

The Kusuma Trust Gibraltar

Financial Statements

31 March 2013

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

Trustee

Fiduciary Trust Limited

Auditors

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

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 2013.

Trustees

The trustee who served during the year was as follows:

Fiduciary Trust Limited

Objectives

The Kusuma Trust Gibraltar (the 'Charity') 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 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 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 projects there.

Review of activities

The Trust generated incoming resources of £120,740 (2012: £106,647) and expended resources of £919,316 (2012: £798,177) in the year ended 31 March 2013.

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 2013 was £15,059,573 (2012: £14,230,840). The trustee considers that this is appropriate but will continue to monitor the level of reserves over forthcoming periods.

The Kusuma Trust Gibraltar Trustee's Report

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 and commodities.

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 trustees identify 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 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 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.

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.

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 16 December 2013 .



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 2013 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 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 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.

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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.

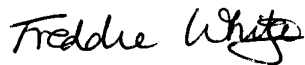
Opinion on other matters prescribed by Gibraltar Charities Act

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.



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

Date: *17th December 2013*

**The Kusuma Trust Gibraltar
Statement of Financial Activities
for the year ended 31 March 2013**

	Notes	Unrestricted Funds	
		2013 £	2012 £
Incoming resources from generated funds			
Investment income	2	120,740	106,647
Total incoming resources		<u>120,740</u>	<u>106,647</u>
Resources expended			
Costs of generating funds			
Investment management costs		49,350	47,279
Charitable activities	3	805,391	689,398
Governance costs	4	64,575	61,500
Total resources expended		<u>919,316</u>	<u>798,177</u>
Net outgoing resources before transfers		(798,576)	(691,530)
Gains on investment assets		1,599,965	297,699
Foreign exchange losses on retranslation of assets		27,344	(271)
Net movement in funds		<u>828,733</u>	<u>(394,102)</u>
Total funds brought forward		14,230,840	14,624,942
Total funds carried forward	11	<u><u>15,059,573</u></u>	<u><u>14,230,840</u></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
Balance Sheet
as at 31 March 2013**

	Notes	2013 £	2012 £
Fixed assets			
Investments	8	14,437,528	13,027,794
Current assets			
Debtors	9	9,171	23,857
Cash at bank and in hand		<u>1,170,785</u>	<u>1,262,429</u>
		1,179,956	1,286,286
Creditors: amounts falling due within one year	10	(557,911)	(83,240)
		<u>622,045</u>	<u>1,203,046</u>
Net current assets		<u>15,059,573</u>	<u>14,230,840</u>
The funds of the charity			
Unrestricted income funds	11	15,059,573	14,230,840
		<u>15,059,573</u>	<u>14,230,840</u>

Approved by the board on 16 December 2013 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 Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2013**

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 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
Notes to the Financial Statements
for the year ended 31 March 2013

2 Investment income

	2013	2012
	£	£
Interest on cash deposits	44,212	3,179
Dividends receivable	76,528	103,468
	<u>120,740</u>	<u>106,647</u>

3 Expenditure on charitable activities

	2013	2012
	£	£
Grants payable (see note 6)	728,308	621,752
Allocation of support costs and overheads (see note 5)	77,083	67,646
	<u>805,391</u>	<u>689,398</u>

4 Analysis of governance and management costs

	2013	2012
	£	£
Audit fees	3,500	3,000
Trustees expenses	22,500	22,500
Legal and management fees	38,575	36,000
	<u>64,575</u>	<u>61,500</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 £
2013			
Administration costs	-	-	-
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>
2012			
Bank charges	807	-	807
Interest payable	78	-	78
Sundry expenses	6,251	-	6,251
Consultancy fees	60,510	-	60,510
	<u>67,646</u>	<u>-</u>	<u>67,646</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
Notes to the Financial Statements
for the year ended 31 March 2013

6 Grants payable

	2013	2012
	£	£
Grants to institutions and projects		
Commonwealth Garden	300,000	-
St Martins School	150,000	-
Prostate Cancer Clinic	70,000	-
Cambridge University Maths Road show	16,193	9,717
Chess Society	15,000	5
Directory of Social Change	10,170	9,127
Sharrock Shand - Beautification of Europa Point	10,083	370,269
Childline Gibraltar	10,000	7,500
National Museum of Science	10,000	10,000
Science Week	5,365	1,752
Genesis Club	4,261	-
DSC Event	1,775	2,492
Dance Festival MO Productions	1,500	1,500
Careers Fair	1,072	739
Accrue Knit	750	-
Special Olympics	350	350
Shakespeare for Kids (refund)	(1,000)	-
Voluntary Services Overseas	-	30,495
Calpe House	-	27,240
Counselling Training Service	-	10,800
Learn and Experience Limited	-	6,390
Addis 123 Magic	-	5,553
University of Birmingham	-	4,884
Interpersonal Mediation Practitioner's Certificate	-	4,308
GHITA Provision of sign language courses	-	3,008
Outreach Team Science Museum event	-	2,856
Education Road show	-	2,322
Professional Development Panel	-	2,183
Air Cadets computer equipment	-	1,893
ADD Information Services	-	1,087
JM Memorial Foundation	-	914
ADHD Event	-	738
Dawn Britto Lett - Professional Development Scholarship	-	716
Excellence Scholarship Panel	-	549
Dominique Searle - Princes Trust	-	547
Social Change	-	100
Convent Garden Events	-	61
Women in Need	-	15
Womens Shelter	-	9
Gibraltar Hearing Association	-	6
Vine Trust	-	5
Leisure and Sports Authority	-	4
Carried forward	<u>605,519</u>	<u>520,134</u>

**The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2013**

6 Grants payable (continued)

	2013	2012
	£	£
Brought forward	605,519	520,134
Grants to individuals		
University Scholarships	100,421	92,565
Louise Anne Manasco	20,900	-
Professor Howell	771	-
University Talks for Students	697	1,135
Kitchen equipment for new soup kitchen	-	6,790
Printed T Shirts	-	460
2 x Roll Up displays	-	300
5 x Xmas hampers	-	211
Business Cards	-	115
Badges	-	42
	<u>122,789</u>	<u>101,618</u>
	<u><u>728,308</u></u>	<u><u>621,752</u></u>

7 Taxation

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

8 Investments

	2013	2012
	£	£
Market value at beginning of year	13,027,794	10,808,347
Additions to investments at cost	3,449,514	8,092,608
Disposals at carrying value	(3,444,524)	(6,078,361)
Gains on revaluation of investments	1,404,744	205,200
Market value at end of year	<u>14,437,528</u>	<u>13,027,794</u>

Investments at market value comprised:

	2013	2012
	£	£
Fixed interest securities	3,448,572	4,417,436
Equities	8,884,952	6,339,811
Commodities	2,104,004	2,270,547
	<u>14,437,528</u>	<u>13,027,794</u>

The historical cost of investments as at 31 March 2013 was £12,008,619 (2012: £12,003,628).

The Kusuma Trust Gibraltar
Notes to the Financial Statements
for the year ended 31 March 2013

9 Debtors

	2013 £	2012 £
Accrued interest	<u>9,171</u>	<u>23,857</u>

10 Creditors: amounts falling due within one year

	2013 £	2012 £
Grants payable	520,000	77,240
Accruals and deferred income	<u>37,911</u>	<u>6,000</u>
	<u>557,911</u>	<u>83,240</u>

11 Analysis of unrestricted income funds

	2013 £	2012 £
Balance at beginning of year	14,230,840	14,624,942
Incoming resources	120,740	106,647
Resources expended	(919,316)	(798,177)
Other movements	<u>1,627,309</u>	<u>297,428</u>
Balance at end of year	<u>15,059,573</u>	<u>14,230,840</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 2013 (2012: £Nil).

During the year ended 31 March 2013, Fiduciary Management Limited charged the charity administration fees amounting to £22,500 (2012: £22,500). The Charity and Fiduciary Management Limited are related via common control.