

The Kusuma Trust Gibraltar (formerly
'The Kusuma Gibraltar Charitable Trust')

Financial Statements

31 March 2011

The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')
Report and Financial Statements
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The Kusuma Trust Gibraltar (formerly '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 Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust') Trustee's Report

The trustee presents his annual report and audited financial statements for the year ended 31 March 2011.

Trustees

The trustee who served during the year was as follows:

Fiduciary Trust Limited

Objectives

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

The Kusuma Trust Gibraltar'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 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.

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 £118,772 (2010: £122,952) and expended resources of £653,632 (2010: £977,474) in the year ended 31 March 2011.

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 2011 was £14,624,942 (2010: £14,840,002). The trustee considers that this is appropriate but will continue to monitor the level of reserves over forthcoming periods.

The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust') Trustee's 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 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 trustees review 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 Trust's strategic focus and charitable objectives. When considering the grant making policy of the Trust, 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.

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.

Trustee's Report

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:

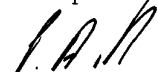
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial 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. 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.

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



Peter Isola

For and on behalf of Fiduciary Trust Limited

Trustee

The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')

INDEPENDENT AUDITOR'S REPORT

to the Trustee of The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')

Report on the financial statements

We have audited the accompanying financial statements (the "financial statements") of The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust') for the year ended 31 March 2011 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.

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' 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 2011 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 Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')
Statement of Financial Activities
for the year ended 31 March 2011

	Notes	Unrestricted Funds	
		2011	2010
		£	£
Incoming resources from generated funds			
Other incoming resources		3,010	-
Investment income	2	115,762	122,952
Total incoming resources		<u>118,772</u>	<u>122,952</u>
Resources expended			
Costs of generating funds			
Investment management costs		39,044	58,970
Charitable activities	3	562,421	835,530
Governance costs	4	52,167	82,974
Total resources expended		<u>653,632</u>	<u>977,474</u>
Net outgoing resources before transfers		(534,860)	(854,522)
Gains on investment assets		586,268	895,092
Foreign exchange (losses)/gains on retranslation of assets		(266,468)	96,929
Net movement in funds		<u>(215,060)</u>	<u>137,499</u>
Total funds brought forward		14,840,002	14,702,503
Total funds carried forward	11	<u>14,624,942</u>	<u>14,840,002</u>

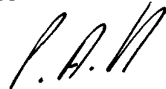
The statement of financial activities includes all gains and losses recognised in the period. All incoming resources and resources expended derive from continuing activities.

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

The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')
Balance Sheet
as at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Investments	8	10,808,347	10,427,037
Current assets			
Debtors	9	36,233	49,437
Cash at bank and in hand		<u>3,832,706</u>	<u>4,385,528</u>
		3,868,939	4,434,965
Creditors: amounts falling due within one year	10	(52,344)	(22,000)
Net current assets		<u>3,816,595</u>	<u>4,412,965</u>
		<u>14,624,942</u>	<u>14,840,002</u>
The funds of the charity			
Unrestricted income funds	11	14,624,942	14,840,002
		<u>14,624,942</u>	<u>14,840,002</u>

Approved by the board on



Peter Isola
 For and on behalf of Fiduciary Trust Limited
 Trustee

and signed on its behalf by:

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

The Kusuma Trust Gibraltar (formerly "The Kusuma Gibraltar Charitable Trust")
Notes to the Financial Statements
for the year ended 31 March 2011

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.

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 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 Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')
Notes to the Financial Statements
for the year ended 31 March 2011

2 Investment income

	2011	2010
	£	£
Interest on cash deposits	8,334	23,934
Dividends receivable	107,428	99,018
	<u>115,762</u>	<u>122,952</u>

3 Expenditure on charitable activities

	2011	2010
	£	£
Grants payable (see note 6)	503,206	744,954
Allocation of support costs and overheads (see note 5)	59,215	90,576
	<u>562,421</u>	<u>835,530</u>

4 Analysis of governance and management costs

	2011	2010
	£	£
Audit fees	3,000	3,000
Trustees expenses	9,167	15,833
Legal and management fees	40,000	60,000
Allocation of support costs and overheads (see note 5)	-	4,141
	<u>52,167</u>	<u>82,974</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 £
2011			
Bank charges	698	-	698
Interest payable	11	-	11
Sundry expenses	5,241	-	5,241
Consultancy fees	53,265	-	53,265
	<u>59,215</u>	<u>-</u>	<u>59,215</u>
2010			
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>

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 Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')
Notes to the Financial Statements
for the year ended 31 March 2011

6 Grants payable

	2011	2010
	£	£
Grants to institutions		
Bland Limited - re Science Week	375	-
Bruce's Farm internet costs	450	-
Careers Fair	433	-
Childline Gibraltar	7,500	-
Divya Disha	2,511	61,951
Down's Syndrome Support Group Gibraltar	8,986	1,014
Film Exhibitors Limited	3,000	-
GBC Open Day Trust	12,056	12,000
GHA Biomedical Conference	3,085	-
GHA	35,747	-
Gibraltar National Dance Organisation	1,000	1,000
Masbro Insurance Brokers - Science Fair	250	-
National Museum of Science	10,000	-
Out Reach Team - Accomodation & Transport	2,561	-
Redwood - re Science Week	320	-
Sea Scouts	1,000	-
Shakespeare for Kids	1,000	-
Sharrock Shand - Beautification of Europa Point	250,000	-
Special Olympics	350	-
TATA Institute of Social Sciences	5,403	14,390
Wildlife Gibraltar	1,030	-
Women in Need	10,000	10,840
Abigail Fund	-	500
Apollo Gleneagles Hosp. (Ganesh Shankar Sharma)	-	2,700
Connect for Change	-	150,000
Friends of Mount Alvernia	-	2,500
Gibraltar Alzheimer's & Dementia	-	500
Gibraltar Sea Scouts	-	2,470
Great Ormond Street Hospital	-	500
India Institute of Technology	-	134,535
Loreto Group	-	240
M Venkatarangaiya Foundation	-	23,536
Orthepoedic Chair GHA	-	1,757
Pragatha Seva Samithi	-	148,011
S Byrne TA MO Productions	-	1,000
Shrine of Our Lady of Europe	-	500
Tarik Dance Group	-	500
The Convent Fair	-	500
The Kusuma Foundation	-	21,265
Udayan Care	-	42,982
University of Cambridge	-	117
Voluntary Services Overseas	-	33,716
	357,057	669,024

The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')
Notes to the Financial Statements
for the year ended 31 March 2011

6 Grants payable (continued)

	2011	2010
	£	£
Brought forward from previous page	357,057	669,024
Grants to individuals		
Akin	1,000	-
Kusuma Professional Development Grant	2,843	-
Louise Anne Manasco	20,900	20,900
Professor Howell	459	-
Sarvodaya Ashram	58,432	31,665
University Scholarships	62,515	21,000
Anthony Adamberry	-	1,590
Dr Rawson	-	577
Vivek Sadhwani	-	198
	<u>146,149</u>	<u>75,930</u>
	<u>503,206</u>	<u>744,954</u>

7 Taxation

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

8 Investments

	2011	2010
	£	£
Market value at beginning of year	10,427,037	1,968,027
Additions to investments at cost	5,916,814	14,468,025
Disposals at carrying value	(5,529,291)	(7,040,199)
Unrealised gains on revaluation of investments	250,267	864,345
(Losses)/Gains due to fluctuations in exchange rates	(256,480)	166,839
Market value at end of year	<u>10,808,347</u>	<u>10,427,037</u>

Investments at market value comprised:

	2011	2010
	£	£
Fixed interest securities	4,708,357	5,522,090
Equities	5,448,939	4,115,084
Commodities	651,051	789,863
	<u>10,808,347</u>	<u>10,427,037</u>

The historical cost of investments as at 31 March 2011 was £9,783,377 (2010: £9,395,854).

The Kusuma Trust Gibraltar (formerly 'The Kusuma Gibraltar Charitable Trust')
Notes to the Financial Statements
for the year ended 31 March 2011

9 Debtors

	2011	2010
	£	£
Prepayments and accrued income	2,500	1,667
Accrued interest	33,733	47,770
	<u>36,233</u>	<u>49,437</u>

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Grants payable	35,747	-
Accruals and deferred income	16,597	22,000
	<u>52,344</u>	<u>22,000</u>

11 Analysis of unrestricted funds

	2011	2010
	£	£
Balance at beginning of year	14,840,002	14,702,503
Incoming resources	118,772	122,952
Resources expended	(653,632)	(977,474)
Other movements	319,800	992,021
Balance at end of year	<u>14,624,942</u>	<u>14,840,002</u>

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

12 Trustee's remuneration

The Trustee did not receive emoluments or reimbursed expenses in the year ended 31 March 2011 (2010: £Nil).

During the year ended 31 March 2011, Fiduciary Trust Limited charged the charity management fees amounting to £9,167 (2010: £15,833).