

The Kusuma Trust Gibraltar

Financial Statements

31 March 2014

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

Trustee

Fiduciary Trust Limited

Auditor

Grant Thornton (Gibraltar) Limited
6A Queensway
Gibraltar

Bankers

NatWest Bank plc
57 Line Wall Road
Gibraltar

Rothschild Bank (CI) Limited

St Julian's Court
St Julian's Avenue
St Peter Port
Guernsey
GY1 3BP
United Kingdom

Solicitor

Isolas
Portland House
Glacis Road
Gibraltar

Registered office

3 Bell Lane
Gibraltar

Registered number

Gibraltar - 196

The Kusuma Trust Gibraltar Trustee's Report

The trustee presents its annual report and audited financial statements for the year ended 31 March 2014 and confirm that they comply with the Gibraltar Charities Act and the Statement of Recommended Practice: Accounting and Reporting by Charities ("SORP") 2005 issued in March 2005 by the Accounting Standards Board.

Trustees

The trustee who served during the year was as follows:

Fiduciary Trust Limited

Governing document and objectives

The Kusuma Trust Gibraltar (the 'Charity') was incorporated under a Declaration of Trust on 22 January 2008. The Charity is registered with Gibraltar Charity Commissioners under charity number 196.

The Charity's 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

Recruitment and appointment of trustee

Every new trustee shall be appointed by a resolution of the trustees. In selecting individual trustee for appointment as trustee, the trustee shall have regard to the skills, knowledge and experience needed for the effective administration of the Charity. In selecting corporate trustees for appointment as trustee, the trustee shall ensure that the corporation is duly licensed by the Financial Services Commission in Gibraltar to provide professional trustee services.

Introduction and training of trustees

Following appointment, any new trustee is introduced to its new role and provided with a copy of the Declaration of Trust. The trustee is also directed to be aware of the scope of their responsibilities under the Gibraltar Charities Act.

Aims and focus

The geographical focus and main area of work for the Charity is currently Gibraltar. The Charity 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 Voluntary Services Overseas, the international development charity.

The Charity has supported numerous other Gibraltar community projects at a financial level and 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.

The Kusuma Trust Gibraltar Trustee's Report

Aims and focus (continued)

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 Charity 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 projects there.

Review of activities

During the year ended 31 March 2014, the Charity generated incoming resources of £100,304 (2013: £120,740) and expended resources of £984,715 (2013: £919,316).

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 2014 was £13,745,155 (2013: £15,059,573). The trustee considers that this is appropriate but will continue to monitor the level of reserves over forthcoming periods.

Investment policy

The Charity operates a low risk investment strategy. The investment decisions of the Charity 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, hedge funds and commodities.

During the year ended 31 March 2014, the Charity generated investment income of £100,304 (2013: £120,740). During the year ended 31 March 2014, the loss on investments assets amounted to £421,751 (2013: gain of £1,599,965).

Grant making policy

The trustee considers grant making an effective means of delivering aid. The Charity works with a series of consultants and an advisory board, who along with the trustee identifies worthwhile projects (in various geographical locations) that fall within the Charity's objectives. Grant applications are then reviewed and a public benefit and community benefit test are applied before the trustees approve any distribution. Subsequently, the payment is processed and signed off by the trustees and appropriately recorded with any relevant notes accompanying the payment.

In relation to excellence scholarships and professional development grants the trustee reviews the recommendations put forward by the relevant advisory panel before approving the payment to any successful applicant. One responsible officer (representing the trustee) will always sit on the interviewing panel along with the advisory board.

The grant making policy is reviewed each year to ensure it is aligned with the Charity's strategic focus and charitable objectives. When considering the grant making policy of the Charity, the Trustees consider relevant factors such as the distributions made in relation to supporting the Gibraltar community generally, and 'legacy' projects for Gibraltar which require a more substantial investment.

Plans for future periods

The Charity will focus its efforts in 2015/16 to strengthen its current programmes and taking time to evaluate the operational programmes it runs. The Trust will continue to focus on its three strategic priorities of Excellence in education, proving grants for community benefit, and, from time to time, providing funding towards capital projects in Gibraltar.

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.

The Kusuma Trust Gibraltar Trustee's Report

Statement of trustee's responsibilities

The trustee is responsible for preparing an annual report and financial statements in accordance with applicable laws and Gibraltar Generally Accepted Accounting Practice ('GAAP').

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:

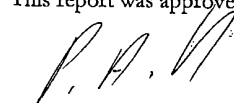
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed 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 GAAP. The trustee 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.

Auditors

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

This report was approved by the board on 27 January 2016



Peter Isola
For and on behalf of Fiduciary Trust Limited
Trustee

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

Report on the financial statements

We have audited the financial statements of The Kusuma Trust Gibraltar for the year ended 31 March 2014 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.

This report, including the opinion, has been prepared for and only for the Charity's trustee 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.

Trustee's responsibilities 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 Generally Accepted Accounting Practice. 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.

Auditor's 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' judgement, 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 auditors consider 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.



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INDEPENDENT AUDITOR'S REPORT
to the Trustee of The Kusuma Trust Gibraltar (continued)

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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.

- 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 trustee's report is consistent with the financial statements.

Opinion on other matters prescribed by Gibraltar Charities Act

In our opinion, the information given in the Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where Gibraltar legal and regulatory requirements require us to report to you if, in our opinion:

- the Charity has not kept proper accounting records; or
- if information specified by law regarding Trustee's remuneration and other transactions is not disclosed; or
- we have not received all the information and explanations we require for our audit.

Freddie White

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

Date: *27th January 2016*

The Kusuma Trust Gibraltar
Statement of Financial Activities
for the year ended 31 March 2014

	Notes	Unrestricted Funds 2014 £	Unrestricted Funds 2013 £
Incoming resources from generated funds			
Investment income	2	100,304	120,740
Total incoming resources		<u>100,304</u>	<u>120,740</u>
Resources expended			
Costs of generating funds			
Investment management costs		50,332	49,350
Charitable activities	3	877,958	805,391
Governance costs	4	56,425	64,575
Total resources expended		<u>984,715</u>	<u>919,316</u>
Net outgoing resources before transfers		(884,411)	(798,576)
Other recognised gains/losses			
(Loss)/ gain on investment assets	8	(421,751)	1,599,965
Foreign exchange (losses)/ gains on translation of assets		(8,256)	27,344
Net movement in funds		<u>(1,314,418)</u>	<u>828,733</u>
Reconciliation of Funds			
Total funds brought forward		15,059,573	14,230,840
Total funds carried forward	11	<u><u>13,745,155</u></u>	<u><u>15,059,573</u></u>

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

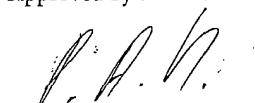
The notes on pages 9 to 14 form part of these financial statements.

The Kusuma Trust Gibraltar
 Balance Sheet
 as at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	8	13,354,877	14,437,528
Current assets			
Debtors	9	22,500	9,171
Cash at bank and in hand		<u>1,203,323</u>	<u>1,170,785</u>
		1,225,823	1,179,956
Creditors: amounts falling due within one year	10	(835,545)	(557,911)
Net current assets		<u>390,278</u>	<u>622,045</u>
		<u>13,745,155</u>	<u>15,059,573</u>
The funds of the charity			
Unrestricted income funds	11	13,745,155	15,059,573
		<u>13,745,155</u>	<u>15,059,573</u>

Approved by the board on 27 January 2014

and signed on its behalf by:



Peter Isola
 For and on behalf of Fiduciary Trust Limited
 Trustee

The notes on pages 9 to 14 form part of these financial statements.

The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments at fair value through the Statement of Financial Activities and 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 Generally Accepted Accounting Practice.

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.

Cash at bank and in hand

Cash at bank and in hand consists of unrestricted bank balances and cash.

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.

Unrealised /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 (or purchase date, if later) market value. Unrealised gains and losses are calculated as the difference between the market value at the period end and the brought forward (or purchase date, if later) market value. Realised and unrealised gains are not separated in the Statement of Financial Activities.

The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2014

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the fund account.

Related party relationships and transactions

Related party transactions are transfers of resources, services or obligations between the Charity and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has direct or indirect control of the other party, the parties are subject to common control from the same source, one party has influence over the financial and operating policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests or the parties, entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Cash flow statement

The trustee have taken advantage of the exemption in Gibraltar Financial Reporting Standard No. 1 from including a cash flow statement in the financial statements on the ground that the Charity is small.

2	Investment income	2014	2013
		£	£
	Interest on cash deposits	24,546	44,212
	Dividends receivable	75,758	76,528
		<u>100,304</u>	<u>120,740</u>
3	Expenditure on charitable activities	2014	2013
		£	£
	Grants payable (see note 6)	802,302	728,308
	Allocation of support costs and overheads (see note 5)	75,656	77,083
		<u>877,958</u>	<u>805,391</u>
4	Analysis of governance and management costs	2014	2013
		£	£
	Audit fees	3,500	3,500
	Trustees expenses (see note 12)	22,500	22,500
	Legal and management fees (see note 12)	30,425	38,575
		<u>56,425</u>	<u>64,575</u>

The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2014

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 £
2014			
Bank charges	7,145	-	7,145
Interest payable	7,223	-	7,223
Sundry expenses	4,266	-	4,266
Consultancy fees	57,022	-	57,022
	<u>75,656</u>	<u>-</u>	<u>75,656</u>
2013			
Bank charges	565	-	565
Interest payable	725	-	725
Sundry expenses	10,572	-	10,572
Consultancy fees	65,221	-	65,221
	<u>77,083</u>	<u>-</u>	<u>77,083</u>

Cost item

Administration costs
Bank charges
Interest payable
Sundry expenses
Consultancy fees

Basis

Time spent
All relate to costs of grant making
All relate to costs of grant making
Nature of costs incurred
Time spent

The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2014

6 Grants payable	2014	2013
	£	£
Grants to institutions and projects		
St Martins School	150,000	150,000
Science Week	19,253	5,365
Chess Society	15,000	15,000
Childline Gibraltar	12,524	10,000
British Sign Language	11,302	-
GBC documentary	9,380	-
Globe Theatre Workshops	9,247	-
Autism Support Conference	5,479	-
Directory of Social Change	4,969	10,170
BSL Course	4,090	-
British Library visit to Garrison Library	3,595	-
Careers Fair	3,301	1,072
Photography Event - Stuart Franklin	3,250	-
Dance Festival MO Productions	3,240	1,500
Cambridge University Maths Road show	2,446	16,193
PAAMOA	5,762	-
Down Syndrome Support Group Gibraltar	1,560	-
Gibraltar Philanthropy Forum	1,440	-
Girl Guides	500	-
LETRSOG Law Enforcement Torch Run	350	-
Commonwealth Garden	400,000	300,000
Prostate Cancer Clinic	-	70,000
Sharrock Shand - Beautification of Europa Point	-	10,083
National Museum of Science	-	10,000
Genesis Club	-	4,261
DSC Event	-	1,775
Accrue Knit	-	750
Special Olympics	-	350
Shakespeare for Kids (refund)	-	(1,000)
	<u>666,688</u>	<u>605,519</u>
Grants to individuals		
University Scholarships	103,715	100,421
Louise Anne Manasco	20,900	20,900
Stacy Anne Kalter	5,190	-
Amece Freyone - MA Drama therapy	4,000	-
Professor Howell	661	771
University Talks for Students	350	697
Sands Bereavement Talk	600	-
Other	198	-
	<u>135,614</u>	<u>122,789</u>
Total (see note 3)	<u><u>802,302</u></u>	<u><u>728,308</u></u>

7 Taxation

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

The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2014

8 Investments	2014	2013
	£	£
Market value at beginning of year	14,437,528	13,027,794
Additions to investments at cost	7,217,413	3,449,514
Disposals at carrying value	(7,878,313)	(3,639,745)
(Loss)/ gain on investment assets	(421,751)	1,599,965
Market value at end of year	<u>13,354,877</u>	<u>14,437,528</u>

Investments at market value comprised:	2014	2013
	£	£
Fixed interest securities	2,000,475	3,448,572
Equities	9,216,162	8,884,952
Commodities, hedge funds and others	2,138,240	2,104,004
	<u>13,354,877</u>	<u>14,437,528</u>

The historical cost of investments as at 31 March 2014 was £12,296,707 (2013: £12,008,619).

Concentration of investments

The following investments account for more than 5% of the Charity's investment portfolio:

	2014	2013
	£	£
R Wealth management SICAV-SIF	940,905	-
Lansdowne Developed Markets Long Only Fund - A-USD shares	748,867	-
IND Franchise Glob EQ FD B	739,887	724,960
CF Egerton Sterling INV FD	733,802	-
Sub Findlay Park US SM COS FD USD D	-	786,201
	<u>2,462,461</u>	<u>1,511,161</u>

9 Debtors	2014	2013
	£	£
Prepayments and accrued income	22,500	-
Accrued interest	-	9,171
	<u>22,500</u>	<u>9,171</u>

10 Creditors: amounts falling due within one year	2014	2013
	£	£
Grants payable	832,045	520,000
Accruals and deferred income (see note 12)	3,500	37,911
	<u>835,545</u>	<u>557,911</u>

The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2014

11 Analysis of unrestricted income funds	2014	2013
	£	£
Balance at beginning of year	15,059,573	14,230,840
Incoming resources	100,304	120,740
Resources expended	(984,715)	(919,316)
Other movements	(430,007)	1,627,309
Balance at end of year	<u>13,745,155</u>	<u>15,059,573</u>

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

12 Related party transactions

The Trustee did not receive emoluments or reimbursed expenses in the year ended 31 March 2014 (2013: £nil).

During the year ended 31 March 2014, Fiduciary Management Limited charged the charity administration fees amounting to £22,500 (2013: £22,500). At 31 March 2014, the Charity owed Fiduciary Management Limited £nil (2013: £22,500). This amount is included within 'Accruals and deferred income' in note 10 to the financial statements. The Charity and Fiduciary Management Limited are related via common control.

During the year ended 31 March 2014, Isolas charged the charity legal fees amounting to £30,425 (2013: £38,575). At 31 March 2014, the Charity owed Isolas £nil (2013: £3,000). This amount is included within 'Accruals and deferred income' in note 10 to the financial statements. The Trustee and Isolas are related via common control.

During the year ended 31 March 2014, key officers of the Charity received consultancy fees of £45,509 (2014: £47,736).