total resources expended</b>                            |       | 977,474            | 756,159   |
| <b>Net incoming resources before transfers</b>             |       | (854,522)          | 14,671,509  |
| Gains/(losses) on investment assets                        |       | 895,092            | (6,952)   |
| Foreign exchange gains/(losses) on retranslation of assets |       | 96,929             | 37,946  |
| <b>Net movement in funds</b>                               |       | 137,499            | 14,702,503  |
| <b>Total funds brought forward</b>                         |       | 14,702,503         | -   |
| <b>Total funds carried forward</b>                         |       | 14,840,002         | 14,702,503  |

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 8 to 12 form part of these financial statements.



**The Kusuma Gibraltar Charitable Trust**  
**Balance Sheet**  
**as at 31 March 2010**

|   | Notes | 2010<br>£         | 2009<br>£         |
|---|-------|-------------------|-------------------|
| <b>Fixed assets</b>                                   |       |                   |                   |
| Investments   | 8     | 10,427,037        | 1,968,027         |
| <b>Current assets</b>                                 |       |                   |                   |
| Debtors   | 9     | 49,437            | 33,189            |
| Cash at bank and in hand                              |       | <u>4,385,528</u>  | <u>12,727,490</u> |
|   |       | 4,434,965         | 12,760,679        |
| <b>Creditors: amounts falling due within one year</b> | 10    | (22,000)          | (26,203)          |
| <b>Net current assets</b>                             |       | <u>4,412,965</u>  | <u>12,734,476</u> |
|   |       | <u>14,840,002</u> | <u>14,702,503</u> |
| <b>Funds of the Charity</b>                           |       |                   |                   |
| Unrestricted funds                                    | 11    | 14,840,002        | 14,702,503        |
|   |       | <u>14,840,002</u> | <u>14,702,503</u> |

Approved by the board on 15 SEPTEMBER 2010 and signed on its behalf by:



Peter Isola  
 For and on behalf of Fiduciary Trust Limited  
 Trustee

The notes on pages 8 to 12 form part of these financial statements.

**The Kusuma Gibraltar Charitable Trust**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2010**

**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 year ended 31 March 2010**

**2 Investment Income**

|                           | 2010           | 2009           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Interest on cash deposits | 23,934         | 271,053        |
| Dividends receivable      | 99,018         | -              |
|                           | <u>122,952</u> | <u>271,053</u> |

**3 Expenditure on charitable activities**

|  | 2010           | 2009           |
|--|----------------|----------------|
|  | £              | £              |
| Grants payable (see note 6)                            | 744,954        | 652,464        |
| Allocation of support costs and overheads (see note 5) | 90,576         | 40,318         |
|  | <u>835,530</u> | <u>692,782</u> |

**4 Analysis of governance costs**

|  | 2010          | 2009          |
|--|---------------|---------------|
|  | £             | £             |
| Audit fees   | 3,000         | 3,000         |
| Trustees expenses                                      | 15,833        | 400           |
| Legal fees   | 60,000        | 30,000        |
| Allocation of support costs and overheads (see note 5) | 4,141         | 28,857        |
|  | <u>82,974</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<br>allocated<br>£ | Governance<br>£ | Charitable<br>Activities<br>£ |
|----------------------|-------------------------|-----------------|-------------------------------|
| <b>2010</b>          |                         |                 |                               |
| Bank charges         | 1,505                   | -               | 1,505                         |
| Interest payable     | 121                     | -               | 121                           |
| Sundry expenses      | 2,000                   | -               | 2,000                         |
| Consultancy fees     | 91,091                  | 4,141           | 86,950                        |
|                      | <u>94,717</u>           | <u>4,141</u>    | <u>90,576</u>                 |
| <b>2009</b>          |                         |                 |                               |
| Administration costs | 33,833                  | 25,375          | 8,458                         |
| Bank charges         | 975                     | -               | 975                           |
| Sundry expenses      | 19,787                  | 3,482           | 16,305                        |
| Consultancy fees     | 14,580                  | -               | 14,580                        |
|                      | <u>69,175</u>           | <u>28,857</u>   | <u>40,318</u>                 |

|                      | <b>Basis</b>                        |
|----------------------|-------------------------------------|
| 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 year ended 31 March 2010**

**6 Grants payable**

|   | 2010           | 2009           |
|---|----------------|----------------|
|   | £              | £              |
| <b>Grants to institutions</b>                     |                |                |
| M Venkatarangaiya Foundation                      | 23,536         | 25,002         |
| Udayan Care                                       | 42,982         | 32,027         |
| Tarik Dance Group                                 | 500            | 800            |
| Loreto Convent                                    | 240            | 240            |
| TATA Institute of Social Sciences                 | 14,390         | 25,793         |
| Divya Disha                                       | 61,951         | 49,243         |
| Pragathi Seva Samithi                             | 148,011        | 49,627         |
| Down's Syndrome Support Group                     | 1,014          | 5,018          |
| GBC   | 12,000         | 12,000         |
| Gibraltar Stage Dance Festival                    | 1,000          | 800            |
| Connect For Change                                | 150,000        | -              |
| The Kusuma Foundation                             | 21,265         | -              |
| Women In Need                                     | 10,840         | -              |
| Abigail Fund                                      | 500            | -              |
| India Institute of Technology                     | 134,535        | -              |
| Shrine of Our Lady of Europe                      | 500            | -              |
| Gibraltar Sea Scouts                              | 2,470          | -              |
| Apollo Gleneagles Hosp.                           | 2,700          | -              |
| Gibraltar Alzheimer's & Dementia                  | 500            | -              |
| Great Ormond Street Hospital                      | 500            | -              |
| Voluntary Services Overseas                       | 33,716         | -              |
| The Convent Fair                                  | 500            | -              |
| University of Cambridge                           | 117            | -              |
| Orthopaedic Chair GHA                             | 1,757          | -              |
| S Byrne TA MO Productions                         | 1,000          | -              |
| Friends of Mount Alvernia                         | 2,500          | -              |
| Mango Tree Orphan Support                         | -              | 2,000          |
| The University of Salford                         | -              | 45,000         |
| Camino Del Santiago                               | -              | 1,000          |
| Cancer Research                                   | -              | 600            |
| L.E.T.R.S.O.G                                     | -              | 500            |
| 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          |
| British Red Cross                                 | -              | 13,153         |
| Vikash Vidyalaya Foundation                       | -              | 18,515         |
| Enable Ethiopia                                   | -              | 500            |
| iCommons  | -              | 71,526         |
| Gibraltar Senior Citizens Club South District     | -              | 550            |
|   | <u>669,024</u> | <u>618,415</u> |

**The Kusuma Gibraltar Charitable Trust**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2010**

**6 Grants payable (continued)**

|                              |                       |                       |
|------------------------------|-----------------------|-----------------------|
| Bfwd from previous page      | 669,024               | 618,415               |
| <b>Grants to individuals</b> |                       |                       |
| University Scholarships      | 21,000                | 9,000                 |
| Sarvodaya Ashram             | 31,665                | 24,475                |
| Vivek Sadhwani               | 198                   | -                     |
| Louise Anne Manasco          | 20,900                | -                     |
| Dr Rawson                    | 577                   | -                     |
| Anthony Adamberry            | 1,590                 | -                     |
| Dr G Offer                   | -                     | 34                    |
| Paul Teulon                  | -                     | 506                   |
| Hannah Pimperton             | -                     | 34                    |
|                              | <u>75,930</u>         | <u>34,049</u>         |
|                              | <u><u>744,954</u></u> | <u><u>652,464</u></u> |

**7 Taxation**

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

**8 Investments**

|   | 2010                     | 2009                    |
|---|--------------------------|-------------------------|
|   | £                        | £                       |
| Market value brought forward at 1 April 2009      | 1,968,027                | -                       |
| Additions to investments at cost                  | 14,468,025               | 1,963,907               |
| Disposals at carrying value                       | (7,040,199)              | -                       |
| Gain/(Loss) on revaluation of investments         | 864,345                  | (6,952)                 |
| Gain/(Loss) due to fluctuations in exchange rates | 166,839                  | 11,072                  |
| Market value as at 31 March 2010                  | <u><u>10,427,037</u></u> | <u><u>1,968,027</u></u> |

Investments at market value comprised:

|                           | 2010                     | 2009                    |
|---------------------------|--------------------------|-------------------------|
|                           | £                        | £                       |
| Fixed interest securities | 5,522,090                | 1,494,330               |
| Equities                  | 4,115,084                | 211,316                 |
| Commodities               | 789,863                  | 262,381                 |
|                           | <u><u>10,427,037</u></u> | <u><u>1,968,027</u></u> |

The historical cost of investments as at 31 March 2010 was £9,395,854 (2009: £1,963,907).

**The Kusuma Gibraltar Charitable Trust**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2010**

**9 Debtors**

|                                | 2010          | 2009          |
|--------------------------------|---------------|---------------|
|                                | £             | £             |
| Prepayments and accrued income | 1,667         | -             |
| Accrued interest               | 47,770        | 33,189        |
|                                | <u>49,437</u> | <u>33,189</u> |

**10 Creditors: amounts falling due within one year**

|                              | 2010          | 2009          |
|------------------------------|---------------|---------------|
|                              | £             | £             |
| Grants payable               | -             | 9,744         |
| Other creditors              | -             | 8,459         |
| Accruals and deferred income | 22,000        | 8,000         |
|                              | <u>22,000</u> | <u>26,203</u> |

**11 Analysis of funds**

|                            | Unrestricted<br>funds<br>2010<br>£ | Unrestricted<br>funds<br>2009<br>£ |
|----------------------------|------------------------------------|------------------------------------|
| Balance at 22 January 2008 | 14,702,503                         | -                                  |
| Incoming resources         | 122,952                            | 15,427,668                         |
| Resources expended         | (977,474)                          | (756,159)                          |
| Other movements            | 992,021                            | 30,994                             |
| Balance at 31 March 2009   | <u>14,840,002</u>                  | <u>14,702,503</u>                  |

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

**12 Trustees' remuneration**

The Trustee did not receive emoluments or reimbursed expenses in the year ended 31 March 2010 (2009: £Nil).

During the year ended 31 March 2010, the Trustee charged the charity management fees amounting to £15,833 (2009: £Nil).