

Transforming lives...



Kusuma Trust UK
Annual Review 2010-2011



...through
education



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Introduction

Since 2008, Kusuma Trust UK (The Trust) has supported charitable activity in the areas of education, children at-risk, the internet and open space and research. Our work enables children and young people to realise their full potential and have a better quality of life.

Vision

The Trust believes that every child and young person has the potential to transform and improve their life and should have opportunities to grow and develop as active and productive citizens in their communities.

Mission

Our mission is to facilitate and increase access to education and other life opportunities for children and young people, with a focus on the most economically disadvantaged. The Trust enables children and young people to realise their potential and break the inter-generational cycle of poverty.

The Trust also supports innovation, new developments in higher education, training and advocacy, all of which have enormous potential to benefit society.

Values

Our core values include being apolitical, secular, efficient, responsible and mutually respectful. The guiding principles for our work are excellence, innovation, openness, transparency, focus on results and outcomes, collaboration, financial responsibility and communication.

Strategic Priorities

Education

Our focus is to improve education outcomes by supporting interventions for young people in secondary and tertiary education. We address the major barriers to accessing secondary and tertiary education for motivated and high performing young people from the most economically disadvantaged backgrounds.

Our work contributes to a range of outcomes, including increased and better quality education for more young people and an increased number of young people entering and completing university, professional and vocational courses and gaining employment.

Children At-Risk

We support interventions that improve the quality of care for children at-risk, which includes children who perform poorly or drop out of school; are abused or experience domestic violence; are orphaned or have behavioural problems.

Our work contributes to the development of appropriate technical and training resources and a cadre of well-trained and qualified persons responsible for supporting children at-risk.

Internet and Open Space

Our focus is to support open space platforms for knowledge and intellectual resources, and open access to these. Our work contributes to the adoption of tools, models, practices and policies that facilitate universal participation in knowledge domains.

Research and Advocacy

Research with a focus on baseline and outcome measures is fully integrated into projects supported by The Trust. This will be reinforced with qualitative research to understand the impact on beneficiaries, including multiplier effects, intended and unintended outcomes.

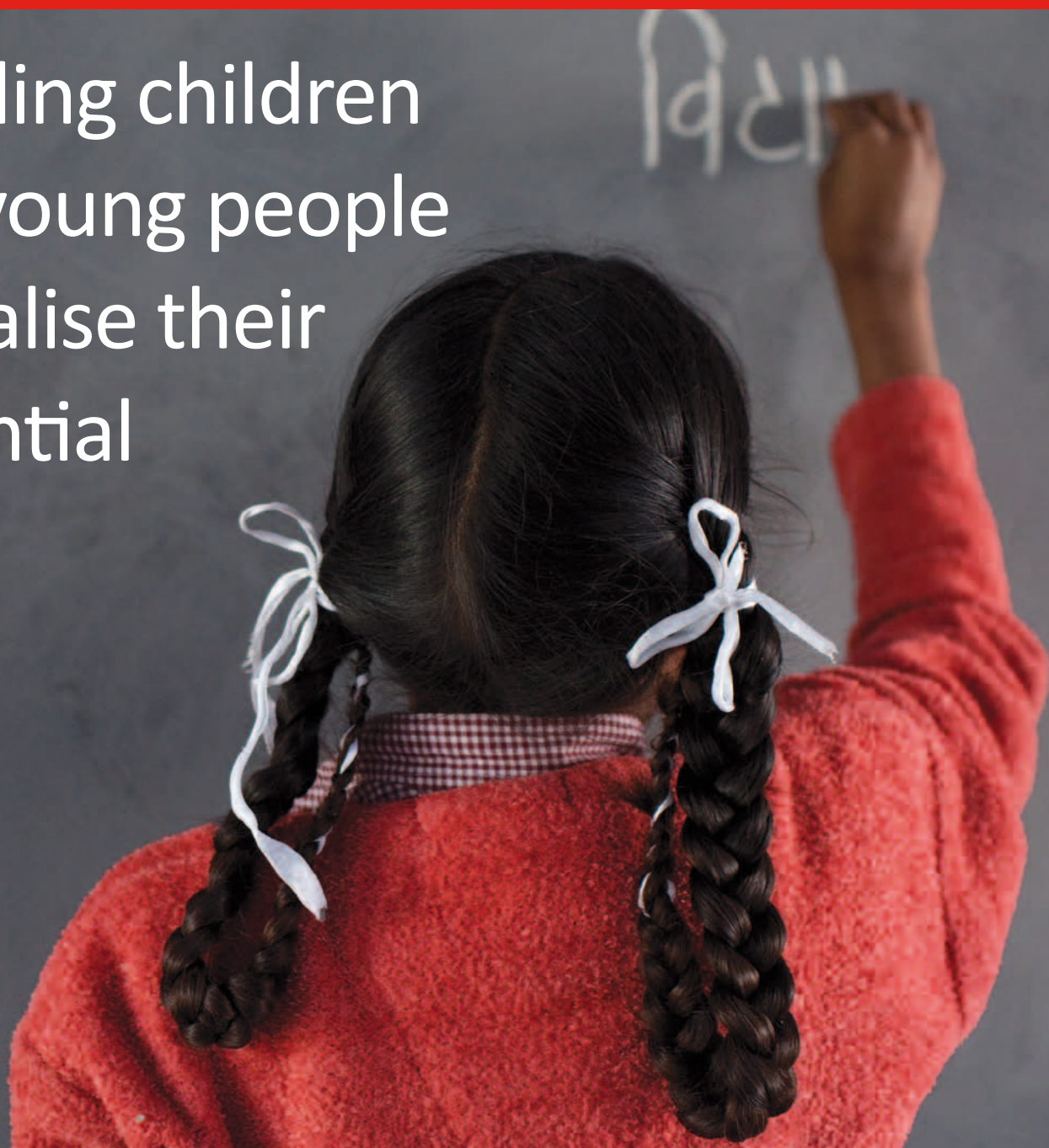
Where we work

We concentrate efforts in three States in India – Orissa, Uttar Pradesh and Andhra Pradesh – and we also support selected initiatives in Uttarakhand and other initiatives with national policy relevance.

We target

We target motivated and high performing young people from economically disadvantaged backgrounds; teachers and government education officials; frontline staff working with children at-risk; programmes that engage parents and are integrated into communities; and appropriate higher education institutes.

Enabling children and young people to realise their potential



How we work

We work with a range of partners to deliver programmes in the four strategic areas. In particular, we work very closely with our affiliate, the Kusuma Foundation in India, which supports the delivery of The Trust's mission and strategy by managing, supporting and monitoring our grants.

The Trust also collaborates with, and builds upon, the work of other donors and philanthropists, implementers, government agencies and research institutions, using evidence to inform our work.

Chair's statement

An exciting year ahead

In any country, the needs of children and young people should be paramount. Nurturing, encouraging and educating a new generation is essential to a society's overall development and future prosperity. It is with this principle in mind that The Trust extends support to children and young people in India, who lack the means or opportunities to complete or further their education. By supporting them, I believe that we help break the inter-generational cycle of poverty, and therefore make a small but significant contribution to the country's own advancement.

In 2010-2011, The Trust committed a total of £3.35m in grants, 95 per cent of which was directed towards educational initiatives. Among the projects funded by The Trust were three scholarship schemes, an accelerated learning programme, an innovative science teaching project and a mid-day meal scheme which fed 14,000 government school children daily in Orissa and Andhra Pradesh. The Trust also awarded £2.8m to the Indian Institute of Technology in Delhi for the establishment of the Kusuma School of Biological Sciences, and funded two internet and open space initiatives designed to improve and expand accessibility to the internet and knowledge domains.

During the year, I had the opportunity to visit the Mobile Science Laboratory project in Hyderabad, where I saw first hand how innovative and practical teaching methods were benefitting school students. I met the local business leaders who initiated the programme and was impressed by their dedicated and organised approach to improving the understanding and performance of students. The teachers, headmasters and students were enthusiastic about the way in which the project brought a vital and extra dimension to the teaching and learning of science. The headmaster told me that the school's science test results had improved considerably as a result of the project.

Last year, the Founders made an additional and generous gift of £192m to The Trust, thereby increasing the amount of funds available to support projects in the future.

In 2010, we were delighted to welcome Dr Balwant Singh as the new CEO of The Trust. His extensive knowledge of the sector and recognised leadership skills and experience immediately brought immense expertise to The Trust and is helping shape its future direction. Under Dr Singh's leadership, The Trust set up its London office, recruited a staff team, established organisational policies, reviewed existing grants and approved a range of new grants. Balwant also played a central role in strengthening the capacity of our affiliate, the Kusuma Foundation in India, as well as reviewing our support to existing partners and beneficiaries.

Our CEO led the development of our first strategy, hosting a series of consultations in the UK and India and drawing on a wide range of research to help shape The Trust's strategy for 2011-2014. The new strategy was approved by the Board in early 2011. The emphasis is on measurable outcomes and long-term impact, along with a concentration of our efforts in a small number of selected States in India.

The last twelve months have been a very busy and productive time for The Trust, where foundations have been firmly laid in anticipation of an exciting year ahead. With the strategy now in place, the plan is to implement it over the coming year along with a commensurate expansion of our grants portfolio.

I would like to conclude by warmly thanking the Trustees for the valuable contribution they make and the advisers, consultants, CEO and his team for their hard work and commitment.



A handwritten signature in black ink, appearing to read 'John G Rhodes'.

John G Rhodes
Chair

Chief Executive's report

Strategic investments for impact

At The Trust, we firmly believe that a grant should only be made where the intended outcomes of a project have been identified - it is essential to know the potential impact of an investment before committing funds. To this end, we commissioned a review of our existing projects and initiatives in December 2010. The review analysed the objectives and approaches of the projects funded, including the results achieved, and made recommendations for widening and deepening impact.

During the period from November 2010 to March 2011, we held a series of consultations with a wide range of stakeholders, including other donors, academic institutions, NGOs, government agencies and experts in India and the UK. These consultations, along with a review of trends in the sector and published and unpublished secondary data, informed the development of our new strategy for 2011-2014.

The Trust's strategy is highly focused, with a strong emphasis on research, evaluation and evidence to inform our grant making. To become a more effective donor, we believe that we must promote open learning and apply learning about what works and what does not, from our own projects and those supported by others. Across our four strategic priorities, secondary and higher education will take centre stage (75 per cent of our annual grant funding), with 10 per cent ring-fenced for research and advocacy, another 10 per cent for children at-risk and 5 per cent for promoting open platforms for sharing technical, intellectual and other knowledge resources.

Our current projects are in the States of Uttarakhand, Orissa, Uttar Pradesh and Andhra Pradesh. In the coming year, we will concentrate our efforts in the latter three States, targeting the districts of Hyderabad in Andhra Pradesh, Sambalpur in Orissa and Hardoi in Uttar Pradesh. Sambalpur and Hardoi are among the lowest performing districts based on key education and human development indicators. We also support selected initiatives at national level or initiatives with national policy relevance. From 2011 to 2013 we will responsibly phase out work that is not aligned with our strategy.

The work in the last year has provided a sound basis to expand our grants portfolio by renewing and expanding selected projects and increasing our giving to between £4m and £6m annually over the next three years.

Our impact

We seek to influence change and also contribute to making a difference directly at three levels - individual and community, organisation, and policy and practice. We strive to ensure that all our grants make an impact at one or more levels.

At the individual and community level, our project beneficiaries and stakeholders are already reporting many positive changes. Initial findings of an evaluation of two scholarship programmes highlighted the strong demand for the schemes and the value of the coaching, mentoring and personal development activities provided to the students. Two recipients of the Kusuma Young Achievers' Award, from remote rural areas of Andhra Pradesh, passed the prestigious Indian Institute of Technology Examination, enabling them to study for engineering degrees. A girl from the Kusuma Udayan Shalini Fellowship, after passing her Class 12 Examination, received an academic prize from the Chief Minister of the State and embarked on an arts degree at a college in Dehradun, Uttarakhand.

At the organisational level, the expansion of the Mobile Science Laboratory (MSL) and Mid-Day Meal (MDM) projects reflects not only their success, but also the increasing capacity of the implementing partners to deliver work that contributes to better education outcomes for students. Secondary school students in Hyderabad improved their pass rates in science (from 69 per cent in 2008 to 82 per cent in 2010) because of the MSL project, which brings science teachers and equipment into schools with no laboratory facilities and allows students to participate in experiments. By providing a free and nutritious meal daily (in Medak, Andhra Pradesh, and Nayagarh, Orissa) not only does the programme encourage parents to send their children to school, thereby increasing their exposure to the education system and

to peer socialisation, but it also improves the active participation of the children in classroom lessons. An evaluation of the MDM project reported significant improvements in classroom attendance and retention rates for girls in government schools.

The roll-out of the Saarathi training, with the full endorsement of the Juvenile Justice Department of the government of Andhra Pradesh of 1,500 frontline government social workers (the first to come in contact with children at-risk) with the counselling skills, legal knowledge and confidence to initiate early intervention shows our impact on policy decisions and good practice. The scaling up of the project, in collaboration with the government, the Tata Institute of Social Sciences and UNICEF, is an outcome of the support The Trust provided to develop the training and reflects its relevance to current national policy, in particular the government's Integrated Child Protection Scheme.

Partners and collaboration

Whilst we support projects through funding and technical support, building the capacity of children, young people, educators and organisations remains central to our aim of ensuring the sustainability of our work and the outcomes achieved. To this end, our affiliate, Kusuma Foundation, recruited a new Country Leader and staff team and moved its office from Hyderabad to Delhi in order to strengthen links with key government departments and other organisations in the sector.

The Trust will continue to collaborate with and build upon the work of other donors, philanthropists and implementers (including government agencies), using evidence to inform our work. We will use a robust research-based approach to demonstrate credibility and results, which can contribute to The Trust becoming a hub of expertise among small and medium-size donors.

About us

We are not complacent and want to ensure that we become even more effective as a grant-maker and as a catalyst for change, and that our ways of working are rigorous, innovative and effective. We continue to strengthen how we communicate the progress of our work and we will also share the results of our research and evaluations. Our regular updates are available on our website, which also provides comprehensive information about our past and current grants.

During the year we also recruited a small staff team in our London office. The team includes Julian Beckedahl (Operations Manager), Suzanne Davies (Finance Manager) and Tania Karunaratne (Administrator). They have worked diligently to create a sound operational, administrative and financial base for the projects we support.

We remain very grateful for the guidance and direction provided by the Founders and Trustees, the strategic support of our advisers and consultants, and most importantly the tremendous work done by our partner organisations to translate our mission into reality.



Dr Balwant Singh
Chief Executive

Projects supported in 2010-2011

Total grant amount committed
in 2010-2011

£3,350,496

Total grant amount paid
in 2010-2011

£2,107,735

Total number of projects
supported in 2010-2011

14

Total number of new grants
awarded in 2010-2011

9



Progress in 2011

Since April, The Trust has committed an additional £2.01 million for six education projects, including the renewal of three scholarship programmes, the Mobile Science Laboratory (MSL) project and the Udaan and Pehchaan programmes. We have also funded the construction of new Mid-Day Meal Kitchen along with the provision of mid-day meals to 100,000 children in Bhubaneswar, Orissa to improve attendance and learning in schools.

The Trust has also completed research into the state of secondary education in Sambalpur, Orissa and Hardoi, Uttar Pradesh to identify areas of focus for new grants in 2011-2012. Research has been commissioned to assess the impact of the MSL project on students' performance in science and the impact of the Saarathi training on the provision of support to children at-risk.

The project descriptions in the next section include grants from one or more Kusuma-related entities where The Trust provided funding and/or grant oversight.

Kusuma Ratna Fellowship Programme

Partner: Sambalpur Integrated Development Institute – Sambalpur, Orissa

Period: 1 April 2010 – 31 March 2011

Amount: £40,456

The Kusuma Ratna* Fellowship operates in one of the most undeveloped regions of Orissa and is meeting a real need. It supports 200 bright secondary school students from disadvantaged and underprivileged backgrounds, enabling them to complete Classes 11 and 12 of secondary school and gain entry into higher education and professional courses.

Eligibility is based on a minimum score of 60 per cent in the Class 10 examination and an annual family income of not more than £1,100. The selection process is robust and transparent and involves a group of eminent academics and heads of local institutions. Applicants must complete a written test and interview, and home visits are also carried out to assess their families' circumstances.

The programme provides a stipend and academic support to two cohorts of 100 students. The first cohort was inducted in 2009 and the second cohort in 2010. Each student is supported to develop an individual plan of action which includes academic goals and goals for personal development and life skills. A key feature of the programme is a group of highly motivated and committed mentors who provide mentoring to the students, to help develop self-confidence and improve academic performance.

* Ratna means gem

Cohort One's Progress – March 2011

- 67 out of 100 students took the Class 12 examination and passed
- 32 out of 100 students enrolled in higher education courses, as shown below

Type of Course	Number of Students Enrolled
Bachelors of Arts / Science / Commerce	6
Bachelor of Technology	8
Certified Teachers' Education	3
Information and Science Technology	2
Industrial Training Institutes Diploma	9
Nursing	3
Physiotherapy Technology	1
TOTAL	32

Cohort Two's Progress – March 2011

- 82 out of 100 students took the Class 12 examination and passed
- 18 out of 100 students enrolled in higher education courses, as shown below

Type of Course	Number of Students Enrolled
Bachelors of Arts / Science / Commerce	5
Bachelor of Medicine	1
Bachelor of Technology	7
Certified Teachers' Education	3
Higher Diploma	1
Industrial Training Institute Diploma	1
TOTAL	18



“They are hopeful that their daughter will one day become a successful engineer.”

CASE STUDY

An aspiring engineer

Prachisree is a bright and focused young woman of 16 who comes from Khunti, a small village 20 kilometres away from Sambalpur. If not for the Kusuma Ratna Fellowship Programme, she says that her father's low income would have forced her to work on their small piece of land or get married at a young age.

She became a recipient of the scholarship in 2009, when she passed her Class 10 examination with 92 per cent. The scholarship has helped her complete her Class 12 examination, where she scored 85 per cent in science. She attributes her success to the regular seminars, personal development classes and continuous mentoring support.

Prachisree was grateful to receive the scholarship's stipend because it removed the financial burden on her family, which was a huge relief to her parents. They are hopeful that their daughter will one day become a successful engineer and be able to take care of the whole family: a sentiment echoed by Prachisree.

She successfully passed the Orissa Joint Entrance Examination and aspires to becoming a fully qualified engineer; thus fulfilling her and her parents' dreams.

Education projects continued

Kusuma Udayan Shalini Fellowship Programme

Partner: Udayan Care – Dehradun, Uttarakhand

Period: 1 April 2010 – 31 March 2011

Amount: £81,006

Young girls from the remote and mountainous districts of Uttarakhand have little opportunity or encouragement to continue their education beyond secondary school. The Udayan Shalini Fellowship aims to address this gap, by working to transform 410 meritorious girls into 'Shalinis' (or Dignified Women) by helping them complete their senior secondary education and move on to higher education. The programme enables girls to finish Class 12 and enrol in higher education courses, supporting them through to graduation.

To be accepted, applicants must obtain 60 per cent and above in their Class 10 or 12 examinations and all scholarship recipients receive a stipend, as well as mentoring and career guidance. 210 girls were inducted into the first cohort in 2008, 100 into the second cohort in 2009 and 100 into the third cohort in 2010. There are currently 325 Shalini students, as some have successfully completed their degree courses, while others have dropped out due to marriage or family circumstances.

The students participate in social awareness campaigns at residential camps to enhance their understanding of socio-political issues and to develop a sense of individual and community responsibility. They also take part in workshops focused on self-motivation and communication skills. The study of English is strongly promoted, as it is viewed as an essential tool for further education.

Mentoring is an important part of the programme and each Shalini student is allocated a mentor who provides academic and personal development support. For the best performing students, the

programme offers exposure visits to corporations, to give them a better understanding of the skills required for work in various industries.

88% of the 210 Cohort One students enrolled in higher education courses

61% of the 100 Cohort Two students scored 60 per cent and above in the Class 12 examination

87% of the 410 students who were enrolled in the programme since its inception have completed Class 12

53% of the 410 students have enrolled in engineering, pharmacy, polytechnic and other undergraduate courses

37 students have completed degree courses in Computer Application, Technology, Office Management and Mechanical and Civil Engineering



“I want to serve my village when I become successful. I want to help children like me.”

CASE STUDY

A teacher in the making

Shivangi lives in Mussoorie, a hill station on the Shivalik ranges of the Himalayas, 32 kilometres from the state capital, Dehradun. Her father works as a labourer and her mother is a seamstress. Together they earn around £42 a month. After completing her Class 10 year, Shivangi planned to abandon her education and find work to help her parents.

Shivangi was accepted into the Kusuma Udayan Shalini Fellowship Programme in 2009. The workshops and seminars helped her look beyond the boundaries of her village and with hard work and determination, she secured 72 per cent in her Class 12 examination, received two distinctions and came top of her school. She wants to become a science teacher, and is confident that with the scholarship and mentoring support, she will be able to achieve her dreams:

“I was scared of science, but somehow I managed to pass my Class 10 and also get good marks. After enrolling with the Shalini Programme, my mentor helped and guided me with my science subjects. He has taught me to be focused and mindful of what I am doing. I want to serve my village when I become successful. I want to help children like me.”

In 2011, Shivangi received the Innovation in Science Pursuit for Inspired Research (INSPIRE) higher education scholarship from the Ministry of Science & Technology, which provides £1,130 per annum for five years to complete her Bachelor's and Master's degrees in Science. She has passed the Uttarakhand Pre-Medical Test 2011 Examination for the Bachelors's degree in Nursing.

Shivangi is grateful to her parents, her mentor and the Shalini Fellowship for giving her the encouragement and support at the time when she needed it the most.

Education projects continued

Kusuma Young Achievers' Award

Partner: Pragathi Seva Samithi – Warangal, Andhra Pradesh

Period: 1 June 2010 – 31 May 2011

Amount: £139,871

In the rural outskirts of the Warangal District, there are few chances for young people to achieve their life goals. The Kusuma Young Achievers' Award, however, is a scholarship programme that is making educational opportunities accessible and achievable for these young people, by providing 1,200 meritorious students from economically disadvantaged backgrounds the means with which to continue their education.

The programme enables students who have finished secondary school to complete Classes 11 and 12; and for students who have completed senior secondary school to pursue higher education and professional courses. Eligibility for senior secondary support is based on students obtaining 60 per cent and above in their Class 10 examination, and for higher education support students must score 70 per cent and above in their Class 12 examination.

All students receive a stipend, tutorial support and career guidance. To improve the success of entry into higher education courses for high performing students, the partner works closely with colleges and universities to secure reductions in admission fees. Sixteen institutions have provided generous discounts for these students.

In 2008, a very ambitious intake target was set and 1,000 young people were selected for the Award. 406 of them achieved 70 per cent and above in the Class 12 examination, enabling them to continue receiving support for their higher education. The majority of these students are enrolled in professional courses, which include Engineering, Bachelor in Pharmacy,

Chartered Accountancy and integrated Masters' Courses in prestigious institutions such as Hyderabad Central University.

A second cohort of 200 students was inducted in 2009 to receive support for Classes 11 and 12. These students have completed their Class 12 examination.

80% of the remaining 406 Cohort One students have enrolled into professional and higher education courses

30% of the 200 Cohort Two students scored 75 per cent and above in the Class 12 examination

480 students from both cohorts passed the Engineering Agriculture & Medical Common Entrance Test 2010

2 students gained admission into the Indian Institute of Technology in Roorkee and Kharagpur – a prestigious national institution renowned for its four-year Bachelor of Technology courses

CASE STUDY

An engineering miracle

Angoth comes from Madipallythanda, a remote village 30 kilometres from Warangal. His parents struggle to make ends meet, working as agricultural labourers and earning no more than £28 a month. His parents forced him to leave high school and work in a factory, as they could not afford to finance his education and wanted him to earn money for the family.

After learning about the Kusuma Young Achievers' Award, Angoth studied hard and scored 80 per cent in his Class 10 examination and was accepted into the scholarship in 2008. He joined Srichaitanya Junior College in Vijayawada and saved his stipend for two years to use it for college fees, local transport and books. He scored 94 per



cent in his Class 12 examination and passed the Engineering, Agriculture, Medicine & Common Entrance Test, with a rank in the top 12 per cent. In 2011, he was accepted into the Kakatiya University Engineering College at Warangal.

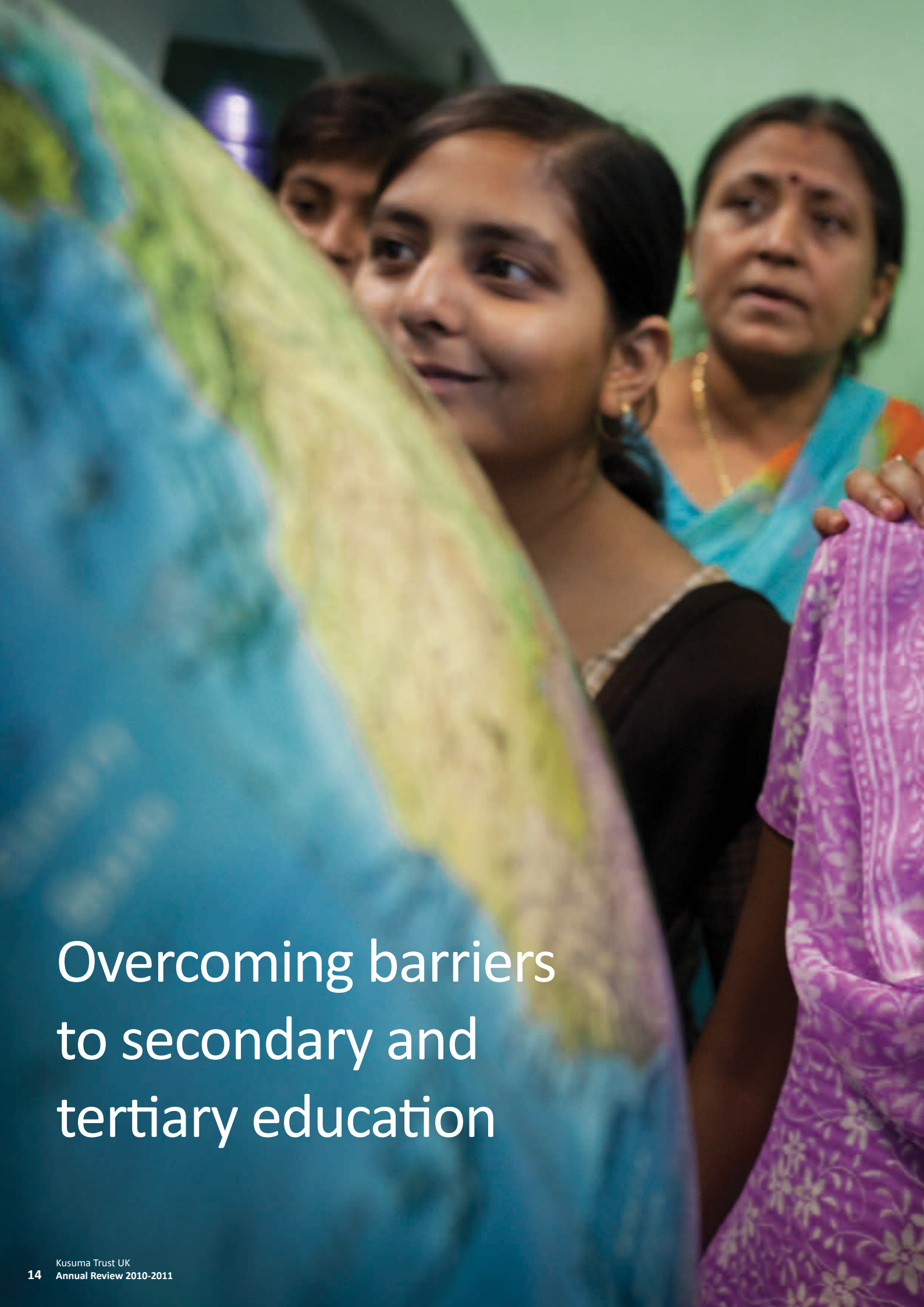
Angoth's active participation in the scholarship programme helped him achieve these excellent results. He is thankful to Pragathi Seva Samithi for their support and belief in him:

"Pragathi Seva Samithi organised workshops, seminars and college visits, which helped me shape and realise my dream. My mentors provided me with all the information and support I needed to achieve this result".

"My mentors provided me with all the information and support I needed to achieve this result."

Outcomes of all three Scholarship programmes

Scholarship	Class 12 Pass Results	Class 12 Exam Scores	Higher Education Pass Results
Kusuma Ratna Fellowship – All Cohorts	97% passed	39% scored 60% and above	96% passed entrance exams
Kusuma Udayan Shalini Fellowship – All Cohorts	87% passed	40% scored 60% and above	53% enrolled into higher education courses
Kusuma Young Achievers' Award – All Cohorts	86% passed	77% scored 60% and above	79% of both cohorts passed the Engineering Agriculture & Medical Common Entrance Test 2010



Overcoming barriers to secondary and tertiary education



Education projects continued

Mobile Science Laboratory

Partner: Project 511 Hyderabad Round Table 8 Charitable Trust
& MV Foundation Hyderabad, Andhra Pradesh

Period: 1 October 2010 – 30 September 2011

Amount: £45,510

Science education is crucial to developing a technologically trained workforce in an industrial and developing India, and contributes immensely to a child's curiosity and future education prospects. The Mobile Science Laboratory (MSL) project aims to improve the knowledge and academic performance of students in science from Classes 6-10 in middle and secondary schools. It focuses on government schools that lack science facilities and infrastructure, by training science teachers and organising practical science experiments in classrooms.

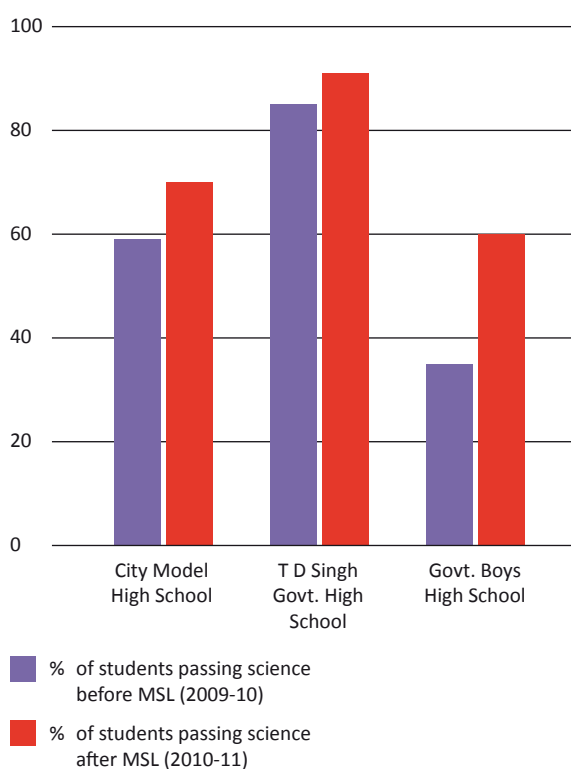
In collaboration with the Rajiv Vidya Mission, a government programme run through the State Education Department to improve enrolment and teaching, it involves 40 schools and 16,000 students in the Hyderabad District. The project has developed a practical training manual and conducted effective training workshops for teachers.

MSL teachers visit schools using mobile science vans, that carry equipment for interactive experiments as well as teaching aids in the form of charts, laptops and projectors. The teaching methodology encourages students to participate fully in lessons, making the learning experience practical and enjoyable.

The project increases students' interest and enthusiasm in science subjects and improves their performance by enhancing their conceptual and practical understanding of the topics taught. They are also encouraged to participate in science exhibitions, which provide opportunities to showcase their scientific talents and learn from one other.

The programme has already contributed to significantly improved results in science examinations.

Comparative performance in science subjects under the MSL Programme





CASE STUDY

Excelling in science

Anusha comes from a deprived socio-economic background and her parents work hard to meet the basic needs of their children. Her father is an auto driver and earns around £56 per month. Her mother is a tailor, and she contributes to the family's income by repairing her neighbours' clothes, earning around £25 every month.

Anusha studied at the Government High School, Mahabubia, at Abids, Hyderabad, which is one of the 20 pilot schools visited by an MSL van on a regular basis. In her Class 10 examination, she scored 90 per cent overall, with 80 per cent in science subjects, and came first in her school. Based on this performance, she was able to enrol in a senior secondary college, with a 50 per cent reduction in fees; thereby reducing the financial burden on her parents.

“I have gained a lot of knowledge through ‘learning by doing’ methods.”

Anusha is grateful to the MSL project because it has enhanced her understanding of science and has improved her observation skills, analytical thinking and subject knowledge, giving her the confidence to conduct experiments.

“I felt that science was a hard subject to understand, but when the MSL van came to our school, and the MSL teachers explained science subjects in simple ways, I felt science was very easy and also interesting. I have benefitted from the MSL programme, because I have gained a lot of knowledge through ‘learning by doing’ methods”.

Education projects continued

Udaan and Pehchaan Bridge Schools

Partner: Sarvodaya Ashram – Hardoi, Uttar Pradesh

Period: 1 June 2009 – 30 June 2011 & 1 January – 30 June 2011

Amounts: £111,115

A bridge school gives a child a lifeline – a second chance to complete their education and improve their future livelihood prospects.

Udaan and Pehchaan* are two residential learning programmes that give girls who have dropped out of school or not attended school at all a chance to start again, study hard and catch up with their peers. They educate 409 girls, within a 1 and 2 year time frame respectively so that they are proficient enough to be re-integrated into the formal school system.

Udaan enables 306 young girls at the primary school level to enrol in middle school and Pehchaan enables 103 older girls to complete middle school to enrol in secondary school. Entry into the programmes is on the basis of a needs assessment conducted in six blocks of Hardoi District. The government syllabus is followed and the curriculum uses a series of workbooks, which guide students to achieving the necessary competencies through stories and interactive questions.

Both Udaan and Pehchaan adopt a holistic approach to learning, through physical activity, creativity, dance, music, art and crafts and other methods designed to get children deeply involved in their own learning. The environment is positive, participatory and stimulating. The teachers are extremely committed and enthusiastic about their work and receive special training in innovative teaching methodologies.

Parents and community members are oriented on the value of the girls' education and the negative impact of early marriage on their livelihood prospects. Sarvodaya Ashram is strongly networked with local agencies and the model has been recognised by the government, other donors and communities.

Udaan girls' progress

91 per cent of the 306 Udaan girls have successfully enrolled into government and private schools in Hardoi District. The results for the last three years are shown below.

	2009	2010	2011
Percentage of students enrolled	85% of 103	91% of 129	97% of 74

Pehchaan examination results

All 51 Pehchaan girls studying in Classes 6-8 passed the Class 8 examination. Their marks are shown below.

Grade Achieved in Class 8 Exam	Numbers of Girls
A+ grade	5
A grade	7
B grade	17
C grade	15
D grade	7
TOTAL	51

At Sarvodaya Ashram, The Trust funded the renovation of six classrooms, including the creation of a library and science laboratory, and study visits for the Udaan and Pehchaan students. In March 2011, the renovation work commenced, and 169 students and 17 staff from both programmes participated in a study visit to Lucknow, which included trips to the museum, planetarium and zoological garden.

** Udaan means to fly and Pehchaan means identity*



Education projects continued

Kusuma School of Biological Sciences

Partner: Indian Institute of Technology, Delhi

Period: 1 January 2011 – 31 December 2013

Amount: £2,800,000

The Trust has funded the establishment of the Kusuma School of Biological Sciences at the Indian Institute of Technology Delhi (IITD).

This School will create new teaching and research programmes at under-graduate and post-graduate levels in biology, with an emphasis on infectious diseases and non-communicable disorders. It will be administered by the IITD and be guided by an Advisory Board which will set out broad guidelines for the School's activities.

The first disbursement of £1,400,000 was made in March 2011 to enable the School to procure specialised laboratory and research equipment, recruit new faculty members, develop the curriculum and commence a student outreach programme.

The School aims to house state-of-the-art experimental and computer facilities to support the development of research into human pathogen genomes, and pioneer specific aspects of biological research.

The long-term goal is for the School to become a world-renowned centre for research and for the study into major diseases and their causes.



Encouraging new
thinking to solve
existing challenges

Kusuma Mid-Day Meal Support Project

Partner: The Akshaya Patra Foundation – Orissa and Andhra Pradesh

Period: 1 November 2010 – 31 October 2011

Amount: £100,401

Feeding thousands of impoverished children in schools so that they attend school and are able to concentrate on learning in classrooms is a major challenge but one that produces very positive results.

Adopting a public-private partnership approach, the Kusuma Mid-Day Meal project works with the government to provide quality meals daily to underprivileged children studying in government schools in Nayagarh, Orissa and Medak, Andhra Pradesh. From November 2010 to March 2011, over 800,000 meals were distributed to 14,000 children in 120 schools. The Trust has been supporting this project since November 2009.

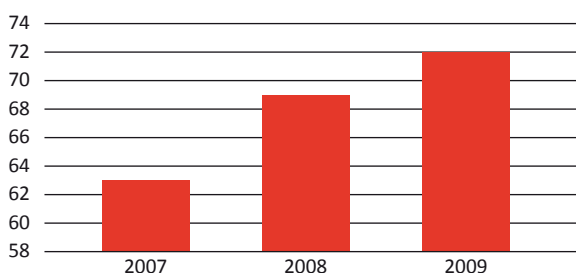
The provision of a free, nutritious, cooked mid-day meal motivates parents to send their children to school, thereby improving classroom enrolment, retention and participation. It also prevents hunger and malnutrition, which impede a child's ability to concentrate and learn. An indirect benefit of the project is socialisation as children are encouraged to enjoy a meal together as equals, irrespective of gender or caste.

The food is prepared in a central kitchen to maintain standards of hygiene and quality. Training on cooking skills is provided to staff who prepare the meals and parent-teacher meetings are held to improve meal composition and food choice. Monthly monitoring takes place to record the total number of children fed and the feeding days in each school.

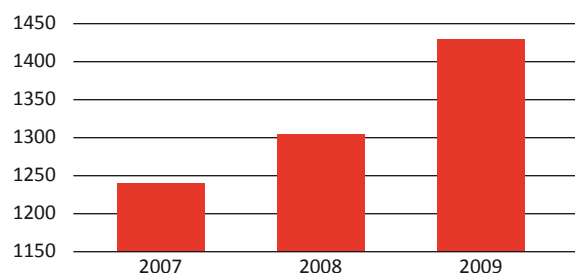
One of the project's key objectives is to shift the management of the programme from school Headmasters to local Self Help Groups comprised of women. In Nayagarh alone, 445 Self Help Group members have been trained in quality management, purchasing and monitoring.

The ORG Centre for Social Research (The Neilsen Company) completed an Impact Assessment Report on the project in December 2010 which showed that, over three years, enrolment and attendance levels increased in both districts.

Attendance levels Classes 1-7
% of total students from 38 schools



Enrolment levels Classes 6-8
Student numbers from 13 schools



Children At-Risk

Saarathi

Partner: Tata Institute of Social Sciences – Mumbai, Maharashtra

Period: 1 November 2009 – 30 April 2010

Amount: £19,131 (from Kusuma Gibraltar Charitable Trust)

Children at-risk need help but, more importantly, they require the protection of the law. To ensure that legal rights are made available to vulnerable children, those who first come into contact with them must be professionally trained and fully conversant with relevant legislation.

Saarathi* is a training manual developed by the Tata Institute of Social Sciences (TISS) with the support of The Trust. The manual's aim is to improve the counselling skills and understanding of legal issues for 150 frontline personnel working with vulnerable children. It equips these workers with the skills to deal effectively with vulnerable children, and the knowledge and confidence to initiate early intervention.

Over 70 senior members of child welfare organisations, as well as government functionaries, participated in three consultations to test the manual. From January to April 2010, 150 senior staff from child development agencies and universities, from 20 States, attended four 'Training of the Trainer' programmes in Delhi, Mumbai, Hyderabad and Guwahati.

The positive impact of Saarathi has led UNICEF and the Juvenile Justice Department of the government of Andhra Pradesh to request a roll-out of the training to 1,500 frontline government social welfare workers. With funding from The Trust, Sadhana, as the lead agency, in collaboration with UNICEF, the Juvenile Justice Department and TISS scaled up the project in 2011.

**Saarathi means Charioteer or Guide*

Kusuma Seva

Partner: Vikash Vidyalaya Foundation – Sambalpur, Orissa

Period: 1 October 2008 – 30 September 2013

Amount: £21,127 as a corpus fund (from Kusuma Gibraltar Charitable Trust)

A stable home is a cornerstone in a child's upbringing. It can make an enormous difference to a child's development and growth. In the rural setting of Sambalpur, a small orphanage is striving to do just that.

Kusuma Seva* provides food, shelter, education and medical care to 20 orphaned and semi-orphaned children at a residential Vikash Vidyalaya Foundation home in Sambalpur. The children come from highly marginalised socio-economic backgrounds and the

home provides them with basic support for their physical, mental and intellectual development.

Two young couples with their own children live in the orphanage as wardens providing protection as well as a family environment. Children are enrolled in the local government school and are taught music and yoga at the home. The outdoor areas provide ample space where the children can play.

**Seva means service*

Internet and Open Space

Accessibility and Access to Knowledge

Partner: The Centre for Internet and Society – Bangalore, Karnataka

Period: 1 June 2010 – 31 May 2011

Amount: £120,000

The Centre for Internet and Society (CIS) campaigns for people with disabilities, to give them a voice and to bring awareness to their plight. CIS's objective is to ensure that disabled people are able to access and use the Internet and other public electronic infrastructure, by reforming copyright law and articulating and implementing electronic accessibility standards.

In addition to facilitating policy discussions, lectures and workshops, CIS lobbies the Indian Government for legislative reform. Its work generates extensive media coverage and produces informative and hard-

hitting online articles and blog entries. Its leading news items appear on the websites of The Hindu, The Times of India, Wall Street Journal, Asia Times Online and IBN Live.

Accolade

On World Disability Day on 3 December 2010, the Government of India awarded Nirmita Narasimha from CIS the National Award for Empowerment of Persons with Disabilities. This was a great honour and duly reflects the importance and impact of CIS's work.

Building Open Sharing Resources

Partner: iCommons – USA

Period: 1 January 2008 – 31 December 2012

Amount: £308,471

The open sharing of resources across the world is the core component of iCommons' mission.

iCommons' primary objective is to promote tools and practices that enable open sharing communities to collaborate globally, by encouraging authors and creators of rich content to make their material freely available for non-commercial use. It also identifies, supports and promotes open sharing practices such as open source software and open access publishing.

Following the success of the Open Video Seminars in Rio and Bangalore, an Open Video Conference took place in October 2010 in New York City, which was attended by over 1,000 participants and 160 presenters. It

provided an opportunity to exchange best practice ideas, discuss issues and develop collaborations for programme initiatives for low-cost open source video production tools and content.

iCommons has joined with The Open Biological and Biomedical Ontologies and the Genomic Standards Consortium collaboratives to address issues relating to open sharing of scientific data. Together, they work to develop guidelines to ensure that research data is legally available for sharing with other researchers and the public.

In April 2011, the project moved from the USA to the UK to conduct research at the University of Oxford, and to create new networking and funding opportunities.

Research and Advocacy

Kusuma Young Researcher's Award

Partner: Kusuma Foundation – Hyderabad, Andhra Pradesh

Period: 1 April 2010 – 31 March 2011

Amount: £8,445

Research is one of The Trust's strategic priorities and this research award contributes to a better understanding of the challenges The Trust aims to address.

The Kusuma Young Researcher's Award is a national competition, which recognises academic research in the areas of social work, child development and education. The competition is open to Indian citizens under 40 and especially those in the fields of social sciences and humanities. Shortlisted

papers from researchers and scholars are assessed by an international panel of distinguished academics.

In 2010, 31 applications were received, 21 of which were shortlisted and the four best papers were reviewed and ranked by the international panel. The winner and runner up were announced in May 2011 and an award ceremony will take place in Delhi in December 2011. The winner receives £2,800 and the runner-up receives £1,400.

Winner

Dr. Chandrani Dasgupta
Research paper:
'Resilience and vulnerability of children living in Kashmir: a study of mental health amidst political violence'



The paper's hypothesis asserts that children living in the high violence area of Bandipore were more vulnerable and less resilient compared to children living in the low violence area of Uri. It also revealed that half of the children interviewed in Bandipore had suffered physical injuries as compared to one third in Uri. The impact of political violence was extensive, including: disrupted school hours; sub-standard teaching; an under-skilled workforce generated by poor quality education and a lack of employment opportunities for graduates.

Runner Up

Javaid Rashid
Research paper:
'Torture and imprisonment: a study of incarcerated children in Kashmir'



The study focused on 45 children who had faced torture or had been detained or imprisoned by security forces. It aimed at understanding the risk and vulnerability to which children in conflict zones are exposed. Forty-three case studies were analysed to gain insight on the direct impact of torture and violence on children's lives. The study recommends strategies to reform the juvenile justice system in the context of armed conflict.

They stand apart as change makers and leaders in their community

iPartner India

Partner: iPartner India - UK

Period: 1 January 2010 – 31 December 2011

Amount: £150,000

An intermediary can make all the difference to ensure that grants have maximum impact. This is where iPartner India plays a vital role. It sources donor support from individuals, families, advisers, companies, trusts and foundations for inspiring charitable projects within India.

iPartner has expanded its donor-project platform to include 42 organisations across 16 States. Its projects cover a broad range of areas including: children; education; health; livelihoods and climate change. It also strives to incubate and accelerate innovative ideas that challenge age-old social inequities.

iPartner liaises with the Asian Business Association, India Chamber of Commerce and the UK India Business Council, and it seeks support from banks including Coutts, Standard Chartered, Barclays and HSBC. It also works with major charities such as the Bhopal Medical Appeal, Dream a Dream, the Ashoka Foundation and the Bill and Melinda Gates Foundation.

The Trust's grant enables iPartner India to establish a sound foundation for its work in raising funds from a variety of sources for projects in India.

CASE STUDY

Women on Wheels – Driving change forward



Savita is 18 years old and lives with her parents and two siblings in a one-room shanty dwelling in Delhi. Her father no longer works and her mother earns less than £30 a month to

meet the family's needs. But Savita resolved to change their predicament.

Using her own initiative, she enrolled as a trainee with the Azad Foundation, supported by iPartner, to become a professional chauffeur under the "Women on Wheels" programme. She is now a chauffeur, earning £120 per month. Her father and brother, inspired by Savita's efforts, have taken jobs to help their family find a new home.

Sixty other women like Savita have dramatically altered their life circumstances by taking up the bold option of driving as a career. Azad is planning to train 100 women this year, taking them through a journey that is not just about learning how to drive, but also about building self-confidence and knowing how to assert their rights.

These women come from families with monthly incomes of £40-£70. With these newly acquired 'livelihoods with dignity', they have already begun to transform life conditions for themselves and their families. They stand apart as change makers and leaders in their community. With this unique initiative, Azad ensures a safer Delhi for women and girls, as women drivers offer a secure and reliable alternative for many working women, senior citizens and parents of children with disabilities.

Grants Awarded in 2010-2011

Nine new grants were committed in 2010-2011, totaling £3.35 million

Sambalpur Integrated Development Institute	£40,485	April 2010 – March 2011
Udayan Care	£81,064	April 2010 – March 2011
Pragathi Seva Samithi	£139,971	June 2010 – May 2011
Project 511 (Hyderabad Round Table 8 Charitable Trust and MV Foundation)	£45,510	October 2010 – September 2011
Sarvodaya Ashram	£14,807	January – June 2011
The Akshaya Patra Foundation	£100,401	November 2010 – October 2011
Indian Institute of Technology Delhi	£2,800,000	January 2011 – December 2013
Centre for Internet and Society	£120,000	June 2010 – May 2011
Kusuma Foundation	£8,451	April 2010 – March 2011

Kusuma Trust UK

Annual Report and Accounts 2010-2011

Trustee Report for the year to 31 March 2011

The Trustees, who are also the directors of the company, present their Report together with the Financial Statements of the charity for the year 31 March 2011. The Financial Statements have been prepared in accordance with the current statutory requirements, the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

Structure, Governance and Management

The Kusuma Trust UK was established by a Memorandum of Association dated 13 November 2008, which established the objects and powers of the charitable company and is governed under its Articles of Association, and it is registered with the Charity Commission under number 1126983.

The charity is governed by a Board of Trustees, which meets quarterly. Under the Articles of Association, there must be at least three Trustees at all times and, currently, there are five following the appointment of Anurag Dikshit on 1st July 2011 as director and Trustee. Responsibility for the induction of any new Trustee, which involves awareness of the history and approach of the charity and an understanding of a Trustee's duties, lies with the Trustees. New Trustees receive copies of the previous year's accounts and full details of the charity's current programme and objectives. The Board is responsible for making governance decisions on the strategic and financial direction of the charity. Day to day management of the charity is delegated to the Chief Executive and a staff team comprised of an Operations Manager, Finance Manager and Administrator who work from the Trust's office at 67 Grosvenor Street, London, W1K 3JN.

The company is limited by guarantee and does not have a share capital. Consequently there are no disclosable interests in share capital. In the event of the company being wound up, each member has guaranteed to contribute such amount as may be required (not exceeding £10).

Investments

Rothschild Private Management Limited, Goldman Sachs International and JP Morgan International Bank Limited are the charity's investment managers whose brief is to manage multi currency investment portfolios for the charity on a discretionary basis. Notwithstanding that the accounting currency of reference is the Pound sterling the objective is to

invest in assets denominated in a range of global currencies including sterling in order to provide protection against a fall in global purchasing power resulting from a fall in value of any individual currency or currency bloc.

To protect the economic value of the endowment, the investment objective set by the directors is to achieve a real rate of return of at least 3% in excess of the weighted average rate of inflation of a currency basket consisting of 35% USD, 25% EUR, 10% GBP, 10% Yen and 20% emerging markets.

Investment Returns:

Period	Nominal Return % (GBP)	Real Return % (GBP)
For the Financial Year	4.90	3.01
Since Inception – As 5th January 2010 and discussed below	9.89	2.66

At inception of the three portfolios on 5th January 2010, the Founders anticipated transferring all the portfolios to the Trust although the final transfers were not effected until 20 December 2010. As a result the directors look at the returns both on a financial year basis and since inception.

Investments held at 31 March 2011 had a market value of £245,366,884 and were acquired in accordance with the powers of the directors.

The investment policy is set by the directors and in doing so the directors have regard to various factors including the income requirements, the Trust's expenditure projections, the Trust's risk profile and their investment managers' view of market prospects in the medium term. The investment policy is reviewed with the investment managers as the Trust's circumstances evolve and no less frequently than annually.

Investment performance and the managers' strategies are monitored regularly by the directors, including via presentations by the investment managers and periodic directors' meetings.

Risk Management

The directors, with the aid of their investment managers, maintain a regular view over the major strategic, investment and operational risks that the charity faces in order that, wherever possible, such risks can be identified and accordingly steps taken to lessen these risks. Risk and

risk management is periodically reviewed to ensure that procedures meet the needs of the Trust and comply with best practice.

Objectives and Activities

The main objective of the Trust is to facilitate and increase access to education and other life opportunities for children and young people in India, through the provision of grants. The directors meet periodically to consider what distributions can be made from the Trust's distribution reserve with the intention that distributions are primarily funded from the total returns derived from the portfolios over and above global inflation.

Achievements and Performance

The Trust made donations to various charitable organisations in 2010-2011. The details of the £1,900,296 awarded are detailed below and in Note 6 of the accounts. A total of £2,107,735 (2010: £160,780) was paid during the year. There is a further £66,759 (2010: £282,740) committed to be paid as at the year-end.

The directors, having regard to the public benefit guidance published by the Charity Commission in accordance with section 4 of the Charities Act 2006, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in section 3 of the same act.

Financial Review

At the year end the total Fund was valued at £259,828,124 (2010: £63,494,792).

It is the aim of the directors to maintain a balance between investments for capital growth and income generation and to maintain cash funds sufficient to fund anticipated charitable donations over the coming year.

Plans for Future Periods

The Trust plans to begin implementation of its new 2011-2014 strategy in the coming year and the four strategic priorities are education, children at-risk, internet and open space, and research and advocacy.

The Trust will support interventions that increase secondary and tertiary education opportunities for young people and improve the quality of care for children at-risk. It will also support open space platforms that facilitate universal participation in knowledge domains and research, with a focus on baseline and outcome measures, to fully understand the impact on beneficiaries.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board
J G Rhodes (Director)
25 August 2011

Independent Auditors' Report to the Members of Kusuma Trust UK

We have audited the financial statements of Kusuma Trust UK for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement on page 27, the trustees' (who are also the directors of the company for the purposes of company law) are responsible for preparing the financial statements and for being satisfied that the financial statements give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustee Report to identify any material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006; and

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been
- received from branches not visited by us: or
- the financial statements are not in agreement with the accounting records and returns: or
- certain disclosures of trustees' remuneration specified by law are not made: or
- we have not received all the information and explanations we require for our audit.

Joanna Boatfield (Senior statutory auditor)

For and on behalf of Dixon Wilson, Statutory Auditor

22 Chancery Lane, London WC2A 1LS

25 August 2011

(Including an Income & Expenditure Account and a Statement of Total Recognised Gains and Losses)

		For the Year to 31 March 2011			March 2010
		Unrestricted Funds	Endowment Funds	Total	Total
	Note	£	£	£	£
Incoming resources: from generated funds					
Voluntary Income					
Gifts	2	–	172,901,183	172,901,183	10,474,805
Cash added by Mr A Dikshit		–	20,000,000	20,000,000	50,000,000
Cash added by Ms S Pujari		–	–	–	30,000
Investment Income					
Investment Income – listed investments	3	1,614,922	–	1,614,922	197,067
Bank Interest receivable	3	13,740	–	13,740	3,188
Total incoming resources		1,628,662	192,901,183	194,529,845	60,705,060
Resources expended					
Cost of Generating Funds	4	–	526,939	526,939	186,493
Charitable Activities Expenditure					
Donations	5	1,900,296	–	1,900,296	443,520
Support Costs	7	308,165	–	308,165	37,058
Governance Costs	8	51,555	–	51,555	46,721
Total resources expended		2,260,016	526,939	2,786,955	713,792
Net income/expenditure for the year before transfers		(631,354)	192,374,244	191,742,890	59,991,268
Transfers between Funds		631,354	(631,354)	–	–
Net incoming resources for the year before net recognised gains and losses			191,742,890	191,742,890	59,991,268
Other recognised gains and losses					
Realised and Unrealised Gains on investment assets	10		4,590,442	4,590,442	3,503,524
Net movement in Funds			196,333,332	196,333,332	63,494,792
Funds brought forward at 1 April			63,494,792	63,494,792	–
Total Funds carried forward at 31 March			259,828,124	259,828,124	63,494,792

Balance Sheet

For the year to 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	9	5,001	—
Investments (at Market Value)	10	245,366,884	59,325,508
Current assets			
Debtors	11	599,600	—
Cash at bank in hand	12	14,097,928	4,475,287
		260,069,413	63,800,795
Creditors – amounts falling due within one year	13	(241,289)	(189,633)
Net current assets		259,828,124	63,611,162
Creditors – amounts falling due after one year	14	—	(116,370)
Total assets less liabilities		259,828,124	63,494,792
Represented by:-			
Expendable Endowment Fund	15	259,828,124	63,494,792

The Notes on pages 32 to 36 to form part of these Accounts

Approved by the Directors:

J G Rhodes

25 August 2011

Cash Flow Statement

For the year to 31 March 2011

	For the Year to 31 March 2011 £	For the Period 19 November 2008 to 31 March 2010 £
Net (Outgoing)/Incoming resources for the year	191,742,890	59,991,268
Less investment income earned	(1,628,662)	(200,255)
Add back investment management charges	526,939	186,493
Add back depreciation	1,863	—
(Increase) in debtors	(599,600)	—
Increase in creditors within one year	51,656	189,633
(Decrease)/increase in creditors due after more than one year	(116,370)	116,370
Net Cash (outflow)/inflow from operating activities defined by FRS1	189,978,716	60,283,509
Returns on Investments		
Investment income received	1,628,662	200,255
Investment management charges paid	(526,939)	(186,493)
Capital Expenditure and Financial Instruments		
Purchase of tangible fixed assets	(6,864)	—
Purchase of fixed assets and other investments	(77,266,244)	(104,807,670)
Investments added from gift	(171,406,383)	(9,732,171)
Sale of fixed assets and other investments	67,221,693	58,717,857
Increase in Cash for the year	9,622,641	4,475,287
Increase in cash		
Cash at bank and in hand 31 March 2011	4,475,287	—
Movement during year	9,622,641	4,475,287
Cash at bank and in hand at 31 March 2011	14,097,928	4,475,287

Notes to the Accounts

For the year to 31 March 2011

1 Accounting Policies

1.1 Accounting Convention

The Financial Statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. In preparing the Financial Statements the Charity follows best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Companies Act 2006.

1.2 Investment Income

Investment income is accounted for in the period in which the charity is entitled to receipt, except that interest is accrued in the period to which it relates.

The Charity is a registered Charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.3 Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of generating funds comprise the Investment Manager's costs associated with the management of the investment portfolio in accordance with the strategy set by the Trustees.

Charitable expenditure in the form of donations payable is accounted for as and when approved by the Trustees and when all substantive conditions attached to the grants are met.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and legal costs linked to strategic management of the charity.

1.4 Tangible Fixed Assets

All of the tangible fixed assets are help for charitable use.

The cost of tangible fixed assets is their purchase costs, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal useful economic lives used for this purpose are:

Furniture and fittings	4 years
Office and computer equipment	4 years

1.5 Fixed Asset Investments

Investments are included on the Balance Sheet at their market value at the end of the financial period. Listed investments are stated at the mid price on the London Stock Exchange for the country of listing and the bid prices provided by the Fund Managers for unit trust holdings. Gains and losses on investment assets are credited, or debited, to the Statement of Financial Activities in the year in which they arise.

1.6 Foreign Currencies

Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the statement of financial activities.

1.7 Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the term of the lease.

1.8 Pension Costs

Kusuma makes payments to a defined contribution personal pension plan for senior employees. The payments are charged to the Statement of Financial Activities in the period to which they relate.

1.9 Irrecoverable value added tax

Irrecoverable VAT is included as part of the expenditure to which it relates.

2 Gifts – Transferred to Kusuma Trust UK

	For the Year to 31 March 2011	For the Period 19 November 2008 to 31 March 2010
	£	£
Crinita Trust – Cash	–	742,634
Crinita Trust – Investments	–	9,732,171
Snowflake – Cash	1,230,794	–
Snowflake – Debtors adopted	346,743	–
Snowflake – Creditor adopted	(82,737)	–
Snowflake – Investment Assets	171,406,383	–
	172,901,183	10,474,805

3 Investment Income

	2011 £	2010 £
UK Equities	22,200	–
Overseas Equities	–	21,664
UK Fixed Interest	36,051	4,127
Overseas Fixed Interest Securities	783,957	128,314
UK Exchanged Traded Funds	118,717	–
Overseas Exchanged Traded Funds	577,262	63,983
Overseas Unlisted Funds	2,205	4,037
Realised gain (loss) on currency held	74,530	(25,058)
	1,614,922	197,067
Interest Received		
Interest on cash held by Investment Managers	4,275	3,188
Interest on cash held in Distribution Reserves	9,465	–
	13,740	3,188

4 Cost of Generating Funds

	2011 £	2010 £
Investment management fees	526,397	184,335
Bank charges	542	2,158
	526,939	186,493

5 Charitable Donations Awarded

	2011 £	2010 £
Education	1,771,851	87,148
Children at Risk	–	6,500
Internet and OpenSpaces	120,000	199,872
Research	8,445	150,000
Total	1,900,296	443,520

	2011	2010
Number of grants awarded		
Education	7	1
Children at Risk	–	1
Internet and Open Space	2	1
Research	1	1
	10	4

All the donations were awarded to organisations

	2011 £	2011 £	2010 £
The donations awarded were as follows:	Awarded	Committed	Awarded
Education			
Akshaya Patra Foundation (Mid Day Meal Programme)	50,201	50,200	87,148
Pragathi Seva Samithi (Kusuma Young Achievers Award)	139,871	–	–
Udayan Care (Kusuma Udayan Shalini Fellowships)	81,006	–	–
Sambalpur Integrated Development Institute (Kusuma Ratna Fellowships)	40,456	–	–
MV Foundation Project 511 (Mobile Science Labs)	45,510	–	–
Sarvodaya Ashram (Udaan and Pehchaan)	14,807	–	–
Indian Institute of Technology Delhi (Kusuma School of Biological Sciences)	1,400,000	1,400,000	–
	1,771,851	1,450,200	87,148
Children at Risk	Awarded	Committed	Awarded
Dr Reddy's Foundation	–	–	6,500
	–	–	6,500
Internet & Open Space	Awarded	Committed	Awarded
iCommons Limited	–	–	199,872
Centre for Internet & Society	120,000	–	–
	120,000	–	199,872

5 Charitable Donations Awarded (continued)

	2011 £	2011 £	2010 £
Research	Awarded	Committed	Awarded
Kusuma Young Researcher Award	8,445	–	–
iPartner India	–	–	150,000
	8,445	–	150,000
Total	1,900,296	1,450,200	443,520

6 Charitable Donations Awarded but Not Yet Paid

	2011 £	2010 £
Liability at 1 April 2010	282,740	–
Grants Awarded	1,900,296	443,520
Grants Paid	(2,107,735)	(160,780)
Exchange rate adjustment for awards in previous years	(8,542)	–
Liability at 31 March 2011	66,759	282,740
Of which		
Falling within one year	66,759	166,370
Falling over one year	–	116,370
Liability at 31 March 2011	66,759	282,740

7 Support Costs

	2011 £	2010 £
Gross Salaries	97,148	–
Social security costs	11,277	–
Other pension costs	4,313	–
Other employment related costs	1,443	–
Total payroll and related costs	114,181	–
Operations support	112,046	37,058
Property expenses	59,583	–
Communications	11,201	–
Office expenses	9,291	–
Depreciation	1,863	–
	308,165	37,058

Support costs reflect the management structure of the organisation. Operations support costs includes the costs of recruitment, advisers, consultants and travel.

The number (headcount) of persons employed by Kusuma at the 31 March 2011 was 4 (2010: 0)

The number of employees whose salaries were above £60,000 was	2011 Number	2010 Number
£110,001 to £120,000	1	0

During the year Kusuma made contributions of £4,312 (2010:£0) to the personal pension plan of this employee.

The trustees are not employed by Kusuma and did not receive any emoluments in respect of their services.

Travel and subsistence expenses of £614 (2010: £2,585) were reimbursed to one trustee during the year.

8 Governance Costs

	2011 £	2010 £
Legal & professional fees	45,554	40,846
Audit fees	6,001	5,875
	51,555	46,721

9 Tangible Fixed Assets

	Furniture and Fittings £	Office and Computer Equipment £	Total £
Cost			
As at 1 April 2010	—	—	—
Additions	245	6,619	6,864
As at 31 March 2011	245	6,619	6,864
Depreciation			
As at 1 April 2010	—	—	—
Charge for the year	61	1,802	1,863
As at 31 March 2011	61	1,802	1,863
Net book value			
As at 31 March 2011	184	4,817	5,001
As at 1 April 2010	—	—	—

10 Fixed Assets Investments

	2011 £	2010 £
Market value at 1 April 2010	59,325,508	—
Investments added at Market value on 20 December 2010 & 30 January 2010	171,406,383	9,732,171
Purchases at cost	77,266,244	104,807,670
Sales proceeds	(67,221,693)	(58,717,857)
Net realised and unrealised gains	4,590,442	3,503,524
Investments at market value on 31 March 2011	245,366,884	59,325,508
Investments at book value at 31 March 2011	237,478,672	55,737,892
Investments at market value comprised		
UK investments listed on a recognised stock exchange	50,961,976	20,090,900
Non UK investments listed on a recognised stock exchange	174,914,311	39,221,077
Non UK unlisted securities	19,490,597	13,531
	245,366,884	59,325,508
Total funds held by Investment Managers		
Cash held by investment managers (note 12)	5,592,958	4,031,095
Accrued Investment Income (note 11)	583,505	—
Investments at market value	245,366,884	59,325,508
	251,543,347	63,356,603

As explained in the Trustee Annual Report on page 27, the investment managers are briefed to manage multi currency investment portfolios on a discretionary basis.

The following analysis gives the profile of the fixed asset investments and cash held within the portfolio at 31 March 2011

By asset allocation	Rothschild	Goldman Sachs	JP Morgan	Weighted Average
Cash, Deposits and Money	%	%	%	%
Market Funds	8%	2%	11%	7%
Fixed Income	39%	42%	34%	38%
Equities	38%	49%	39%	42%
Hedge Funds	11%	7%	11%	10%
Commodities	4%	0%	5%	3%
	100%	100%	100%	100%
By currency/region *	%	%	%	%
United States	27%	33%	29%	30%
Europe excluding UK	26%	29%	25%	26%
Japanese Yen	5%	6%	10%	7%
Pounds Sterling	12%	10%	9%	11%
Emerging Markets	22%	22%	27%	24%
Global	8%	0%	0%	2%
	100%	100%	100%	100%

* = Reporting Currency Risk: Although the investment portfolios are spread over a range of global currencies, the base/accounting currency is the Pound sterling. Consequently, the Trust is exposed to risk that the sterling Pound exchange rate relative to other foreign currencies may change in a manner that has an adverse effect on the value of assets or liabilities denominated in foreign currencies reported in Pound sterling.

11 Debtors	2011 £	2010 £
Prepayments and other debtors	16,095	–
Accrued investment income	583,505	–
	599,600	–

12 Cash at bank and in hand	2011 £	2010 £
Cash & distribution reserves	8,504,970	444,192
Cash held by investment managers	5,592,958	4,031,095
	14,097,928	4,475,287

13 Creditors – amounts falling due within one year	2011 £	2010 £
Grants payable	66,759	166,370
Accruals and creditors	174,530	23,263
	241,289	189,633

14 Creditors – amounts falling due after one year	2011 £	2010 £
Grants payable in one to two years	–	116,370
	–	116,370

15 Prior Year Adjustment

The Trustees have reviewed the nature of the funds received in 2009/10 and restated the position at 31/3/2010 to show the net assets at that date as Expendable Endowment Funds. In the opinion of the Trustees and the Founders, this treatment best reflects the nature of the grants and donations received.

16 Operation Leases	2011 £	2010 £
Kusuma has annual commitments at the period end under operation leases expiring as follows:		
Property		
Less than one year	69,519	–
Equipment		
Less than one year	1,116	–
Grants		
Less than one year	750,200	–
Between 2 to 5 years	700,000	–
	1,520,835	–

17 Related Party Transactions

During the period, Mr A Dikshit (director) donated £20,000,000 and investment portfolios held via his investment company Snowflake Holdings Limited with a value of £172,901,183 (2010: £50,000,000 and the Crinita Trust with a value of £10,474,805) to the charity and Ms S Pujari (director) donated £nil (2010: £30,000).

Trustees

John G Rhodes
Dr Soma Pujari
Anurag Dikshit
Andrew J Hutton
Prashant Jain

Chair
Co-Founder
Co-Founder

Staff

Dr Balwant Singh
Julian Beckedahl
Suzanne Davies
Tania Karunaratne

Chief Executive
Operations Manager
Finance Manager
Administrator

Advisers

David Carrington
Jean Paul Faguet
Bina Rani
General Surat Sandhu
Hazel Slavin

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Steve Paveley Design



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A company limited by guarantee registered in England and Wales (number 6753811) and a registered charity (number 1126983)

