THE KOESTLER TRUST

England & Wales · Charity number 1105759

Details

Other names	KOESTLER ARTS
Status	Registered
Legal form	Charitable company
Company number	04961363
Registered	2004-09-06
Register	View on the Charity Commission register

Contact

Address	170 Du Cane Road London W12 0TX
Phone	02087400333
Email	info@koestlerarts.org.uk
Website	www.koestlerarts.org.uk

Activities

Objects: 3) THE CHARITY'S OBJECTS ("THE OBJECTS") ARE FOR THE ADVANCEMENT OF THE ARTS AND EDUCATION AND FOR PURPOSES BENEFICIAL TO THE COMMUNITY:A) TO PROMOTE THE CREATIVE ENTERPRISE OF INMATES AND FORMER INMATES OF PRISONS, YOUNG OFFENDER INSTITUTIONS, SECURE UNITS AND ANY OTHER ESTABLISHMENT FOR THE LAWFUL DETENTION OF INDIVIDUAL INCLUDING PATIENTS AND FORMER PATIENTS IN HIGH SECURITY PSYCHIATRIC AND OTHER HOSPITAL UNITS IN THE UNITED KINGDOM ("THE INSTITUTION") AND THOSE SUBJECT TO NON-CUSTODIAL ORDERS IN THE UNITED KINGDOM AND PERSON SUBJECTED TO SIMILAR REGIMES OUTSIDE THE UNITED KINGDOM IN THE FIELDS OF THE VISUAL AND PERFORMING ARTS, SCIENCES, CRAFTS OR TRADES BY THE PROVISION OF AWARDS TO SUCH PERSONS AND GROUPS OF PERSONS FOR MERITORIOUS WORK AND THE EXHIBITION OF THEIR WORK; ANDB) TO INSTITUTE OR SUPPORT WORTHWHILE ARTISTIC OR CREATIVE PROJECTS AT ANY OF THE INSTITUTIONS WHICH AIM TO STIMULATE THE EDUCATION OR SKILLS OF SUCH PERSONS AND TO ASSIST IN THEIR REHABILITATION AND RESETTLEMENT IN SOCIETY.

Activities: The Koestler Trust is the UK's leading charity for arts in prisons. Through awards, feedback, mentoring, outreach and involvement, it plays a unique national role in encouraging offenders, secure psychiatric patients and immigration detainees to take part in the arts, often transforming their lives. The Trust

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then brings prison arts to the public through exhibitions, publications and events.

Classification

- **How:** Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£964,272	£961,751	£1,844,951	14
2024-03-31	£813,554	£849,148	£1,842,430	17
2023-03-31	£1,436,714	£995,933	£1,878,024	21
2022-03-31	£1,259,415	£882,024	£1,437,243	21
2021-03-31	£1,406,892	£761,377	£1,059,852	17

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Trustees

Name	Role	Appointed
SIR RICHARD NICHOLAS HEATON KCB	Chair	2021-03-11
Amy Frost		2025-03-27
Carrie Peters		2023-06-29
Dr Nora Laraki		2021-12-09
Gary Anthony Badley		2023-03-23
Gary Mansfield		2019-06-26
JEREMY DELLER		2025-07-22
Jasmin Booth		2021-12-09
Page Nyame -Satterthwaite		2021-12-09
Sally Bacon OBE		2023-09-28
Thomas Robert Campbell		2022-09-29

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THE KOESTLER TRUST

England & Wales - Charity number 1105759

Accounts

KOESTLER ARTS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31st MARCH 2025

Charity Number **01105759**

Company Number **04961363**

THE KOESTLER TRUST

REPORT AND ACCOUNTS

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TRUSTEES' REPORT

The Trustees, who are also directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, present their combined directors' and trustees' annual report with the financial statements of the Charity for the year ended 31st March 2025. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 and comply with the Charity's governing document, applicable law and the requirements of the Statements of Recommended Practice (FRS 102). The Company has taken advantage of the exemptions available to smaller entities.

LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity number: 1105759

Company limited by guarantee number: 4961363

Principal and Registered address: Koestler Arts Centre, 170 Du Cane Road, London W12 0TX

Telephone: 020 8740 0333

Email: info@koestlerarts.org.uk

Website: www.koestlerarts.org.uk

Auditors: Knox Cropper LLP, 65 Leadenhall Street, London EC3A 2AD

Trustees and Company Directors:

Sir Richard Heaton KCB	(Chair)
Andrea Rose OBE	(Vice Chair, Chair of the Arts sub-committee. Resigned 27 March 2025)
Sally Bacon OBE	
Gary Badley	
Jasmin Booth	(Treasurer, Chair of the Finance and HR sub-committee)
Tom Campbell	(Co-Vice Chair from 27 March 2025, Chair of the Koestler House sub-committee)
Jeremy Deller	(from 22 July 2025)
Amy Frost	(from 27 March 2025)
Carl Hardwick	(Resigned 27 March 2025)
Dr Nora Laraki	
Gary Mansfield	(Chair of the Outreach and Involvement sub-committee to April 2025, Chair of the Arts sub-committee from April 2025)
Page Nyame Satterthwaite	(Co-Vice Chair from 27 March 2025)
Carrie Peters	(Chair of the Outreach and Involvement sub-committee from April 2025)

Company Secretary and Chief Executive Officer:
Fiona Curran

Honorary President:
Ariane Bankes

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Koestler Trust (working name Koestler Arts) is governed by its Memorandum and Articles. Updated Articles of Association were adopted by special resolution passed on 14 December 2022.

The Board of Trustees met four times during the year, and the Annual General Meeting was held on 12 December 2024. The Board has four sub-committees, each of which provides oversight of specific aspects of the charity's work:

- The Finance and HR sub-committee is chaired by the Treasurer and includes the Chair, Vice Chair, Chief Executive, Finance Manager and Development Director. It met on four occasions by Zoom during the year, scrutinising the finances and HR.
- The Outreach and Involvement sub-committee was chaired by Gary Mansfield and serviced by Sarah Matheve, Director of Outreach and Involvement. From April 2025 it was chaired by Carrie Peters. It oversees the mentoring programme and all other ways that the Charity engages with its beneficiaries, including work experience placements at the Koestler Arts Centre, family days and outreach visits to establishments. The group includes service-users and representatives from partner agencies.
- The Arts sub-committee was chaired by Andrea Rose and serviced by Phoebe Dunn, Director of Arts. From 1 April 2025, Gary Mansfield took over as Chair. It oversees the Koestler Awards process, exhibitions and sales. This group also includes award-winners, Koestler Awards judges, and prison education staff.
- The Koestler House sub-committee is chaired by Tom Campbell and is serviced by the Chief Executive. The group provided oversight and guidance for the Koestler Arts Centre construction project and, during the year, updated its Terms of Reference to reflect the completion of the build and the ongoing management of the building.

Staff management is underpinned by Support and Supervision meetings, where each member of staff meets one-to-one with their line manager every 4-6 weeks. The outcomes of these meetings are recorded in writing. Team meetings are held every three weeks. The Chair of Trustees provides the Chief Executive's Support and Supervision meetings. The board are grateful to Ingeus for pro bono HR support.

RISK AND INTERNAL CONTROL

An overall risk assessment is reported quarterly to the Board of Trustees. This addresses specific aspects of infrastructure and activity, including data protection, health and safety, human resources, environmental impact and office fabric and equipment. Each of these areas is the responsibility of a designated staff member.

KOESTLER ARTS — CHARITY OVERVIEW

Our Vision…
The power of the arts unlocks hope, talent and potential in the lives of people in the criminal justice system.

Our Mission…
To inspire participation in the arts by people in prisons and beyond, and to build public recognition of their creative work, fostering communities that support rehabilitation.

We make this happen by focusing on:

- Participation: We motivate and support people in custody and on community sentences, including probation, to participate in the arts, ensuring that the educational, social and well-being benefits of the arts are accessible to all.
- Showcasing: We share this creativity with communities across the UK through innovative public programmes, enabling everyone to experience this powerful work and these hidden stories of change.
- Resources: We aim to maintain a sustainable operational base, with strong partnerships and effective income streams, that make efficient use of resources.

We are unique in our reach, engaging with people in prisons, secure hospitals, young offender institutions, secure children's homes, immigration centres and on probation and community sentences. We support people to access the arts across the whole of the UK, as well as British prisoners abroad.

In addition to our core programme, the annual Koestler Awards, we offer inspiration and support year-round through our unique arts membership scheme for people in prison, monthly Art Aid activity ideas created by individuals who have been in prison themselves, and the only multi-artform arts mentoring programme for prison-leavers in England and Wales. Our programmes are open to anyone who is in custody or is supervised in the community, whether they are engaged with prison education classes or not.

Our exhibitions and events around the UK, online showcasing, and publications offer opportunities for members of the public to see beyond the prison walls and experience this rich and diverse creativity. This helps build communities that are more likely to support resettlement and rehabilitation.

The charity's small, dedicated team is based at our office on Ministry of Justice land, next to HM Prison Wormwood Scrubs in London. From here, we deliver programmes across the UK and online, while raising the funds each year to enable our vital work to continue.

CHARITABLE OBJECTS

As registered with the Charity Commission, the Charity's charitable objects are: 'for the advancement of the arts and education and for purposes beneficial to the community: a) to promote the creative enterprise of inmates and former inmates of prisons, young offender institutions, secure units and any other establishment for the lawful detention of individuals including patients and former patients in high security psychiatric and other hospital units in the United Kingdom ("the institution") and those subject to non-custodial orders in the United Kingdom and persons subjected to similar regimes outside the United Kingdom in the fields of the visual and performing arts, sciences, crafts or trades by the provision of awards to such persons and groups of persons for meritorious work and the exhibition of their work; and b) to institute or support worthwhile artistic or creative

projects at any of the institutions which aim to stimulate the education or skills of such persons and to assist in their rehabilitation and resettlement in society.'

The Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to our vision and mission.

ACTIVITIES AND ACHIEVEMENTS 2024-25

This year, we developed our strategic plan to 2029, identifying four Strategic Pillars to underpin all our work.

1. Operations: a strong and sustainable base

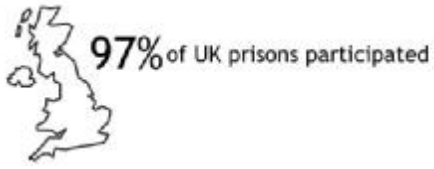
This was the first year we experienced the benefits of being in the new building to undertake our complex annual processes. The new accessible space improved our capacity to process thousands of submissions, welcome volunteers and guest judges, and host mentoring and staff training sessions. This year, we identified several ways we can use technology to ensure we can develop our future offer, improve the experience of beneficiaries and other stakeholders, and increase efficiency. We migrated our donation data to a new, specialised CRM, and successfully secured restricted funding to develop the digital infrastructure for the Koestler Awards programme. By 2029, we expect this infrastructure to complement other initiatives to deepen our engagement with more participants, at the same time as responding to specific groups (such as young people and immigration detainees) with a faster turnaround and the option to submit files rather than part with precious artworks.

Of course, fundraising is challenging in this climate. Our new fundraising strategy responds by targeting our resources where they can have the most impact. During the year, we restructured our long-running "Named Awards" individual-giving programme to ensure its future impact and sustainability. We are deeply grateful to the wonderful donors who have supported our Named Awards over the years, as well as those who have joined our new "Patrons" programme or become Friends. We benefited from strong business partnerships this year, assisted by a pro bono workshop from For People and Places.

We recently became a Mindful Employer, with all staff able to access an Employee Assistance Programme. We remain a Living Wage Employer.

2. Support: encouragement and recognition for creative work

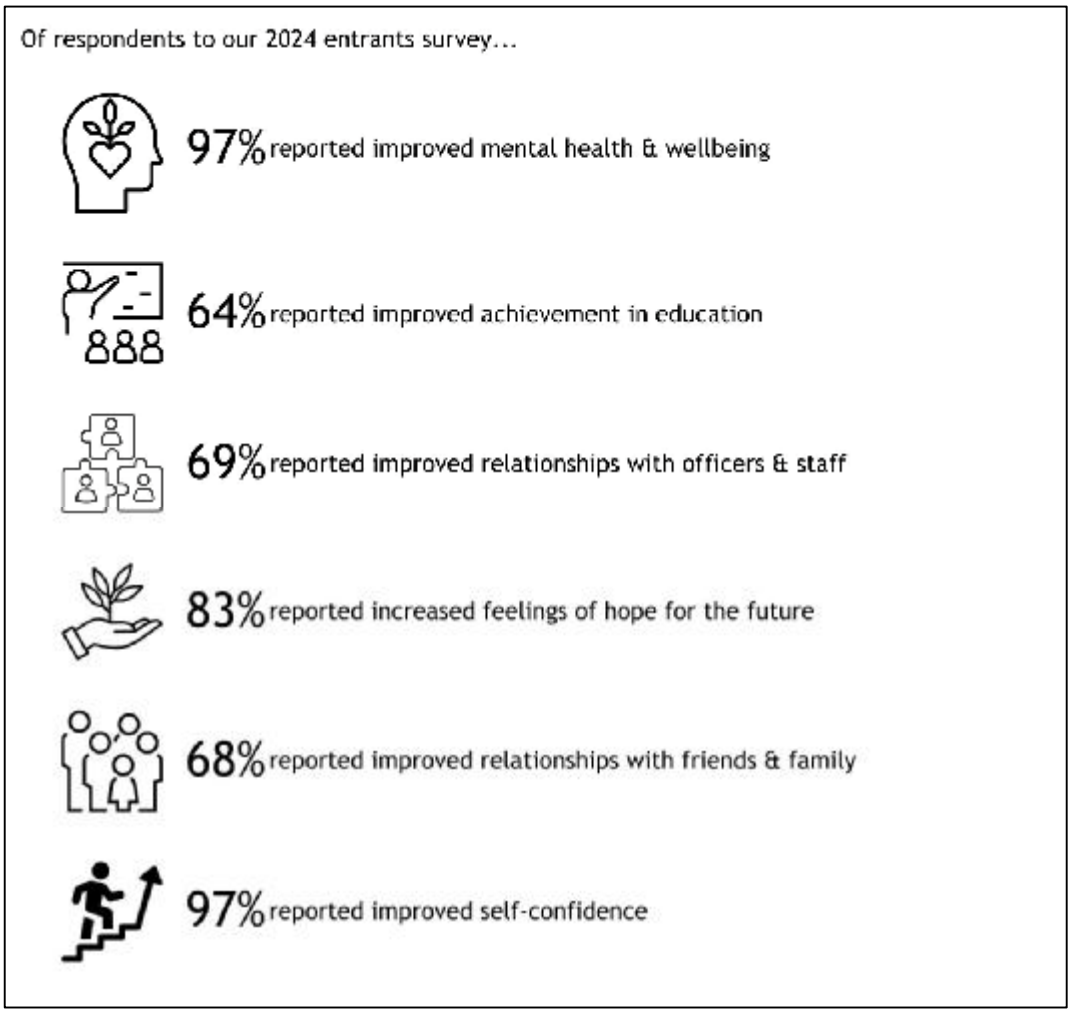
3,666 people entered the 2024 Koestler Awards, from 309 community and custodial settings.



Through volunteer feedback-writing sessions and the help of our awards judging panel and regular volunteers, we managed to provide written feedback to 93% of Awards participants on their creative work. Every entrant received a certificate recognising their hard work, and we increased our prize fund to £31,895. Prisons were under enormous pressure this year and the early release programme impacted our ability to get Awards money and

certificates to participants. We had to put more resources into this and expect reissues of cheques and certificates to continue into 2025-26.

We also awarded over 300 establishment participation certificates, recognising the contributions of prison, hospital, IRC, youth services, and probation staff in supporting participation. We welcomed 48 prison educators to our art tutors' seminar at the UK exhibition.



Our membership programme for people in custody or on community settings, 'Associates', had over 700 active members. All these members received quarterly newsletters and two Creative Challenges (arts activity ideas to support creativity year-round outside the Awards). Our mentoring programme supported 26 new individuals in continuing their arts careers and engagement post-release.

Our team completed 25 establishment visits to inspire participation and support education staff in celebrating achievement. We were delighted that Inua Ellams, our 2025 UK exhibition curator, could join us on our visit to HM Prison Wandsworth.

We noticed that participation in written artforms has been decreasing. To address this, we are designing accessible tools that can be used independently without the need for educational staff assistance.

3. Creative leadership: inspiring new arts leaders, workers and producers

Each month, we distributed a new Art Aid activity resource, designed by a past Koestler Awards participant (paid commissions). These are always introduced with the creator's own story of change and growth through creativity.

In 2024, 15% of the 83 judges for the Koestler Awards had lived experience of prison, and for the first time, we recruited openly to the judging panel, offering a targeted opportunity for under-25s. As a result, three young people joined us as judges. We again offered our awards judges stipends to ensure this opportunity was open to all.

Turner Prize-winner Jeremy Deller and artist and Koestler Award-winner, John Costi curated our 2024 exhibition at the Southbank Centre. Their moving, very personal curation was titled *No Comment*. It included a counter showing the number of people in prison in the UK, so that visitors could see this huge number and remember the thousands of individuals participating in the Koestler Awards.

Six women in HM Prison and Young Offender Institution Low Newton, in Durham, worked with our team in the autumn to curate our North East England exhibition at Baltic, Gateshead. They collaborated with our team to select all the visual art, writing, and music for the show, and gave it the poignant name *Almost Home.*

A filmmaker with lived experience of prison was commissioned to produce our beautiful North East exhibition film.

We recruited people with lived experience of prison to lead exhibition tours and undertake several prison visits. In March, we connected people in criminal justice settings to World Poetry Day by showcasing poetry and spoken word entries to the Koestler Awards at Rich Mix in London. The event was hosted by John Costi and featured several other artists with lived experience of the justice system performing their works.

Voices from Prison event, March 2025

4. Public awareness: fostering communities that support rehabilitation

John Costi and Jeremy Deller at *No Comment*, our UK exhibition at Southbank Centre

This year, we invested time in refining our approach to communicating our work and its impact. The Impact section of our website has been updated, and we have replaced our Annual Review booklet with an Impact Snapshot.

We were delighted that the Minister for Prisons, Lord Timpson, opened our 2024 exhibition at the Southbank Centre, demonstrating his passion for our work. Over 11,000 people visited, with even more people interacting with the strong press coverage, including coverage on *Channel 4 News* and in *The Face.* We received over 10,000 audience feedback cards, evidence of the exhibition's profound impact. Our team, including the curators and Exhibition Guides, welcomed over 750 people on public and pre-arranged exhibition tours. The exhibition featured a film about the curation process for the first time, providing visitors and online viewers with much more context. The visitors' book was crammed full of comments about the show:

> "Amazing work. So inventive. It has inspired me to try to rediscover my own creativity"

> "Absolutely blown away! Moving. A reminder of humanity in us all – and how it can be ignored"

Also in the autumn, we reprinted the first (sold-out) volume of our poetry anthology, which includes a foreword by the late Benjamin Zephaniah. To reach a wider audience, we shared the anthology content on our site for the first time.

In January, we showcased stage play submissions to the Koestler Awards in partnership with Synergy Theatre at the Royal Court Theatre and HM Prison Thameside, supported by Serco.

We opened the North East exhibition, co-curated by HM Prison Low Newton, on 19 February 2025. The show ran till 11 May and was visited by over 33,000 people.

Almost Home, exhibition poster and installation image

We welcomed over 180 guests to three exhibited artists' Friends and Family days at the Southbank Centre, with a further event at the North East show in April. Given the importance of relationships with family to mental health, wellbeing and reducing re-offending, we were delighted to see such high numbers.

We are committed to ensuring people across the criminal justice system can see with their own eyes the possibilities that getting creative opens up. Both exhibitions were accompanied by films and celebration brochures, which we disseminated to participants and featured online.

FUTURE PLANS

In 2025-26, we will collaborate with experts to start to develop new digital infrastructure that enables us to engage with and respond to participants more effectively for years to come. We will welcome Nazanin Zaghari-Ratcliffe as our judge for the themed category awards, and we will add our first new category in several years, 'Mosaic', to the wide range of options offered to Awards participants. We will also provide a new Creative Challenge art activity outside of the Awards cycle to sustain creativity throughout the year in the form of a card design activity for our Associates membership.

Inua Ellams will curate our UK exhibition at the Southbank Centre in the autumn, and, in January 2026, we will present an exhibition of work from the local area at the Old Fire

Station in Oxford. We will also publish a new poetry anthology, which, for the first time, will be edited by someone who can draw on their own experience of imprisonment to make their selection, the poet and performer, Lady Unchained.

FINANCIAL REVIEW

Our largest supporter was again Paul Hamlyn Foundation, with their 2024-25 grant providing the base for the team's fundraising efforts to build upon.

Government funding remained at a similar level to previous years, through our Arts Council England National Portfolio grant and our HMPPS grant. Our main funders are critical to the charity's resilience.

Despite successful efforts to diversify our funding, trusts and foundations remained the largest source of our income. We are grateful to the Garfield Weston Foundation and the Henry Smith Foundation for their multi-year support, providing Koestler Arts with reliable and efficient funding. Similarly, the William Arthur Rudd Memorial Trust, the Bromley Trust and Maingot Charitable Trust have become longstanding and instrumental partners. We were grateful to receive the last, unexpected, grant from Marie-Louise von Motesiczky Charitable Trust and remain deeply grateful to their trustees for a decade-long relationship that was critical to our mentoring programme's success.

The 2024-25 period saw our corporate partners providing a record-high level of support for our charity. To our well-established partnerships with Sodexo, Serco, Elysium Healthcare, CCLA and Doughty Street Chambers, we added several new relationships. We are thankful for the support of Ares Financial Services, Wates, AtkinsRéalis, and 2 Bedford Row Chambers.

We continue to rely on the generosity of hundreds of individuals who passionately support the work of the charity, and were heartened to see the success of two public fundraising appeals during the year, which included matched donations to double their impact. In April 2024, our trustee, podcaster and artist with lived experience of prison, Gary Mansfield, led our BBC Radio 4 appeal focusing on our mentoring programme, which raised over £15,000 from public donations. This was generously matched by a Trust that has been a longstanding funder of the charity, which requested to remain anonymous. In March 2025, we participated in the Big Give — Arts for Impact match-funding campaign, which focused on the impact of our exhibitions on artists and audiences. We were very pleased with the response, which exceeded our target.

Our consolidated income for 2024-25 was £964,272. A significant increase over the previous year, which allowed us to respond to the high demand for our work. Having started the year's projections with a small deficit, our dedicated team worked hard to keep costs low, secure pro bono support, and maintain partnerships, while also raising income through imaginative campaigns, collaboration, and by making our impact very clear. Thanks to these efforts, the team managed to overcome the deficit and ended this year with a small surplus, a welcome result after the small deficit in 2023-24.

RESERVES

The Charity has no permanent endowment. It must raise money on an ongoing basis. The Trustees' policy is to maintain reserves of unrestricted funds to cover the total costs of

running the Charity for at least three months ahead. At the year-end, the Charity had free reserves of £259,512 with an unrestricted reserve (including designated funds) of £616,437.

FUNDRAISING PRACTICES

All fundraising for Koestler Arts is undertaken by the staff team, led by the Chief Executive and Director of Development. No professional fundraisers or commercial participators carry out any fundraising activities on our behalf. Donor data is maintained on a secure database, and staff have undertaken training in the requirements of GDPR legislation.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statement in accordance with applicable law and United Kingdom generally accepted accounting practice. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the net income or expenditure of the Charity for the year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are 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.

The Trustees, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the Company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This annual report surveys a successful year for Koestler Arts. We are an arts charity, celebrating and encouraging creativity. We are also a criminal justice charity, playing our part in rehabilitation and personal development. This year, we have enjoyed participation in the arts from custodial and non-custodial settings across every nation of the United Kingdom, as well as from some British prisoners serving sentences abroad. Our showcasing programme included our first exhibition in the North East since 2016, at the wonderful

Baltic Gallery in Gateshead, curated by women in a local prison. We are also enormously grateful to the Southbank Centre, our long-term exhibition partner in London.

We are, of course, dependent on financial support from those who like what we are trying to do. We launched a new Patrons Scheme this year, and we were pleased to see new supporters sign up, as well as friends who have kindly followed and supported us for years. We were also pleased to see new funding relationships take shape with a number of business partners. We hope to build on this promising development next year.

The Charity has been well served by a Board of committed and knowledgeable trustees. This year, we said goodbye to two long-standing trustees, Carl Hardwick and Vice Chair Andrea Rose. Their successors on the Board are the Governor of HMP Wormwood Scrubs, Amy Frost, and artist and long-time Koestler Arts contributor Jeremy Deller. Page Nyame-Satterthwaite and Tom Campbell are now co-Vice Chairs, and Sally Bacon leads a new nominations committee to plan future board appointments.

But as ever, it is the small staff team who give Koestler Arts its energy and who get things done. The Trustees would like to express our warm thanks to Fiona Curran and her colleagues, both long-standing and new, for all their work this year. It has allowed creativity to flourish where it might be least expected, and it has improved the lives and the futures of the men and women we work with.

At the Southbank exhibition, our curators installed a counter. It displayed the number of people currently detained in the nation's prisons. It perhaps served to remind visitors that representing and supporting the individuals behind the huge number is what we, and other brilliant charities in our sector, do best.

Approved by the Trustees and signed on their behalf by:

Richard Heaton

Sir Richard Heaton KCB
Chair of Trustees

DATE 18 Dec 2025

The Koestler Trust
Independent Auditor's Report To The Members Of The Koestler Trust For the year ended 31 March 2025

Opinion

We have audited the financial statements of The Koestler Trust (the 'parent company') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2025 and of the group's 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

/Continued ...

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report .

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

/Continued ...

(Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) applicable to smaller entities and the Companies Act 2006.
- We understood how the charitable company is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures. The charitable company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override and allocation of costs to charitable activities and restricted funds.
- Our approach was to check that the income from grants and donations were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed the transactions with the subsidiary company, major journal adjustments along with unusual transactions and considered the identification and disclosure of related party transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *https://www.frc.org.uk/auditorsresponsibilities.* This description forms part of our auditor's report.

/Continued ...

(Continued)

Use of our report

This report is made solely to the parent 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 parent company'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 parent company and the parent company's members as a body, for our audit work, for this report or for the opinions we have formed.

Shoaib Arshad (Senior Statutory Auditor)
For and on behalf of:
Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

18 Dec 2025

Registered company no. 04961363

The Koestler Trust
Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 March 2025

	Note	Unrestricted Funds 2025 £	Koestler House Restricted Funds 2025 £	Other Restricted Funds 2025 £	Total Funds 2025 £	*Total Funds 2024 £*
INCOME AND ENDOWMENTS FROM:						
Donations and legacies						
for charitable activities	2	870,226	-	36,900	907,126	*710,426*
for capital development	2	-	-	-	-	*46,942*
Other trading activities	4	44,497	-	-	44,497	*49,486*
Investments	5	12,649	-	-	12,649	*6,700*
TOTAL		927,372	-	36,900	964,272	*813,554*
EXPENDITURE ON:						
Raising funds						
Costs of generating voluntary income		118,677	-	-	118,677	*104,656*
Charitable activities		694,740	111,434	36,900	843,074	*744,492*
TOTAL EXPENDITURE	6	813,417	111,434	36,900	961,751	*849,148*
NET MOVEMENT IN FUNDS		113,955	(111,434)	-	2,521	*(35,594)*
RECONCILIATION OF FUNDS:						
TOTAL FUNDS AT 1 APRIL 2024		*524,785*	*1,317,645*	-	*1,842,430*	*1,878,024*
TOTAL FUNDS AT 31 MARCH 2025		£ 638,740	£ 1,206,211	£ Nil	£ 1,844,951	*£ 1,842,430*

All income and expenditure has arisen from continuing activities. None of the Charity's activities were acquired or discontinued during the above two financial years.

The Koestler Trust

(company limited by guarantee) (registered company no. 04961363)

Consolidated Balance Sheet

As at 31 March 2025

	Notes	Charity 2025 £	Group 2025 £	*Charity 2024 £*	*Group 2024 £*
FIXED ASSETS					
Tangible assets	10	1,303,137	1,303,136	*1,352,309*	*1,352,308*
Investments	11	231,687	231,686	*106,959*	*106,958*
		1,534,824	1,534,822	*1,459,268*	*1,459,266*
CURRENT ASSETS					
Debtors	13	33,613	34,733	*39,482*	*37,625*
Cash at bank and in hand		493,369	528,082	*597,583*	*615,618*
		526,982	562,815	*637,065*	*653,243*
CREDITORS: amounts falling due within one year	14	(239,158)	(252,686)	*(258,459)*	*(270,079)*
NET CURRENT ASSETS		287,824	310,129	*378,606*	*383,164*
NET ASSETS		£ 1,822,648	£ 1,844,951	*£ 1,837,874*	*£ 1,842,430*
FUNDS					
Unrestricted funds:					
Designated funds	15	356,925	356,925	*265,346*	*265,346*
Subsidiary companies	15	-	22,303	-	*4,556*
General fund	15	259,512	259,512	*254,883*	*254,883*
		616,437	638,740	*520,229*	*524,785*
Restricted funds	15	1,206,211	1,206,211	*1,317,645*	*1,317,645*
		£ 1,822,648	£ 1,844,951	*£ 1,837,874*	*£ 1,842,430*

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard 102. The financial statements were approved, and authorised for issue, by the Board of Trustees on 18 Dec 2025 and signed on their behalf by:-

Richard Heaton

SIR RICHARD HEATON KCB, Chair

JBooth

JASMIN BOOTH, Treasurer

The annexed notes form part of these financial statements

The Koestler Trust
Consolidated Cash Flow Statement
For the year ended 31 March 2025

	2025	2024
	£	£
Cash flows from operating activities		
Surplus/(deficit) for the financial year	2,521	*(35,594)*
Adjustments for:		
Depreciation	113,697	*2,912*
Decrease in debtors	2,892	*49,076*
(Increase)/decrease in creditors	(17,393)	*85,389*
Investment income	(12,649)	*(6,700)*
Net cash flows from operating activities	89,068	*95,083*
Cash flows from investing activities		
Purchase of tangible fixed assets	(64,525)	*(420,025)*
Purchase of investments (fixed and short term)	(124,728)	*43,275*
Return on investment - interest receivable	12,649	*6,700*
Net decrease in cash and cash equivalents	(87,536)	*(274,967)*
Cash and cash equivalents at 1 April 2024	1,004,809	*995,686*
Cash and cash equivalents at 31 March 2025	£ 917,273	*£ 720,719*

Components of cash and cash equivalents

	At 1 April 2024	Cashflows	At 31 March 2025
	£	£	£
Cash at bank and in hand	615,618	(87,536)	528,082

The Koestler Trust
Notes to the consolidated Financial Statements
For the year ended 31 March 2025

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102 have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Group financial statements

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Koestler (Sales) Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and SORP 2015.

Company status

The Koestler Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, it is probable that the amount will be received and the amount can be quantified with reasonable accuracy. Revenue grants recieved are deferred when conditions are attached, for example when they relate to a specific future period.

Investment Income is recognised on an accruals basis.

Resources Expended

Expenditure is recognised on an accruals basis, inclusive of irrecoverable VAT.

Charitable activities include expenditure associated with the staging of art exhibitions as an essential part of promoting artistic activities on the part of people within the criminal justice system, as set out in the Trust's Objectives stated in the Trustees report. They also include the award of prizes for the artistic merit of the work and the activities of the Koestler Art Centre, which organises the exhibitions, promotes the work of the Trust within the prison system, including specific arts projects and exhibits prisoner art on a permanent basis.

Support costs are overhead expenditure and management costs necessary in order to control the charitable activities of the Trust and ensure that the Trust's objectives are being achieved. They are allocated over the charity's expenditure headings, including fundraising, charitable activities and governance based on staff costs.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Koestler House on leased land	Over 10 years
Computer equipment	Over 4 years
Fixtures, fittings & equipment	Over 7 years

Pensions

The Charity contributes to a defined contribution pension scheme on behalf of a number of employees. The pension charge represents the amount payable by the charity to the pension fund in respect of the year.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, cash at bank and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	*Total Funds 2024 £*
Income for Charitable activities				
Donations from Public Sector	151,380	-	151,380	*155,130*
Donations from Trusts	433,284	36,900	470,184	*361,951*
Donations from Businesses	130,741	-	130,741	*86,862*
Donations from Individuals	107,524	-	107,524	*73,888*
Sales of Donated Goods	1,291	-	1,291	*645*
Legacies	46,006	-	46,006	*31,950*
	870,226	36,900	907,126	*710,426*
Capital Grants (note 3)	-	-	-	*46,942*
	£ 870,226	£ 36,900	£ 907,126	*£ 757,368*

Comparative donations and legacies

	Unrestricted Funds 2024	*Restricted Funds 2024*	*Total Funds 2024*
Income for Charitable activities	*£*	*£*	*£*
Donations from Public Sector	*151,380*	*3,750*	*155,130*
Donations from Trusts	*320,193*	*41,758*	*361,951*
Donations from Businesses	*86,612*	*250*	*86,862*
Donations from Individuals	*73,381*	*507*	*73,888*
Sales of Donated Goods	*645*	*-*	*645*
Legacies	*31,950*	*-*	*31,950*
	664,161	*46,265*	*710,426*
	-	*46,942*	*46,942*
	£ 664,161	*£ 93,207*	*£ 757,368*

In addition to the above grants, donations and legacies, the Ministry of Justice provides the charity with the use of leasehold land at HMP Wormwood Scrubs for the Koestler House. This use is provided at nil consideration. The benefit has not been recognised in the Statement of Financial Activities as its value cannot be measured reliably.

3. KOESTLER HOUSE DEVELOPMENT

	2025	*2024*
	£	*£*
Capital Funds brought forward	1,428,860	*1,381,918*
Restricted grants and donations (note 2)	-	*46,942*
	£ 1,428,860	*£ 1,428,860*
Analysis of Capital Funds (note 15)		
Designated Funds	82,503	*82,503*
Restricted Funds	1,346,357	*1,346,357*
	£ 1,428,860	*£ 1,428,860*
Capital costs incurred		
Building costs at 1 April 2024	1,378,177	*959,228*
Additions during the year ended 31 March 2025	62,093	*418,949*
Total capital costs incurred by 31 March 2025	£ 1,440,270	*£ 1,378,177*

The charity completed the move to the new building in 2024-25. Final payments to builders will be made on satisfactory completion of all snagging, and some expenditure on landscaping etc is ongoing.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2025	Restricted Funds 2025	Total Funds 2025	*Total Funds 2024*
	£	£	£	*£*
Earned income	-	-	-	*433*
Trading income	44,497	-	44,497	*49,053*
Total 2025	£ 44,497	£ Nil	£ 44,497	
Total 2024	*£ 49,053*	*£ Nil*		*£ 49,486*

5. INVESTMENT INCOME

	Unrestricted Funds 2025	Restricted Funds 2025	Total Funds 2025	*Total Funds 2024*
	£	£	£	*£*
Interest receivable from:				
Bank interest	12,649	-	12,649	*6,700*
Total 2025	£ 12,649	£ Nil	£ 12,649	
Total 2024	*£ 6,700*	*£ Nil*		*£ 6,700*

6. RESOURCES EXPENDED

	Staff costs	Other direct costs	Support costs	Total 2025	Total 2024
	£	£	£	£	£
Cost of charitable activities by project:					
UK Exhibition at Southbank	49,521	53,503	41,668	144,692	*60,412*
Out of London Exhibitions	54,612	10,359	45,951	110,922	*66,904*
Prizes Awarded	-	25,545	-	25,545	*36,118*
Arts Response & Awards	117,716	21,546	99,048	238,310	*281,988*
Publicity	38,885	10,532	32,718	82,135	*80,387*
Mentoring	59,189	10,737	49,803	119,729	*97,630*
Outreach and Involvement	45,843	10,573	38,573	94,989	*102,912*
Koestler sales	-	26,752	-	26,752	*18,141*
Total charitable expenditure	365,766	169,547	307,761	843,074	*744,492*
Costs of generating voluntary income	59,389	9,317	49,971	118,677	*104,656*
	£ 425,155	£ 178,864	£ 357,732	£ 961,751	*£ 849,148*

Resources expended include:

	2025	*2024*
Audit fee (inclusive of VAT)	6,876	*6,600*
Other services	2,136	*2,040*
Depreciation	113,697	*5,844*

Details of staff costs are given in Note 8.

6. RESOURCES EXPENDED (continued)

Comparative resources expended

	Staff costs	*Other direct costs*	*Support costs*	*Total 2024*
	£	*£*	*£*	*£*
Cost of charitable activities by project:				
UK Exhibition at Southbank	*15,835*	*33,583*	*10,994*	*60,412*
Out of London Exhibitions	*35,827*	*6,203*	*24,874*	*66,904*
Prizes Awarded	*-*	*36,118*	*-*	*36,118*
Arts Response & Awards	*152,955*	*22,838*	*106,195*	*281,988*
Publicity	*35,134*	*20,860*	*24,393*	*80,387*
Mentoring	*53,838*	*6,383*	*37,409*	*97,630*
Outreach and Involvement	*56,962*	*6,402*	*39,548*	*102,912*
Koestler sales	*-*	*18,141*	*-*	*18,141*
Total charitable expenditure	*350,551*	*150,528*	*243,413*	*744,492*
Costs of generating voluntary income	*56,640*	*8,691*	*39,325*	*104,656*
	£ 407,191	*£ 159,219*	*£ 282,738*	*£ 849,148*

7. SUPPORT COSTS

	Total 2025	*Total 2024*
	£	*£*
Governance costs	9,069	*9,320*
Staff costs	110,267	*132,903*
General overheads	238,396	*140,515*
	£ 357,732	*£ 282,738*

8. STAFF NUMBERS AND COSTS

	2025	*2024*
	£	*£*
Wages and salaries	443,522	*451,492*
Social security costs	42,701	*37,971*
Pension costs	27,505	*26,545*
Cost of contracted staff	20,160	*15,048*
Other staff related costs	1,534	*9,038*
	£ 535,422	*£ 540,094*

	2025	2024
	£	£
Allocated to:		
Charitable activities	365,766	*350,551*
Fundraising costs	59,389	*56,640*
Support costs	110,267	*132,903*
	£ 535,422	*£ 540,094*

Average number of employees	14	*17*

One (2024: one) employee received remuneration of more than £60,000 between £70,001 to £80,000.

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, Key management personnel includes the management team.

Following the recommendations of the National Council for Voluntary Organisations' guidance on *Setting and Communicating Remuneration Polices* (April 2014), and with the agreement of the individual staff involved, the Koestler Trust has started publishing the gross salaries of its management team. These are as follows:

	2025	2024
	£	£
Chief Executive	77,989	*75,617*
Director of Arts	48,102	*45,213*
Director of Outreach & Involvement	42,742	*43,241*
Director of Development	58,807	*50,399*
	£ 227,640	*£ 214,470*

9. TRUSTEES REMUNERATION AND BENEFITS

The Articles of Association allow for the payment of professional fees to Trustees under certain circumstances, however, during the year, no members of the Board of Trustees received any remuneration (2024 - £NIL). 1 member (2024 : 0 members) of the Board of Trustees received reimbursement of travel expenses amounting to £35 (2024 - £NIL). Other related party transactions are reported in note 18.

10. TANGIBLE FIXED ASSETS

	Koestler House	Fixture and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2024	1,378,177	3,784	20,450	1,402,411
Additions	62,093	-	2,432	64,525
At 31 March 2025	1,440,270	3,784	22,882	1,466,936
Depreciation				
At 1 April 2024	28,712	3,044	18,347	50,103
Charge for the year	111,434	426	1,837	113,697
At 31 March 2025	140,146	3,470	20,184	163,800
Net book value				
At 31 March 2025	£ 1,300,124	£ 314	£ 2,698	£ 1,303,136
At 31 March 2024	*£ 1,349,465*	*£ 740*	*£ 2,103*	*£ 1,352,308*

11. INVESTMENTS

	Charity 2025	Group 2025	*Charity 2024*	*Group 2024*
	£	£	*£*	*£*
CCLA COIF Charities Deposit Fund	231,686	231,686	*106,958*	*106,958*
Investment in subsidiaries (note 12)	1	-	*1*	-
	£ 231,687	£ 231,686	*£ 106,959*	*£ 106,958*

12. INVESTMENT IN SUBSIDIARIES

Koestler (Sales) Limited is a company limited by guarantee whose members are also the trustees of the Koestler Trust. The Company had a policy of donating 25% of sales income from participants' artwork to Victim Support and is included in the costs of sales. The Company also had a policy to gift aid its profits to the Trust.

The financial results of Koestler (Sales) Limited are as follows:

	2025	*2024*
	£	*£*
Turnover	44,497	*49,053*
Cost of sales	(21,762)	*(12,746)*
Administrative costs	(4,507)	*(5,135)*
Profit before Corporation Tax	18,228	*31,172*
Corporation tax charge	-	*(298)*
Net profit for the year	18,228	*30,874*
Gift Aid donations to Koestler Trust (see note below)	(481)	*(45,586)*
Change in reserves	£ 17,747	*£ (14,712)*
Current assets	35,352	*18,674*
	35,352	*18,674*
Liabilities	(13,051)	*(14,119)*
	£ 22,301	*£ 4,555*
Profit and loss account	22,301	*4,555*
Capital and reserves	£ 22,301	*£ 4,555*

Following are the inter-company transactions during the year and balances held at the year end.

	2025	*2024*
	£	*£*
Gift Aided donations to the parent charity (Koestler Trust):		
Gift Aid paid during the year from the prior year's pre-tax profits	-	*15,193*
Gift Aid paid during the year from the current year's pre-tax profits	481	*30,393*
Total Gift Aided donations made during the year	481	*£ 45,586*
Balance due to Koestler Trust as at 31 March 2025	1,000	*2,496*

13. DEBTORS

Due within one year	Charity 2025 £	Group 2025 £	*Charity 2024 £*	*Group 2024 £*
Gift Aid recoverable	5,006	5,006	*9,685*	*9,685*
Due from group undertakings	1,000	1,481	*2,496*	*-*
Prepayments and accrued income	27,607	28,246	*27,301*	*27,784*
Other debtors	-	-	*-*	*156*
	£ 33,613	£ 34,733	*£ 39,482*	*£ 37,625*

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity 2025 £	Group 2025 £	*Charity 2024 £*	*Group 2024 £*
Grants in advance	223,348	223,348	*238,784*	*238,784*
Payments due to Victim Support	-	6,080	*-*	*4,390*
Social security and other taxes	7,854	7,854	*9,384*	*9,384*
Accruals	7,956	15,404	*10,291*	*17,521*
Other creditors	-	-	*-*	*-*
	£ 239,158	£ 252,686	*£ 258,459*	*£ 270,079*

15. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Outreach Fund	20,000	-	(94,989)	124,989	50,000
Mentoring Fund	20,000	-	(20,000)	-	-
MLVM Planned activities	-	50,000	-	-	50,000
Arts Awards and Response Fund	80,000	-	(238,310)	248,310	90,000
Koestler House Capital costs	80,683	-	-	(60,683)	20,000
Koestler House Running costs	20,000	-	-	-	20,000
Fundraising and Comms development	10,000	-	(10,000)	30,000	30,000
Premises Fund	31,820	-	-	62,093	93,913
Fixed Assets Fund	2,843	-	-	169	3,012
	-			-	
	£ 265,346	£ 50,000	£ (363,299)	£ 404,878	£ 356,925
RESTRICTED FUNDS					
UK Exhibition at Southbank	-	-	-	-	-
Koestler House Development Fund	1,317,645	-	(111,434)	-	1,206,211
Mentoring	-	36,900	(36,900)	-	-
	£ 1,317,645	£ 36,900	£ (148,334)	£ Nil	£ 1,206,211
SUMMARY OF FUNDS					
Designated Funds	265,346	50,000	(363,299)	404,878	356,925
Subsidiary companies	4,556	44,497	(26,750)	-	22,303
General Funds	254,883	832,875	(423,368)	(404,878)	259,512
	524,785	927,372	(813,417)	-	638,740
Restricted Funds	1,317,645	36,900	(148,334)	-	1,206,211
	£ 1,842,430	£ 964,272	£ (961,751)	£ Nil	£ 1,844,951

15. STATEMENT OF FUNDS (continued)

Comparative statement of funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
Outreach Fund	*65,000*	*-*	*(102,912)*	*57,912*	*20,000*
Mentoring Fund	*50,000*	*-*	*(47,071)*	*17,071*	*20,000*
Arts Awards and Response Fund	*100,000*	*-*	*(281,988)*	*261,988*	*80,000*
Koestler House Capital costs	*-*	*-*	*-*	*80,683*	*80,683*
Koestler House Running costs	*-*	*-*	*-*	*20,000*	*20,000*
Fundraising and Comms development	*-*	*-*	*-*	*10,000*	*10,000*
Family Support and Hosts Fund	*15,000*	*-*	*(15,892)*	*892*	*-*
Website and Database Development Fund	*30,730*	*-*	*(35,357)*	*4,627*	*-*
Premises Fund	*-*	*-*	*-*	*31,820*	*31,820*
Fixed Assets Fund	*-*	*-*	*-*	*2,843*	*2,843*
	£ 260,730	*£ Nil*	*£ (483,220)*	*£ 487,836*	*£ 265,346*
RESTRICTED FUNDS					
UK Exhibition at Southbank	*-*	*17,818*	*(17,818)*	*-*	*-*
Koestler House Development Fund	*1,299,415*	*46,942*	*(28,712)*	*-*	*1,317,645*
Mentoring	*22,112*	*(18,495)*	*(3,617)*	*-*	*-*
	£ 1,321,527	*£ 46,265*	*£ (50,147)*	*£ Nil*	*£ 1,317,645*
SUMMARY OF FUNDS					
Designated Funds	*260,730*	*-*	*(483,220)*	*487,836*	*265,346*
Subsidiary companies	*19,268*	*49,053*	*(63,765)*	*-*	*4,556*
General Funds	*276,499*	*671,294*	*(205,074)*	*(487,836)*	*254,883*
	556,497	*720,347*	*(752,059)*	*-*	*524,785*
Restricted Funds	*1,321,527*	*46,265*	*(50,147)*	*-*	*1,317,645*
	£ 1,878,024	*£ 766,612*	*£ (802,206)*	*£ Nil*	*£ 1,842,430*

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds	General Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	3,012	1,300,124	1,303,136
Fixed asset investments	-	231,686	-	231,686
Net current assets	356,925	47,117	(93,913)	310,129
	£ 356,925	£ 281,815	£ 1,206,211	£ 1,844,951

Comparative analysis of net assets between funds

	Unrestricted Funds			
	Designated Funds	*General Funds*	*Restricted Funds*	*Total Funds*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*2,843*	*1,349,465*	*1,352,308*
Fixed asset investments	*-*	*106,958*	*-*	*106,958*
Net current assets	*265,346*	*149,638*	*(31,820)*	*383,164*
	£ 265,346	*£ 259,439*	*£ 1,317,645*	*£ 1,842,430*

17. PENSION COMMITMENTS

Pension costs in note 8 relate to payments made to a defined contribution pension scheme. The charitable company's liability is limited to making the payments due to the scheme on a timely basis. The liability at the 31 March 2025 is nil (2024 : nil).

18. RELATED PARTIES

The charity's transactions with the related parties are disclosed in notes 8 and 9. One trustee, Gary Mansfield, received a total fee of £400 for delivering a talk at a university and for a freelance visit to HMP Maidstone on behalf of Koestler Arts. There were no other related party transactions.

19. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2024	*Koestler House Restricted Funds 2024*	*Other Restricted Funds 2024*	*Total Funds 2024*
	£	*£*	*£*	*£*
INCOME AND ENDOWMENTS FROM:				
Donations and legacies				
for charitable activities	*664,161*	*-*	*46,265*	*710,426*
for capital development	*-*	*46,942*	*-*	*46,942*
Other trading activities	*49,486*	*-*	*-*	*49,486*
Investments	*6,700*	*-*	*-*	*6,700*
TOTAL	*720,347*	*46,942*	*46,265*	*813,554*
EXPENDITURE ON:				
Raising funds				
Costs of generating voluntary income	*104,656*	*-*	*-*	*104,656*
Charitable activities	*647,403*	*28,712*	*68,377*	*744,492*
TOTAL EXPENDITURE	*752,059*	*28,712*	*68,377*	*849,148*
NET MOVEMENT IN FUNDS	*(31,712)*	*18,230*	*(22,112)*	*(35,594)*
RECONCILIATION OF FUNDS:				
TOTAL FUNDS AT 31 MARCH 2023	*556,497*	*1,299,415*	*22,112*	*1,878,024*
TOTAL FUNDS AT 31 MARCH 2024	*£ 524,785*	*£ 1,317,645*	*£ Nil*	*£ 1,842,430*

THE KOESTLER TRUST

England & Wales - Charity number 1105759

Accounts

KOESTLER ARTS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31st MARCH 2024

Charity Number **01105759**

Company Number **04961363**

THE KOESTLER TRUST

REPORT AND ACCOUNTS

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TRUSTEES' REPORT

The Trustees, who are also directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, present their combined directors' and trustees' annual report with the financial statements of the Charity for the year ended 31st March 2024. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 and comply with the Charity's governing document, applicable law and the requirements of the Statements of Recommended Practice (FRS 102). The Company has taken advantage of the exemptions available to smaller entities.

LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity number:	1105759
Company limited by guarantee number:	4961363
Principal and Registered address:	Koestler Arts Centre, 170 Du Cane Road, London W12 0TX
Telephone:	020 8740 0333
Email:	info@koestlerarts.org.uk
Website:	www.koestlerarts.org.uk
Auditors:	Knox Cropper LLP, 65 Leadenhall Street, London EC3A 2AD

Trustees and Company Directors:
Sir Richard Heaton KCB (Chair)
Andrea Rose (Vice Chair and Chair of the Arts sub-committee)
Sally Bacon OBE (from 28 September 2023)
Gary Badley
Ariane Bankes (to 26 March 2024)
Jasmin Booth (Treasurer and Chair of the Finance and HR sub-committee)
Tom Campbell (Chair of the Koestler House sub-committee)
Carl Hardwick
Dr Nora Laraki
Gary Mansfield (Chair of the Outreach and Involvement sub-committee)
Page Nyame Satterthwaite
Carrie Peters (from 29 June 2023)
Nicola Solomons (to 19 May 2023)

Company Secretary and Chief Executive Officer:
Fiona Curran (Interim Chief Executive from 1 April 2023, Chief Executive from 1 June 2023)

Honorary President:
Ariane Bankes (from 28 March 2024)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Koestler Trust (working name Koestler Arts) is governed by its Memorandum and Articles. Updated Articles of Association were adopted by special resolution passed on 14 December 2022.

The Board of Trustees met four times during the year and the Annual General Meeting was held on 13 December 2023.

The Board has four sub-committees, each of which provides oversight of specific aspects of the charity's work:

- The Finance and HR sub-committee is chaired by the Treasurer and includes the Chair, Vice Chair, Chief Executive, Finance Manager and Development Director. It met on four occasions by Zoom during the year, scrutinising the finances and HR.
- The Outreach and Involvement sub-committee is chaired by Gary Mansfield and serviced by Sarah Matheve, Director of Outreach and Involvement. It oversees the mentoring programme and all other ways that the Charity engages with its beneficiaries, including work experience placements at the Koestler Arts Centre, family days and outreach visits to establishments. The group includes service-users and representatives from partner agencies.
- The Arts sub-committee is chaired by the Vice Chair and serviced by Phoebe Dunn, Director of Arts. It oversees the Koestler Awards process, exhibitions and sales. This group also includes award-winners, Koestler Awards judges, and prison art tutors.
- The Koestler House sub-committee is chaired by Tom Campbell and is serviced by the Chief Executive. The group provides oversight and guidance for the new Koestler Arts Centre construction project and building maintenance.

Staff management is underpinned by Support and Supervision meetings, where each member of staff meets one-to-one with their line manager every 4-6 weeks. The outcomes of these meetings are recorded in writing. Team meetings are held every three weeks. The Chief Executive's Support and Supervision is provided by the Chair of Trustees. Pro-bono HR support is provided by Ingeus.

RISK AND INTERNAL CONTROL

An overall risk assessment is reported annually to the Board of Trustees. This addresses specific aspects of infrastructure and activity, including data protection, health and safety, human resources, environmental impact and office fabric and equipment. Each of these areas is the responsibility of a designated member of staff, who reports regularly to the team meeting.

CHARITY OVERVIEW

The Koestler Trust, which uses the working name 'Koestler Arts,' was established in 1962. Our vision is that the power of the arts unlocks hope, talent and potential in the lives of people in the criminal justice system.

Our mission is to inspire participation in the arts by people in prisons and beyond, and to build public recognition of their creative work, fostering communities that support rehabilitation.

We achieve our mission by working towards three goals:

- To motivate and support people in custody and on community sentences, including probation, to participate in the arts, ensuring that the educational, social and wellbeing benefits of the arts are accessible to everyone.
- To share this creativity with communities across the UK through dynamic public programmes, enabling everyone to experience this powerful work and the hidden stories of change within the criminal justice system.
- To maintain a sustainable operational base, with strong partnerships and effective income streams, that make efficient use of resources.

We work with every prison and medium and high secure hospital in the UK, as well as young offender institutions, secure children's homes, immigration removal centres, youth offending teams and probation services. We are unique in our nationwide reach — motivating people in Northern Ireland, Scotland, Wales and England, as well as British people who are imprisoned abroad, to participate in the arts. As well as our core programme, the annual Koestler Awards, we offer the only arts membership scheme for prisoners and the only multi-artform, arts mentoring for prison-leavers in England and Wales. Our programmes are open to anyone who is in custody or is supervised in the community, whether they are engaged with prison education classes or not. Our exhibitions and events around the UK, online showcasing, and publications offer opportunities for members of the public to see beyond the prison walls and experience this rich and diverse creativity. This helps build communities that are more likely to support resettlement and rehabilitation.

The charity's small, dedicated team is based at our office next to HM Prison Wormwood Scrubs in London. From here we deliver programmes across the UK and online, while raising the funds each year to enable our important work to continue.

CHARITABLE OBJECTS

As registered with the Charity Commission, the Charity's charitable objects are: 'for the advancement of the arts and education and for purposes beneficial to the community: a) to promote the creative enterprise of inmates and former inmates of prisons, young offender institutions, secure units and any other establishment for the lawful detention of individuals including patients and former patients in high security psychiatric and other hospital units in the United Kingdom ("the institution") and those subject to non-custodial orders in the United Kingdom and persons subjected to similar regimes outside the United Kingdom in the fields of the visual and performing arts, sciences, crafts or trades by the provision of awards to such persons and groups of persons for meritorious work and the exhibition of their work; and b) to institute or support worthwhile artistic or creative projects at any of the institutions which aim to stimulate the education or skills of such persons and to assist in their rehabilitation and resettlement in society.'

The Trustees refer to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to our vision and mission.

ACTIVITIES AND ACHIEVEMENTS 2023-24

A year of change

The new Koestler Arts Centre on the grounds of HM Prison Wormwood Scrubs, London.

In January 2024 the charity moved into the new Koestler Arts Centre. This bright, welcoming building was constructed from used shipping containers by Container City and increases our ability to respond to creative work sent to us from across the UK. There was no gap in our service provision while we moved in: the 2023 entries were returned from the old building and the 2024 Koestler Awards entries were received into the new building. We are planning new ways to make our building work for us, including hosting corporate partners for volunteering days, supporter events and public displays. Most importantly, the arts processing area makes for a more efficient space to respond to thousands of artworks. The team is grateful to past staff, committee members and the many people who gave their advice and time during this transformative project.

Special thanks are due to: Arts Council England, Paul Hamlyn Foundation, HMPPS, The Clothworkers' Foundation, The 29th May 1961 Charitable Trust, Garfield Weston Foundation, Bernard Sunley Foundation, The Mila Charitable Organisation, Tudor Trust, Artists' Collecting Society (ACS), The Murray family, Patrick Holmes, Sally Zimmermann, David Banks, Ariane Bankes, Marie Golding, John and Carol Wates and The de Laszlo Foundation.

In June 2023, after an open recruitment process, Fiona Curran was appointed Chief Executive. Fiona has been part of our management team since 2009, leading our showcasing programmes and the Koestler Awards process. Throughout 2023-24, Fiona has led the trustees and staff in considering participant and other stakeholder feedback, developing new ideas and assessing opportunities and challenges, towards building a new five-year strategic plan.

We worked with Splitpixel Ltd to launch a new website this year. The new site makes it easier for entrants, the public and supporters to get involved and access artistic

inspiration. Entrants and other audiences can now view video tips from Awards judges; 'Art Aid' entrant-produced activity resources; galleries of award-winning entries; and past entrants' inspirational stories of change. Prisons as far away as Columbia have let us know that they have used resources from the new site.

There were several other staff and board changes during the year, including a new Development Director, Stephanie Weber, and a new Director of Arts, Phoebe Dunn, joining the management team. We welcomed volunteers as Koestler Awards judges and feedback-writers, and to help us process artwork through the annual cycle.

Inspiring Futures, *An Evaluation of the Meaning and Impact of Arts Programmes in Criminal Justice Settings*, research led by the National Criminal Justice Arts Alliance and the University of Cambridge, of which we were a partner, was launched in March 24. The report examines the impact of the arts in prisons, over several years and artforms, on participants, staff and the public. The outcomes reinforce what our participants, mentees and the professionals working with them tell us:

> *'many of the men and women who took part spoke of how the programmes brought personal, social and creative benefits to their present lives and inspired new ways of envisioning their futures.'*
> *(Inspiring Futures, An Evaluation of the Meaning and Impact of Arts Programmes in Criminal Justice Settings*, Lanskey, Doxat-Pratt, Gelsthorpe, University of Cambridge, 2024, p98)

Inspiring participation in the arts by people in prisons and beyond

Entries to the Koestler Awards being processed and given feedback by volunteers

3,957 people (29% increase on 2022) entered the 2023 Koestler Awards, submitting 8,165 pieces of writing, craft, fine art, design and music. 316 criminal justice settings participated. 1,698 people took part for the first time. We annually survey our entrants to hear their views on our work and to learn more about the impact participating in the Koestler Awards and our other programmes makes:

- 85% of respondents told us that the Koestler Awards improved their self-confidence.
- 66% said participating improved their relationships with establishment staff.
- 63% said participating improved their relationships with family.

Koestler Arts provides people in custody with one of the only ways of interacting with the outside world. The most common reasons respondents to our survey gave for entering the Koestler Awards were to 'get feedback (63%)' and 'to get my work seen (48%).'

In 2023-24 over £30,000 was allocated in prize money to Koestler Awards entrants by 76 awards judges, including Jeremy Deller, Coco Sato, Jenny Éclair, Misan Harriman, Hot Chip, and previous Koestler Awards entrants and mentees. Access Stipends totalling £3,750 were distributed across the judging panels to ensure that our awards judges came from a range of backgrounds, including people with lived experience of prison (19%).

Despite the increase in entry numbers, we were able to send more participants written feedback from our staff, volunteers, awards judges and the public than the previous year — with 88% receiving at least one piece. This is particularly important as our entrants tell us that receiving feedback is one of the most impactful parts of participating in the Koestler Awards.

> '*It gave me confidence in myself and my work. I found it very* personal and such a caring touch.'
>
> Entrant's comment on receiving feedback on his/her work

Fifteen establishment visits were delivered during the year, several of them by someone who has experience of imprisonment. These visits help recognise the achievements of existing participants and encourage people to engage with our programmes for the first time. 35 prison and hospital art tutors attended our Art Tutors' Seminar in November at Southbank Centre. As well as offering educators an opportunity to exchange learning and ideas, it was a chance for us to discuss plans for the new strategy, including ways in which we could digitalise more of the Koestler Awards process.

Over 750 'Associates' were actively engaged in our free membership programme for people in prisons and beyond during the year. Our Associates were offered the chance to engage in two creative challenges. One challenge was to design bookmarks to be sent with copies of our new poetry anthology as a thank-you to its crowdfunding supporters. The other was to create a postcard for our 'Postcards from Prisons' fundraising lottery event, which offered supporters an artwork by a Koestler Awards participant or a professional artist (including Grayson Perry RA, Haroon Mirza, Jeremy Deller and Vanessa Jackson RA). We plan to offer our Associates the opportunity to participate in three further creative tasks in 2024-25, one of which is made possible by an individual's generous support.

We provided mentoring for 23 people this year, supporting them to continue in the arts after release from prison. Over 231 mentees have now benefited from this unique, bespoke programme across England and Wales. As Koestler Arts Mentoring approaches 20 years of delivery, we are welcoming former mentees back as mentors, eager to share their experiences and guide a new generation.

We sold over 200 original artworks this year, online and at our Pop-Up Shop, with income going to participants, motivating them to keep creating, to Koestler Arts and Victim Support. The works also found homes in offices and houses around the country — each piece an ambassador for the good that can come out of positive activity in the criminal justice system.

Fostering communities that support rehabilitation

Standing on the Edge at the John Hansard Gallery, Southampton

This year we produced two exhibitions, two poetry events, a theatre event, and a new poetry anthology. We also presented work by mentees and past participants at the Affordable Art Fair and Chiswick Book Fair.

In July, our team worked with ten men at HM Prison Isle of Wight to co-curate our first exhibition of work from the South West and Hampshire, held in partnership with the John Hansard Gallery in Southampton. The learners took part in four days of curating sessions, considering all entries to the Koestler Awards from the area. Their beautiful exhibition, which they titled *Standing on the Edge*, ran from October 2023 to January 2024.

Joelle Taylor, a T.S. Eliot Award-winning poet, selected work from across the UK for our annual exhibition, which she titled *IN CASE OF EMERGENCY.* The show was held at the Southbank Centre from November to December 2023. Joelle's selection included around 180 pieces of music, writing, and visual art. The exhibition was opened by the then Minister of State for Prisons, the Rt Hon Damian Hinds MP and later visited by his successor in that post, the Rt Hon Edward Argar MP.

Over 15,000 people visited these shows in person, with more than 5,500 vote/feedback cards completed. Thousands more people engaged with Koestler Awards artwork through our vibrant social media output and our new website, which featured exhibition films and image galleries.

> *'Very impressive. Just shows what people are capable of achieving when given some help.'*
>
> *'Gives people a voice that were not being listened to — but we now hear and see them.'*
>
> Exhibition visitors

We held three Friends & Family Days during our UK exhibition at Southbank Centre, and one at the regional exhibition in Southampton. Participating artists' friends and family members were supported to attend the events with tours, activities, delicious catering,

and help with travel costs. These annual events are a chance to celebrate the positive achievements of loved ones and to enjoy inspiring art together with others.

> *'Today has meant a lot. To have my son's music played at an exhibition has made me so proud. I hope that having this experience, and being recognised and rewarded for something he loves doing, will give my son the inspiration and drive he needs to stay out of prison and have a successful life ahead.'*
>
> Friends & Family Day attendee

Two people with lived experience of prison led the delivery of our free public exhibition tours at the Southbank Centre, giving visitors more information about the artwork and the arts in the criminal justice system.

Our team also produced a beautiful anthology of poetry that was entered into the Koestler Awards in 2022 and 2023. Copies of the book were sent to every prison library and sold at exhibitions and online. We partnered with Synergy Theatre Project to present stage plays from the 2023 Awards at the Royal Court Theatre and our sell-out spoken word and poetry event, *Voices from Prison,* took place at the Southbank Centre in November.

In 2024-25, we will make the final payments on our new building and complete the fit-out of the new space. We will roll out a new fundraising database and further develop our new Patrons Programme. Our team will aim to build partnerships with business supporters and use our new building to increase the number of public and corporate volunteering days. We look forward to producing two exhibitions: a UK showcase curated by artists Jeremy Deller and John Costi (who is a past Koestler Award-winner) at Southbank Centre, London and a North East of England showcase at Baltic, Gateshead, curated by women in HM Prison Low Newton.

FINANCIAL REVIEW

Our consolidated income in 2023-24 was £813,554. Despite high inflation, we were able to make efficiencies this year by reducing print and exhibition furniture production, securing in-kind and pro-bono support, and maintaining strong partnerships. These changes, as well as pausing some staff recruitment while the new Chief Executive worked on our strategy, and the completion of our capital project, made both our income and our expenditure lower than in recent years. We ended the year with a small, manageable deficit.

Our largest supporter was again Paul Hamlyn Foundation, with their 2023-24 grant providing an invaluable foundation for the team's fundraising efforts to build upon. Government funding remained at a similar level to previous years. We were pleased to be part of the Arts Council England National Portfolio again through a new agreement for the period 2023-2026, with a grant of £76,380 per year. We also entered into another three-year agreement with HMPPS. Our trustees and leadership team observe that standstill funding levels present a growing challenge for the Charity, as our costs continue to increase.

Trust and foundations remain the largest source of our income. However, like many charities, we are finding this funding increasingly difficult to secure. In this context, we are particularly grateful to our Scholarship funders, William Arthur Rudd Memorial Trust and Maingot Charitable Trust, for increasing their ongoing support, and to the Bromley Trust for the last donation of their 2022-24 Scholarship grant. The Marie-Louise von Motesiczky Charitable Trust, a longstanding supporter, funded new Scholarships in 2023-24 and agreed funding till 2027-28. We are honoured to count on the endorsement and legacy

of these foundations, giving more prison-leavers the opportunity to find new beginnings through the arts. In this financial year, we were also grateful to receive support from the Monday Charitable Trust, AB Charitable Trust, Leon Kossoff Estate, T.S. Eliot Foundation, Taurus Foundation, Valentine Charitable Trust, and several smaller grants by foundations and art societies — all incredibly impactful in this difficult funding landscape.

In terms of corporate support, we were delighted to again count on ongoing partnerships with Sodexo, Serco, Elysium and CCLA Investment Management. We were pleased to again receive a donation from Doughty Street Chambers, as one of their donations committee's selected charities.

It was encouraging to see strong levels of donations from supporters, despite the cost-of-living crisis. The team has built longstanding relationships with many individuals who ensured the success of our fundraising projects in 2023-24, including the Postcards from Prison event, anthology crowdfunder, and the named Koestler Awards. In the autumn, we auctioned a drawing generously donated by Sir Antony Gormley, the curator of our UK exhibition in 2017.

Legacies and major donations from individuals are not, to date, a regular or predictable income source for Koestler Arts. We are working hard to develop this area, but in the meantime, we are thankful to a small number of major donors who made generous contributions, as well as to the estates of John Gray and Olga Martin for legacy gifts received in 2023-24.

Finally, Koestler Arts was proud to be selected as a charity partner for both the 2023 Affordable Art Fair in Hampstead and the Chiswick Book Festival. Both organisations made donations from the proceeds of ticket sales. Members of the staff team, trustees and volunteers worked together at these events to reach new supporters and spread the word about the charity's work and impact.

We are proud to be a Living Wage Employer.

RESERVES

The Charity has no permanent endowment. It must raise money on an ongoing basis. The Trustees' policy is to have reserves of unrestricted funds for the total costs of running the Charity for at least three months ahead. At the year end, the Charity had free reserves of £254,883 with the unrestricted reserve of £520,229. This level of reserves includes funds for final payments and set up of the new building.

FUNDRAISING PRACTICES

All fundraising for Koestler Arts is undertaken by the staff team, led by the Chief Executive and Development Director. No professional fundraisers or commercial participators carry out any fundraising activities on our behalf. Donor data is maintained on a secure database, and staff have undertaken training in the requirements of GDPR legislation.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statement in accordance with applicable law and United Kingdom generally accepted accounting practice. Company law requires the Trustees to prepare financial statements for each

financial year which give a true and fair view of the state of affairs of the Charity and of the net income or expenditure of the Charity for the year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are 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.

The Trustees, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the Company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

During the year, the Charity has moved its operations into a brand new up-cycled building at HM Prison Wormwood Scrubs, a move which symbolises so much of what the Charity is about: sunlight, renewal and creativity. This year we have also weathered a period of financial challenges caused by high inflation against flat or declining income streams. On behalf of all the Trustees, I would like to thank our dedicated staff team, led by our Chief Executive Fiona Curran, for whom this eventful and challenging year was her first in post. Under Fiona's leadership, we have also started to put in place an ambitious strategic framework, with clarity on our goals, better and more effective delivery, and a determination to reach all cohorts who are detained or under supervision. I would like to thank my fellow Trustees too, and everyone else who has volunteered to help us during the year.

We remain a remarkable arts organisation and a force for rehabilitation and positive change. It is a privilege to be able to lend to our participants a public platform, a display cabinet, or an exhibition wall.

Approved by the Trustees and signed on their behalf by:

Richard Heaton

Sir Richard Heaton KCB
Chair of Trustees

Sir Richard Heaton KCB (Dec 18, 2024, 9:54am)

18 December 2024
DATE _____

The Koestler Trust
Independent Auditor's Report To The Members Of The Koestler Trust For the year ended 31 March 2024

Opinion

We have audited the financial statements of The Koestler Trust (the 'parent company') and its subsidiary ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2024 and of the group's 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

/Continued ...

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report .

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

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(Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) applicable to smaller entities and the Companies Act 2006.
- We understood how the charitable company is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures. The charitable company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override and allocation of costs to charitable activities and restricted funds.
- Our approach was to check that the income from grants and donations were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed the transactions with the subsidiary company, major journal adjustments along with unusual transactions and considered the identification and disclosure of related party transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *https://www.frc.org.uk/auditorsresponsibilities.* This description forms part of our auditor's report.

/Continued ...

(Continued)

Use of our report

This report is made solely to the parent 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 parent company'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 parent company and the parent company's members as a body, for our audit work, for this report or for the opinions we have formed.

Shoaib Arshad (Senior Statutory Auditor)
For and on behalf of:
Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

19 December 2024

Registered company no. 04961363

The Koestler Trust
Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 March 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	*Total Funds 2023 £*
INCOME AND ENDOWMENTS FROM:					
Donations and legacies					
for charitable activities	2	664,161	46,265	710,426	*907,028*
for capital development	2	-	46,942	46,942	*490,268*
Other trading activities	4	49,486	-	49,486	*37,048*
Investments	5	6,700	-	6,700	*2,370*
TOTAL		720,347	93,207	813,554	*1,436,714*
EXPENDITURE ON:					
Raising funds					
Costs of generating voluntary income		104,656	-	104,656	*136,057*
Charitable activities		647,403	97,089	744,492	*859,876*
TOTAL EXPENDITURE	6	752,059	97,089	849,148	*995,933*
NET MOVEMENT IN FUNDS		(31,712)	(3,882)	(35,594)	*440,781*
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 APRIL 2023		*556,497*	*1,321,527*	*1,878,024*	*1,437,243*
TOTAL FUNDS AT 31 MARCH 2024		£ 524,785	£ 1,317,645	£ 1,842,430	*£ 1,878,024*

All income and expenditure has arisen from continuing activities. None of the Charity's activities were acquired or discontinued during the above two financial years.

The Koestler Trust

(company limited by guarantee) (registered company no. 04961363)

Consolidated Balance Sheet

As at 31 March 2024

	Notes	Charity 2024 £	Group 2024 £	*Charity 2023 £*	*Group 2023 £*
FIXED ASSETS					
Tangible assets	10	1,352,309	1,352,308	*966,638*	*966,637*
Investments	11	106,959	106,958	*102,000*	*101,999*
		1,459,268	1,459,266	*1,068,638*	*1,068,636*
CURRENT ASSETS					
Debtors	13	39,482	37,625	*90,304*	*89,202*
Cash at bank and in hand	14	597,583	615,618	*970,102*	*1,004,809*
		637,065	653,243	*1,060,406*	*1,094,011*
CREDITORS: amounts falling due within one year	15	(258,459)	(270,079)	*(270,288)*	*(284,623)*
NET CURRENT ASSETS		378,606	383,164	*790,118*	*809,388*
NET ASSETS		£ 1,837,874	£ 1,842,430	*£ 1,858,756*	*£ 1,878,024*
FUNDS					
Unrestricted funds:					
Designated funds	16	265,346	265,346	*260,730*	*260,730*
Subsidiary companies	16	-	4,556	-	*19,268*
General fund	16	254,883	254,883	*276,499*	*276,499*
		520,229	524,785	*537,229*	*556,497*
Restricted funds	16	1,317,645	1,317,645	*1,321,527*	*1,321,527*
		£ 1,837,874	£ 1,842,430	*£ 1,858,756*	*£ 1,878,024*

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard 102. The financial statements were approved, and authorised for issue, by the Board of Trustees on 18 December 2024 and signed on their behalf by:-

Richard Heaton

SIR RICHARD HEATON KCB, Chair

J Booth

):54am)

JASMIN BOOTH, Treasurer

Jasmin Booth (Dec 18, 2024, 3:41pm)

The Koestler Trust
Consolidated Cash Flow Statement
For the year ended 31 March 2024

	2024	2023
	£	£
Cash flows from operating activities		
(Deficit)/surplus for the financial year	(35,594)	*440,781*
Adjustments for:		
Depreciation	34,354	*2,912*
Decrease/(increase) in debtors	51,577	*(2,501)*
(Increase)/decrease in creditors	(14,544)	*99,933*
Investment income	(6,700)	*(2,370)*
Net cash flows from operating activities	29,093	*538,755*
Cash flows from investing activities		
Purchase of tangible fixed assets	(420,025)	*(490,406)*
Purchase of investments (fixed and short term)	(4,959)	*48,234*
Return on investment - interest receivable	6,700	*2,370*
Net (decrease)/increase in cash and cash equivalents	(389,191)	*98,953*
Cash and cash equivalents at 1 April 2023	1,004,809	*995,686*
Cash and cash equivalents at 31 March 2024	£ 615,618	*£ 1,094,639*

Components of cash and cash equivalents

	At 1 April 2023	Cashflows	At 31 March 2024
	£	£	£
Cash at bank and in hand	1,004,809	(389,191)	615,618

The Koestler Trust
Notes to the consolidated Financial Statements
For the year ended 31 March 2024

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102 have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Group financial statements

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Koestler (Sales) Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and SORP 2015.

Company status

The Koestler Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, it is probable that the amount will be received and the amount can be quantified with reasonable accuracy. Revenue grants recieved are deferred when conditions are attached, for example when they relate to a specific future period.

Investment Income is recognised on an accruals basis.

Resources Expended

Expenditure is recognised on an accruals basis, inclusive of irrecoverable VAT.

Charitable activities include expenditure associated with the staging of art exhibitions as an essential part of promoting artistic activities on the part of people within the criminal justice system, as set out in the Trust's Objectives stated in the Trustees report. They also include the award of prizes for the artistic merit of the work and the activities of the Koestler Art Centre, which organises the exhibitions, promotes the work of the Trust within the prison system, including specific arts projects and exhibits prisoner art on a permanent basis.

Support costs are overhead expenditure and management costs necessary in order to control the charitable activities of the Trust and ensure that the Trust's objectives are being achieved. They are allocated over the charity's expenditure headings, including fundraising, charitable activities and governance based on staff costs.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Koestler House on leased land	Over 10 years
Computer equipment	Over 4 years
Fixtures, fittings & equipment	Over 7 years

Pensions

The Charity contributes to a defined contribution pension scheme on behalf of a number of employees. The pension charge represents the amount payable by the charity to the pension fund in respect of the year.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, cash at bank and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	*Total Funds 2023*
	£	£	£	*£*
Income for Charitable activities				
Donations from Public Sector	151,380	3,750	155,130	*162,630*
Donations from Trusts	320,193	41,758	361,951	*282,446*
Donations from Businesses	86,612	250	86,862	*89,078*
Donations from Individuals	73,381	507	73,888	*92,483*
Sales of Donated Goods	645	-	645	-
Legacies	31,950	-	31,950	*280,391*
	664,161	46,265	710,426	*907,028*
Capital Grants (note 3)	-	46,942	46,942	*490,268*
	£ 664,161	£ 93,207	£ 757,368	*£ 1,397,296*

Comparative donations and legacies

	Unrestricted Funds 2023	*Restricted Funds 2023*	*Total Funds 2023*
Income for Charitable activities	*£*	*£*	*£*
Donations from Public Sector	*151,380*	*11,250*	*162,630*
Donations from Trusts	*253,903*	*28,543*	*282,446*
Donations from Businesses	*76,261*	*12,817*	*89,078*
Donations from Individuals	*85,857*	*6,626*	*92,483*
Legacies	*280,391*	*-*	*280,391*
	847,792	*59,236*	*907,028*
	-	*490,268*	*490,268*
	£ 847,792	*£ 549,504*	*£ 1,397,296*

In addition to the above grants, donations and legacies, the Trust received the use of 168a Du Cane Road, and the costs associated with maintaining the premises, free of charge from HMP Wormwood Scrubs. This benefit is not included in the Statement of Financial Activities as the value cannot be ascertained without substantial expense on a quantity surveyor.

3. KOESTLER HOUSE DEVELOPMENT

	2024	*2023*
	£	*£*
Capital Funds brought forward	1,381,918	*891,650*
Restricted grants and donations (note 2)	46,942	*490,268*
	£ 1,428,860	*£ 1,381,918*
Analysis of Capital Funds (note 16)		
Designated Funds	82,503	*82,503*
Restricted Funds	1,346,357	*1,299,415*
	£ 1,428,860	*£ 1,381,918*
Capital costs incurred		
Building costs at 1 April 2023	959,228	*470,964*
Additions during the year ended 31 March 2024	418,949	*488,264*
Total capital costs incurred by 31 March 2024	£ 1,378,177	*£ 959,228*

The development of the new building completed in 2023-4. The Trust moved its office to the new building at 170 Du Cane Road on 15 January 2024, and moved its arts processes early in 2024-25.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	*Total Funds 2023*
	£	£	£	*£*
Earned income	433	-	433	*-*
Trading income	49,053	-	49,053	*37,048*
Total 2024	£ 49,486	£ Nil	£ 49,486	
Total 2023	*£ 37,048*	*£ Nil*		*£ 37,048*

5. INVESTMENT INCOME

	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	*Total Funds 2023*
	£	£	£	*£*
Interest receivable from:				
Bank interest	6,700	-	6,700	*2,370*
Total 2024	£ 6,700	£ Nil	£ 6,700	
Total 2023	*£ 2,370*	*£ Nil*		*£ 2,370*

6. RESOURCES EXPENDED

	Staff costs	Other direct costs	Support costs	Total 2024	Total 2023
	£	£	£	£	*£*
Cost of charitable activities by project:					
UK Exhibition at Southbank	15,835	33,583	10,994	60,412	*159,267*
Out of London Exhibitions	35,827	6,203	24,874	66,904	*76,349*
Prizes Awarded	-	36,118	-	36,118	*28,539*
Arts Response & Awards	152,955	22,838	106,195	281,988	*259,630*
Publicity	35,134	20,860	24,393	80,387	*79,800*
Mentoring	53,838	6,383	37,409	97,630	*76,614*
Outreach and Involvement	56,962	6,402	39,548	102,912	*157,822*
Koestler sales	-	18,141	-	18,141	*21,855*
Total charitable expenditure	350,551	150,528	243,413	744,492	*859,876*
Costs of generating voluntary income	56,640	8,691	39,325	104,656	*136,057*
	£ 407,191	£ 159,219	£ 282,738	£ 849,148	*£ 995,933*

Resources expended include:

	2024	*2023*
Audit fee (inclusive of VAT)	6,876	*6,600*
Other services	2,136	*2,040*
Depreciation	34,354	*5,844*

Details of staff costs are given in Note 8.

6. RESOURCES EXPENDED (continued)

Comparative resources expended

	Staff costs	*Other direct costs*	*Support costs*	*Total 2023*
	£	*£*	*£*	*£*
Cost of charitable activities by project:				
UK Exhibition at Southbank	*35,323*	*101,462*	*22,482*	*159,267*
Out of London Exhibitions	*32,307*	*23,480*	*20,562*	*76,349*
Prizes Awarded	*-*	*28,539*	*-*	*28,539*
Arts Response & Awards	*141,538*	*28,008*	*90,084*	*259,630*
Publicity	*27,925*	*34,102*	*17,773*	*79,800*
Mentoring	*41,195*	*9,200*	*26,219*	*76,614*
Outreach and Involvement	*90,761*	*9,295*	*57,766*	*157,822*
Koestler sales	*-*	*21,855*	*-*	*21,855*
Total charitable expenditure	*369,049*	*255,941*	*234,886*	*859,876*
Costs of generating voluntary income	*74,837*	*13,589*	*47,631*	*136,057*
	£ 443,886	*£ 269,530*	*£ 282,517*	*£ 995,933*

7. SUPPORT COSTS

	Total 2024	*Total 2023*
	£	*£*
Governance costs	9,320	*15,520*
Staff costs	132,903	*168,605*
General overheads	140,515	*98,392*
	£ 282,738	*£ 282,517*

8. STAFF NUMBERS AND COSTS

	2024	*2023*
	£	*£*
Wages and salaries	451,492	*521,700*
Social security costs	37,971	*42,927*
Pension costs	26,545	*28,294*
Cost of contracted staff	15,048	-
Other staff related costs	9,038	*19,570*
	£ 540,094	*£ 612,491*

	2024	2023
	£	£
Allocated to:		
Charitable activities	350,551	*369,049*
Fundraising costs	56,640	*74,837*
Support costs	132,903	*168,605*
	£ 540,094	*£ 612,491*

Average number of employees	17	*21*

One (2023: one) employee received remuneration of more than £60,000 between £60,001 to £70,000.

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, Key management personnel includes the management team.

Following the recommendations of the National Council for Voluntary Organisations' guidance on *Setting and Communicating Remuneration Polices* (April 2014), and with the agreement of the individual staff involved, the Koestler Trust has started publishing the gross salaries of its management team. These are as follows:

	2024	2023
	£	£
Chief Executive	75,617	*71,685*
Director of Arts	45,213	*17,886*
Director of Outreach & Involvement	43,241	*40,456*
Director of Development	50,399	*46,038*
	£ 214,470	*£ 176,065*

9. TRUSTEES REMUNERATION AND BENEFITS

The Articles of Association allow for the payment of professional fees to Trustees under certain circumstances, however, during the year, no members of the Board of Trustees received any remuneration (2023 - £NIL).
No members of the Board of Trustees received reimbursement of expenses (2023 - £NIL).

10. TANGIBLE FIXED ASSETS

	Koestler House	Fixture and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2023	959,228	3,784	19,374	982,386
Additions	418,949	-	1,076	420,025
At 31 March 2024	1,378,177	3,784	20,450	1,402,411
Depreciation				
At 1 April 2023	-	2,080	13,669	15,749
Charge for the year	28,712	964	4,678	34,354
At 31 March 2024	28,712	3,044	18,347	50,103
Net book value				
At 31 March 2024	£ 1,349,465	£ 740	£ 2,103	£ 1,352,308
At 31 March 2023	*£ 959,228*	*£ 1,704*	*£ 5,705*	*£ 966,637*

The construction of 'Koestler House' was completed on land that is leased for 10 years during the year.

11. INVESTMENTS

	Charity 2024	Group 2024	*Charity 2023*	*Group 2023*
	£	£	*£*	*£*
CCLA COIF Charities Deposit Fund	106,958	106,958	*101,999*	*101,999*
Investment in subsidiaries (note 12)	1	-	*1*	-
	£ 106,959	£ 106,958	*£ 102,000*	*£ 101,999*

12. INVESTMENT IN SUBSIDIARIES

Koestler (Sales) Limited is a company limited by guarantee whose members are also the trustees of the Koestler Trust. The Company had a policy of donating 25% of sales income from participants' artwork to Victim Support and is included in the costs of sales. The Company also had a policy to gift aid its profits to the Trust. Two of the Trustees were directors of Koestler (Sales) Ltd during the year: Dr Nora Laraki and Gary Mansfield.

The financial results of Koestler (Sales) Limited are as follows:

	2024	*2023*
	£	*£*
Turnover	49,053	*37,048*
Cost of sales	(12,746)	*(17,712)*
Administrative costs	(5,135)	*(3,750)*
Profit before Corporation Tax	31,172	*15,586*
Corporation tax charge	(298)	*(393)*
Net profit for the year	30,874	*15,193*
Gift Aid donations to Koestler Trust (see note below)	(45,586)	*(2,501)*
Change in reserves	£ (14,712)	*£ 12,692*
Current assets	18,674	*34,708*
	18,674	*34,708*
Liabilities	(14,119)	*(15,440)*
	£ 4,555	*£ 19,268*
Profit and loss account	4,555	*19,268*
Capital and reserves	£ 4,555	*£ 19,268*

Following are the inter-company transactions during the year and balances held at the year end.

	2024	*2023*
	£	£
Gift Aided donations to the parent charity (Koestler Trust):		
Gift Aid paid during the year from the prior year's pre-tax profits	15,193	*2,501*
Gift Aid paid during the year from the current year's pre-tax profits	30,393	-
Total Gift Aided donations made during the year	45,586	*£ 2,501*
Balance due to Koestler Trust as at 31 March 2024	2,496	*1,667*

13. DEBTORS

Due within one year	Charity 2024 £	Group 2024 £	*Charity 2023 £*	*Group 2023 £*
Gift Aid recoverable	9,685	9,685	*9,153*	*9,153*
Due from group undertakings	2,496	-	*1,667*	-
Prepayments and accrued income	27,301	27,940	*79,484*	*80,049*
Other debtors	-	-	-	-
	£ 39,482	£ 37,625	*£ 90,304*	*£ 89,202*

14. Cash at bank and in hand

Significant costs were incurred on the construction of the new Koestler Arts building which was completed by 31 March 2024 resulting in decrease in cash balance from 31 March 2023. These funds were raised in prior years for Koestler House. Further details are provided in the Cash Flow Statement, notes 3, 10 &16.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity 2024 £	Group 2024 £	*Charity 2023 £*	*Group 2023 £*
Grants in advance	238,784	238,784	*214,178*	*214,178*
Payments due to Victim Support	-	4,390	-	*5,627*
Social security and other taxes	9,384	9,384	*10,062*	*10,062*
Accruals	10,291	17,521	*40,303*	*46,116*
Other creditors	-	-	*5,745*	*8,640*
	£ 258,459	£ 270,079	*£ 270,288*	*£ 284,623*

16. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Outreach Fund	65,000	-	(102,912)	57,912	20,000
Mentoring Fund	50,000	-	(47,071)	17,071	20,000
Arts Awards and Response Fund	100,000	-	(281,988)	261,988	80,000
Koestler House Capital costs	-	-	-	80,683	80,683
Koestler House Running costs 24-25	-	-	-	20,000	20,000
Fundraising and Comms development 24-25	-	-	-	10,000	10,000
Family Support and Hosts Fund	15,000	-	(15,892)	892	-
Website and Database Development Fund	30,730	-	(35,357)	4,627	-
Premises Fund	-	-	-	31,820	31,820
Fixed Assets Fund	-	-	-	2,843	2,843
	-			-	
	£ 260,730	£ Nil	£ (483,220)	£ 487,836	£ 265,346
RESTRICTED FUNDS					
UK Exhibition at Southbank	-	17,818	(17,818)	-	-
Koestler House Development Fund	1,299,415	46,942	(28,712)	-	1,317,645
Mentoring	22,112	28,447	(50,559)	-	-
	£ 1,321,527	£ 93,207	£ (97,089)	£ Nil	£ 1,317,645
SUMMARY OF FUNDS					
Designated Funds	260,730	-	(483,220)	487,836	265,346
Subsidiary companies	19,268	49,053	(63,765)	-	4,556
General Funds	276,499	671,294	(205,074)	(487,836)	254,883
	556,497	720,347	(752,059)	-	524,785
Restricted Funds	1,321,527	93,207	(97,089)	-	1,317,645
	£ 1,878,024	£ 813,554	£ (849,148)	£ Nil	£ 1,842,430

16. STATEMENT OF FUNDS (continued)

Comparative statement of funds

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers and investment gains/(losses)*	*Carried Forward*
	£	*£*	*£*	*£*	*£*
DESIGNATED FUNDS					
2022-23 Projects	*40,000*	*-*	*(40,000)*	*-*	*-*
Outreach fund	*-*	*-*	*-*	*65,000*	*65,000*
Mentoring & Outreach Fund	*35,000*	*-*	*(35,000)*	*50,000*	*50,000*
Arts Awards and Response Fund	*90,000*	*-*	*(90,000)*	*100,000*	*100,000*
Family Support and Hosts Fund	*15,000*	*-*	*-*	*-*	*15,000*
Website and Database Development Fund	*40,000*	*-*	*(9,270)*	*-*	*30,730*
Koestler House Development Fund	*82,503*	*-*	*(82,503)*	*-*	*-*
Koestler House Running Costs Fund	*15,000*	*-*	*(15,000)*	*-*	*-*
Scholarships		*-*	*(50,692)*	*-*	*(50,692)*
Mentoring Fund	*50,692*	*-*	*-*	*-*	*50,692*
	£ 368,195	*£ Nil*	*£ (322,465)*	*£ 215,000*	*£ 260,730*
RESTRICTED FUNDS					
UK Exhibition at Southbank	*-*	*17,818*	*(17,818)*	*-*	*-*
Koestler House Development Fund	*809,147*	*490,268*	*-*	*-*	*1,299,415*
Mentoring	*57,308*	*41,418*	*(76,614)*	*-*	*22,112*
	£ 866,455	*£ 549,504*	*£ (94,432)*	*£ Nil*	*£ 1,321,527*
SUMMARY OF FUNDS					
Designated Funds	*368,195*	*-*	*(322,465)*	*215,000*	*260,730*
Subsidiary companies	*6,576*	*37,048*	*(24,356)*	*-*	*19,268*
General Funds	*196,017*	*850,162*	*(554,680)*	*(215,000)*	*276,499*
	570,788	*887,210*	*(901,501)*	*-*	*556,497*
Restricted Funds	*866,455*	*549,504*	*(94,432)*	*-*	*1,321,527*
	£ 1,437,243	*£ 1,436,714*	*£ (995,933)*	*£ Nil*	*£ 1,878,024*

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds	General Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	2,843	1,349,465	1,352,308
Fixed asset investments	-	106,958	-	106,958
Net current assets	265,346	149,638	(31,820)	383,164
	£ 265,346	£ 259,439	£ 1,317,645	£ 1,842,430

Comparative analysis of net assets between funds

	Unrestricted Funds			
	Designated Funds	*General Funds*	*Restricted Funds*	*Total Funds*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*7,409*	*959,228*	*966,637*
Fixed asset investments	*-*	*101,999*	*-*	*101,999*
Net current assets	*260,730*	*186,359*	*362,299*	*809,388*
	£ 260,730	*£ 295,767*	*£ 1,321,527*	*£ 1,878,024*

18. PENSION COMMITMENTS

Pension costs in note 8 relate to payments made to a defined contribution pension scheme. The charitable company's liability is limited to making the payments due to the scheme on a timely basis. The liability at the 31 March 2024 is nil (2023 : £5,746).

19. RELATED PARTIES

There were no related party transactions, other than those disclosed in note 6 and 7.

20. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2023	*Restricted Funds 2023*	*Total Funds 2023*
	£	*£*	*£*
INCOME AND ENDOWMENTS FROM:			
Donations and legacies			
for charitable activities	*811,978*	*95,050*	*907,028*
for capital development	*-*	*397,221*	*490,268*
Other trading activities	*37,048*	*-*	*37,048*
Investments	*2,370*	*-*	*2,370*
TOTAL	*851,396*	*492,271*	*1,436,714*
EXPENDITURE ON:			
Raising funds			
Costs of generating voluntary income	*136,057*	*-*	*136,057*
Charitable activities	*771,715*	*88,161*	*859,876*
TOTAL EXPENDITURE	*907,772*	*88,161*	*995,933*
NET MOVEMENT IN FUNDS	*(56,376)*	*404,110*	*440,781*
RECONCILIATION OF FUNDS:			
TOTAL FUNDS AT 31 MARCH 2022	*1,374,243*	*63,000*	*1,437,243*
TOTAL FUNDS AT 31 MARCH 2023	*£ 1,317,867*	*£ 467,110*	*£ 1,878,024*

THE KOESTLER TRUST

England & Wales - Charity number 1105759

Accounts

KOESTLER ARTS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31st MARCH 2023

Charity Number **01105759**
Company Number **04961363**

THE KOESTLER TRUST
REPORT AND ACCOUNTS

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TRUSTEES' REPORT

The Trustees, who are also directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, present their combined directors' and trustees' annual report with the financial statements of the charity for the year ended 31st March 2023. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 and comply with the Charity's governing document, applicable law and the requirements of the Statement of Recommended Practice (FRS 102). The Company has taken advantage of the exemptions available to smaller entities.

LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity number:	1105759
Company limited by guarantee number:	4961363
Principal and Registered address:	Koestler Arts Centre 168a Du Cane Road, London W12 0TX
Telephone:	020 8740 0333
Email:	info@koestlerarts.org.uk
Website:	www.koestlerarts.org.uk
Auditors:	Knox Cropper LLP 65 Leadenhall Street, London EC3A 2AD
Trustees and company directors:	Sir Richard Heaton KCB (Chair from 13 December 2022) Dame Anne Owers (trustee and Chair to 13 December 2022) Sally Bacon OBE (from 28 September 2023) Gary Badley (from 23 March 2023) Ariane Bankes (to 13 December 2022; reappointed 23 March 2023; Chair of the Arts sub-committee) David Banks (to 13 December 2022) Jasmin Booth (Treasurer and Chair of the Finance and HR sub-committee since 13 December 2022) Thomas Campbell (from 29 September 2022; Chair of the Koestler House sub-committee from 13 December 2022) Jane Gillespie (resigned as trustee, Treasurer and Chair of the Finance and HR sub-committee, 13 December 2022) Carl Hardwick Dr Nora Laraki Gary Mansfield (Chair of the Outreach and Involvement sub-committee since June 2022) Page Nyame Satterthwaite Carrie Peters (from 29 June 2023) Andrea Rose (Vice Chair) Nicola Solomon (to 19 May 2023) Robert Taylor (to 1 May 2022)
Honorary President:	Lord David Ramsbotham, who very sadly passed away in December 2022
Company Secretary and Chief Executive Officer:	Fiona Curran (Interim Chief Executive from 1 April 2023, Chief Executive from 1 June 2023) Sally Taylor (to 31 March 2023)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Koestler Trust (working name Koestler Arts) is governed by its Memorandum and Articles. Updated Articles of Association were adopted by special resolution passed on 14 December 2022.

The Board of Trustees met four times during the year and the Annual General Meeting was held on 14 December 2022.

The Board has four sub-committees, each of which provides oversight of specific aspects of the charity's work:

The Finance and HR sub-committee is chaired by the Treasurer (Jane Gillespie until December 2022, and Jasmin Booth from December 2022) and includes the Chair, Vice Chair, Chief Executive and Development Director. It met on four occasions by Zoom during the year, scrutinising the finances and HR, and planning strategic development.

The Outreach and Involvement sub-committee, is chaired by Gary Mansfield and serviced by Sarah Matheve, Director of Outreach and Involvement. It oversees the mentoring programme and all other ways that the Charity engages with its beneficiaries, including work experience placements at the Koestler Arts Centre, family days and outreach visits to establishments. The group includes service-users and representatives from partner agencies.

The Arts sub-committee, is chaired by Ariane Bankes and serviced by Arts Manager, Joanna Tapp (while Fiona Curran was on maternity leave). It oversees the awards process, exhibitions, and sales. This group also includes award winners, awards judges, and prison art tutors.

The Koestler House sub-committee was chaired by David Banks until March 2023, and since then by Tom Campbell. The group provides oversight and guidance around the new Koestler Arts Centre building project.

Staff management is underpinned by Support and Supervision meetings, where each member of staff meets one-to-one with their line manager every 4-6 weeks. The decisions of these meetings are recorded in writing. Team meetings are held fortnightly. The Chief Executive's Support and Supervision is provided by the Chair of Trustees.

RISK AND INTERNAL CONTROL

An overall risk assessment is reported annually to the Board of Trustees. This addresses issues from specific aspects of infrastructure, including data protection, health and safety, human resources, environmental impact and office fabric and equipment. Each of these areas is the responsibility of a designated member of staff, who reports regularly to the team meeting.

AIMS AND OBJECTIVES

The Charity's ongoing aims are to:

1) Motivate prisoners, secure patients and detainees to take part and achieve in the arts, helping them to transform their lives

2) Increase public understanding and awareness of arts by prisoners, secure patients and detainees to build cohesive, supportive communities

3) Be a dynamic, responsive organisation that engages service-users across its activities, and delivers excellent value for the funding it receives

As registered with the Charities Commission, the Charity's charitable objects are "for the advancement of the arts and education and for purposes beneficial to the community:
a) to promote the creative enterprise of inmates and former inmates of prisons, young offender institutions, secure units and any other establishment for the lawful detention of individuals including patients and former patients in high security psychiatric and other hospital units in the United Kingdom ("the institution") and those subject to non-custodial orders in the United Kingdom and persons subjected to similar regimes outside the United Kingdom in the fields of the visual and performing arts, sciences, crafts or trades by the provision of awards to such persons and groups of persons for meritorious work and the exhibition of their work;

b) to institute or support worthwhile artistic or creative projects at any of the institutions which aim to stimulate the education or skills of such persons and to assist in their rehabilitation and resettlement in society."

The Trustees refer to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

HOW THE CHARITY'S ACTIVITIES DELIVER PUBLIC BENEFIT

The Charity's awards, feedback, exhibitions, artwork sales, mentoring and outreach form a coordinated and effective programme of motivations for people in the criminal justice system to participate in the arts. The awards provide goals and rewards, feedback and exhibitions offer a connection to the outside world, sales provide recognition, the mentoring encourages participants to sustain their progress after release into the community, and the outreach visits to prisons bring artistic opportunities to new beneficiaries.

These activities bring benefits to the participants themselves - raising their self-awareness, helping them express and understand their feelings, and developing their skills and self-discipline. These improvements, in turn, bring benefits to participants' families and communities, and to the staff who work in prisons and other establishments.

Most importantly, arts activity offers a diversion from re-offending. For the community at large, the overriding benefit of the Charity's activities is to help people in the criminal justice system move towards crime-free lives. The Trust also benefits the public by raising awareness and understanding of people in the criminal justice system, through showcasing their artistic achievements.

ACTIVITIES AND ACHIEVEMENTS DURING 2022-23

2022 was the Charity's 60th anniversary year. Our entrants were at the heart of the annual programme, helping reach out to others within the criminal justice system and sharing an unprecedented number of works through our largest showcase ever. The celebration continued with several displays around the country.

The impacts of the Covid 19 pandemic could still be felt in the criminal justice system during this period. The establishments we work with were still returning to their usual regimes, including improving access to outside arts charities coming in for workshops, and allowing

volunteers to re-engage. We know that many establishments carry staff vacancies; that is challenging for the Charity too, as we rely on some of the great individuals working in establishments to help us support entrants. However, we have seen positive signs during this period, with the number of entries increasing, and we continue to use some of the new ways of working with establishments that we deployed during the pandemic period. We were able to carry out new initiatives that were inspired by focus groups of our potential, current and past entrants, to inspire new participants. We were pleased to be able to welcome volunteer judges and feedback-writers back in larger numbers than the previous year.

Work on the new Koestler Arts building began, and it was nearing completion by the end of March 2023. This will be our new home; its successful completion is hugely important to our future profile and ways of working.

Achievements, 2022-23 - Aim 1

Rising populations, and two years of Covid-19 restrictions, saw very restricted access to libraries and other learning facilities during 2020 and 2021-2022. So in 2021 only 22% of those surveyed by the Prison Reform Trust reported that accessing education was either 'very easy' or 'quite easy.' Yet we know that purposeful activity is key to successfully navigating a sentence. 89% of our entrants in 2021 told us that participating in the Koestler Awards built their self-confidence, a crucial stepping-stone to a positive future.

Our priority for 2022-23, therefore, was to ensure that no one felt excluded from our core offer: we made changes to the ways that we inspired people to participate, how we motivated entrants to stay engaged, and to how we fostered stronger, more trusting relationships between people in secure settings and the wider public.

'Creativity has given me purpose and direction in my life. I wake up excited to create, rather than depressed about destroying something.'
Koestler Awards entrant 2022

In 2022, 3,048 men, women and young people entered the Koestler Awards with 6,744 pieces of visual art, music, and writing. 282 secure settings across the UK were represented in the Awards, including prisons, young offender institutions and secure mental health facilities, as well as probation services and approved premises.

This increase in entrant numbers (+20%), artworks created (+4%) and establishments represented (+5%) is an achievement at a challenging time for the criminal justice system. Around £30,000 was awarded in prize money to Koestler Awards entrants by more than 70 volunteer Awards judges, who included Bidisha, Jeremy Deller, Wilfrid Wood, Hot Chip and previous Koestler Awards entrants and Mentees.

1,410 people entered the Koestler Awards for the first time, while 299 entrants have been entering the Awards for over five years. Including exhibition audience feedback, 97.8% of entrants received personalised feedback on at least one of their entries. Judges, volunteers and staff members provided 87% of this, while feedback cards written by visitors to our exhibitions made up the remaining.

2022 marked another record in the history of Koestler Arts, with the work of 1,915 entrants being chosen for exhibition at Southbank Centre in October - around ten times more work than we would normally display.

'It feels magical when a piece I've created speaks to another person.'
Koestler Awards entrant 2022

35 establishment visits have been made in the year since February 2022, ensuring as many people in secure settings as possible could see the potential for creativity in secure settings and learn about the Awards. Visits also enable staff and prisoners to share feedback on our work and have their achievements celebrated by Koestler Arts staff members at certificate presentations.

The Outreach team also piloted In-Person Feedback Days, an idea that came from the focus groups which we held in the first year of funding from Paul Hamlyn Foundation to help us ensure our entrants shape future plans and projects. This pilot saw artists and writers with experience of the value of arts in secure settings join learners at three establishments to lead live feedback sessions: HMP Stafford, HMP & YOI Stoke Heath and St Andrew's Healthcare Birmingham. 28 prisoners and secure patients participated in the sessions, each sharing their own artworks for discussion, and feeding back their thoughts and feelings on the artwork of their peers.

We welcomed 55 staff members from secure settings around the country to our 2022 Arts Tutor Seminar, nearly double the number that were able to attend in person in 2021. The seminar allowed teaching staff, who often work in isolation from each other, to share experiences and best practice, as well as feedback on areas where Koestler Arts could grow to offer greater impact in the criminal justice system.

We were thrilled that in 2022 our popular Friends and Family Events returned for the first time since the start of the Covid-19 pandemic, with 7 Family and Friends Afternoons at Southbank Centre. Friends and relatives of the 1,915 artists exhibited at our national exhibition received invitations to join Koestler Arts staff at the show, where they were able to view their loved one's artwork in a supportive environment and learn more about the Koestler Awards from specially trained ex-prisoner exhibition hosts. We also hosted Family Days at both our exhibitions in Bracknell and Glasgow, welcoming 26 guests including several of the artists with work on display.

The Koestler Arts Mentoring Programme helps further the transformative power of the arts, and provides opportunity, access, and growth in individual lives post release. Over the course of a year, Koestler Arts mentees receive bespoke one-to-one assistance from a specialist in their chosen artform. 15 mentoring relationships are currently being supported through the scheme, with referrals from probation services increasing and in-person sessions now back in place following the pandemic.

We continue to commission and pay mentees to produce our monthly Art Aid sheets, and have also been able to offer additional, paid commissions to mentees, including the production of unique artworks and paid speaking opportunities.

'My involvement with Koestler Arts helped the parole board see me as an individual with aspirations and a strong base to start my life again.'
Koestler Award Winner and Mentee, 2022

Achievements, 2022-23 Aim 2

For our 60th anniversary celebrations we were able to showcase an unprecedented number of entries to the Koestler Awards at events and exhibitions in Glasgow, Newcastle, Bracknell and London, as well as online.

Throughout March 22, ***Changing Perceptions*** was open and free to the public at Newcastle Cathedral. The exhibition was organised by the Oswin Project, a charity supporting prison-

leavers in the Northeast of England and showcased 15 Koestler Awards artworks alongside work from the Burnbake Trust, HM Prisons Low Newton and Northumberland.

The summer saw the return of Koestler Arts to the Supreme Court with ***The Future is Never Too Big***, a public display of artwork by under 18s in secure settings or under supervision with a youth offending team, which ran until the autumn.

Freedom, our 15th UK exhibition in partnership with Southbank Centre, opened at the end of October. Curated by artist Ai Weiwei, *Freedom* was our biggest exhibition to date. The exhibition featured daily tours by ex-prisoner exhibition hosts, employed by Koestler Arts and trained to help guide visitors around the exhibition, as well as opportunities for visitors to buy over 1,000 pieces of original artwork.

Our annual spoken word and poetry event ***Voices from Prison*** also took place at Southbank Centre in October, as part of the London Literature Festival. The event brought together writers and performers with lived experience of the criminal justice system with a public audience of 150, for an evening of spoken word and poetry readings.

In January 2023 we were able to exhibit in Scotland again, opening ***Our World***, an exhibition of artwork from the Scottish criminal justice system at Glasgow's Tramway gallery. The exhibition was co-curated by a group of prisoners from HMP Shotts, and centred on key themes of nature, identity, current affairs and colour.

Also opening in January 2023, ***On My Plate*** was an exhibition by women in the criminal justice system, in partnership with the University of Surrey's 'Doing Porridge' research project. Held at South Hill Park Arts Centre in Bracknell, the exhibition focused on food inside and outside the criminal justice system, combining art made in the research project's creative workshops and pieces entered into the 2022 Koestler Awards.

Achievements, 2022-23 - Aim 3

The charity was awarded the 2022 Longford Prize for our work making 'a vital human connection between prisoners and the public.' We were also shortlisted for the Calouste Gulbenkian Foundation 2022 Award for Civic Arts Organisations, in recognition of our work throughout the pandemic in supporting prisoners.

Having resiliently navigated the pandemic to ensure that our core offer continued, levels of fundraising were achieved and staff welfare was prioritised, as a small charity we are now facing the challenges of the cost of living crisis in terms of fundraising and HR. In 2022-23 we offered slight pay increases to staff members on the lowest salaries.

While donor retention remained around 85-95%, we are closely monitoring the impact of the current economic climate on our individual giving, particularly regular donations, and are focusing on increasing levels of communication and in-person and online opportunities for supporters to be involved with our work. At this time more than ever, multi-year grants from trusts and foundations as well as public funders can give us the security to plan ahead. We have been successful in a very competitive round to retain our status as an Arts Council England NPO at our current level of support (£76,380 a year) for 2023-2026, as well as successfully achieving a 3-year grant from HMPPS (£75,000 a year).

The new Koestler Arts Centre neared completion in 2022-23, with fit-out work and the move planned for 2023. We are excited to be able to welcome staff, volunteers and visitors to an accessible, environmentally-friendly building, from which we can do much more for our beneficiaries. The use of recycled shipping containers for the new building meant that many of

the increases in the costs of raw materials seen during the project were less impactful than has been seen in other similar projects during this period. The charity's future budgets will, for the first time, take into account building running costs, although there will be no ongoing rent or loan repayments.

To coincide with the move into our new premises, we also redeveloped our website, to ensure it is accessible and clearly represents the charity, our aims and our activities. Through the redevelopment of our main website, as well as our donation and e-commerce platforms, we aim to make the process of supporting Koestler Arts through visiting exhibitions, volunteering, donating and buying artwork and merchandise easier, as well as streamlining the ways people can directly benefit and get involved with our work. Equality and Diversity remains a standing item on our Board agendas and staff and stakeholder focus groups are under way to explore additional ways we can remove barriers which people from all backgrounds may face in accessing our work.

This year saw a series of changes to our Board and Management team. Dame Anne Owers, Chair of Trustees, alongside 3 long-standing Trustees stood down at our December AGM. A successful round of Board recruitment has brought in new Board members with experience across business, and the prison system, with two new trustees with experience in fundraising and probation joining in 2023-24.

Our Chief Executive, Sally Taylor, stepped down, after nearly eight years in post, at the end of the financial year. The Board and staff of the Charity thank her for her huge contribution over this time; she led us through the challenges of the pandemic and her drive and vision delivered us an inspiring new building. An open recruitment process started early in 2023, and in June the Board was delighted to announce that Fiona Curran, previously Director of Arts with the charity for over 13 years, had been selected as our new Chief Executive.

The charity remains a London Living Wage employer.

FINANCIAL REVIEW

The Koestler Trust's consolidated income in 2022-23 was £946,446. This does not include income raised for our capital funds for the new building.

The Koestler Trust delivered a successful year financially. In terms of Government funding, the Charity retained its annual core grant from HMPPS (£75,000). We remained part of Art Council England's National Portfolio, receiving a core grant of £76,380, which was reconfirmed for the next funding period. Our grant from the Paul Hamlyn Foundation to support our core work, makes the Foundation our largest supporter.

Grant-making Foundations continued to provide the largest proportion of the Charity's income (excluding capital grants), at almost 30%. The Maingot Charitable Trust and the Bromley Trust were among those who maintained their support in 2022-23. During the year, the Trust also continued to receive funding from the Marie Louise von Motesiczky Trust.

This fundraising, alongside continuing much appreciated support for scholarships, named awards and core contributions from both individuals, smaller Trusts and Foundations, and Art Societies, also helped us reach fundraising targets. We were very fortunate to receive generous funds from Legacies left to the Trust during the year - an unusually high amount for the charity.

The Trust continued to receive funds from businesses. Our main corporate donors remain Elysium Healthcare, Serco and Sodexo Justice Services. CCLA Investment Management

continued their support and to host a collection of Koestler Arts work in their offices. Doughty Street Chambers supported the Visitors Choice Award at the UK exhibition.

RESERVES

The Trust has no permanent endowment. It must therefore raise money on an ongoing basis.

The Trustees' policy is to have reserves of unrestricted funds for the total costs of running the charity for at least three months ahead. At the year end, the Trust had free reserves of £269,090 with the total unrestricted reserve of £537,229.

FUNDRAISING PRACTICES

All fundraising for the Koestler Trust is undertaken by the staff team, led by the Chief Executive and Development Director. No professional fundraisers or commercial participators carry out any fundraising activities on our behalf. Donor data is maintained on a secure database, and staff have undertaken training into the requirements of GDPR legislation.

FUTURE PLANS

The new Board and Senior Leadership Team assembled for a combined strategy day in September 2023, and following that session we will work together to update our five-year business plan. We anticipate that our new strategy will use the new building to improve every aspect of our work. It will also be a welcoming and accessible space for alumni and prison staff to visit, and will reduce our impact on the environment. We will look to digitise processes and use modern software, so that we can respond quicker with tailored support, be better able to monitor participation levels and trends, raise funds more effectively, reach audiences, and support increasing numbers of beneficiaries. We will look to ensure that our offer remains relevant to all possible participants, including young people, those serving short sentences, and those from minority or disadvantaged backgrounds. We will look to showcase work in new ways, across the whole of the UK, covering music and performance as well as the visual arts.

As well as processing an almost 30% increase in Koestler Awards entries, producing a poetry anthology, a UK exhibition and our first exhibition in the South West of England, one of our key activities in 2023-24 will be to open our new Koestler Arts Centre, next door to the current building on the grounds of HMP Wormwood Scrubs. We are very grateful to the individuals, Arts Council England, the Ministry of Justice, The London Borough of Hammersmith and Fulham, and the Trusts and Foundations who have supported this project over the last few years. We also thank the Koestler House sub-committee who have helped steer its progress.The Charity has been able to secure use of its current premises until the end of March 2024, in order to efficiently return the record number of 2023 entries, as we move into our new premises.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statement in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for the year. In preparing these financial statements the Trustees are required to:

· Select suitable accounting policies and then apply them consistently.
· Make judgments and estimates that are reasonable and prudent.
· State whether applicable accounting standards have been followed subject to any

material departures disclosed and explained in the financial statements.
· Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

· so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and

· as directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

We are privileged to work with thousands of individuals in the criminal justice system who have the potential to thrive, to succeed, and in many cases to turn their lives around. Increasing their wellbeing, self-confidence, hope and resilience is as vital as ever. On behalf of the Trustees, I would like to thank the Charity's small and talented staff team, led passionately and skilfully for many years by Sally Taylor and, since June, by our superb new Chief Executive Fiona Curran. They are the people who have kept this vital work going through some very challenging times. They have also positioned the Charity to modernise and improve its operations, so that we can continue to change lives in the years ahead. On behalf of the Trustees and staff, I would also like to thank all the donors, supporters and volunteers who have shared the Charity's powerful vision and have helped to unlock the talent inside. And I would like to thank my fellow Trustees too, for lending their time and experience to the Charity and for supporting it in so many ways.

Very soon, Koestler Arts will have its own home for the first time. Still in the shadow of HMP Wormwood Scrubs, but constructed from shipping containers, our new headquarters will be as distinctive and different as the Charity itself: a brilliant arts organisation in a penal setting, and a powerful reminder that change is possible.

Approved by the Trustees and signed on their behalf by:

Richard Heaton
Signed on 15/12/23 @ 21:09

Sir Richard Heaton KCB
Chair of Trustees

Date 0023-12-15

The Koestler Trust
Independent Auditor's Report To The Members Of The Koestler Trust For the year ended 31 March 2023

Opinion

We have audited the financial statements of The Koestler Trust (the 'parent company') and its subsidiary ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2023 and of the group's 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

/Continued ...

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report .

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

/Continued ...

(Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) applicable to smaller entities and the Companies Act 2006.
- We understood how the charitable company is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures. The charitable company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override and allocation of costs to charitable activities and restricted funds.
- Our approach was to check that the income from grants and donations were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed the transactions with the subsidiary company, major journal adjustments along with unusual transactions and considered the identification and disclosure of related party transactions.

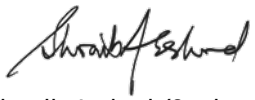
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *https://www.frc.org.uk/auditorsresponsibilities.* This description forms part of our auditor's report.

/Continued ...

(Continued)

Use of our report

This report is made solely to the parent 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 parent company'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 parent company and the parent company's members as a body, for our audit work, for this report or for the opinions we have formed.



Shoaib Arshad (Senior Statutory Auditor)
For and on behalf of:
Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

18 December 2023

Registered company no. 04961363

The Koestler Trust
Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 March 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	*Total Funds 2022 £*
INCOME AND ENDOWMENTS FROM:					
Donations and legacies					
for charitable activities	2	847,792	59,236	907,028	*812,448*
for capital development	2	-	490,268	490,268	*411,926*
Other trading activities	4	37,048	-	37,048	*34,716*
Investments	5	2,370	-	2,370	*325*
TOTAL		887,210	549,504	1,436,714	*1,259,415*
EXPENDITURE ON:					
Raising funds					
Costs of generating voluntary income		136,057	-	136,057	*124,362*
Charitable activities		765,444	94,432	859,876	*757,662*
TOTAL EXPENDITURE	6	901,501	94,432	995,933	*882,024*
NET MOVEMENT IN FUNDS		(14,291)	455,072	440,781	*377,391*
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 APRIL 2022		*570,788*	*866,455*	*1,437,243*	*1,059,852*
TOTAL FUNDS AT 31 MARCH 2023		£ 556,497	£ 1,321,527	£ 1,878,024	*£ 1,437,243*

All income and expenditure has arisen from continuing activities. None of the Charity's activities were acquired or discontinued during the above two financial years.

The Koestler Trust

(company limited by guarantee) (registered company no. 04961363)

Consolidated Balance Sheet

As at 31 March 2023

	Notes	Charity 2023 £	Group 2023 £	*Charity 2022 £*	*Group 2022 £*
FIXED ASSETS					
Tangible assets	10	966,638	966,637	*482,076*	*482,075*
Investments	11	102,000	101,999	*100,223*	*100,222*
		1,068,638	1,068,636	*582,299*	*582,297*
CURRENT ASSETS					
Debtors	13	90,304	89,202	*56,822*	*54,883*
Short term investments	14	-	-	*50,053*	*50,053*
Cash at bank and in hand	15	970,102	1,004,809	*935,359*	*949,387*
		1,060,406	1,094,011	*1,042,234*	*1,054,323*
CREDITORS: amounts falling due within one year	16	(270,288)	(284,623)	*(193,866)*	*(199,377)*
NET CURRENT ASSETS		790,118	809,388	*848,368*	*854,946*
NET ASSETS		£ 1,858,756	£ 1,878,024	*£ 1,430,667*	*£ 1,437,243*
FUNDS					
Unrestricted funds:					
Designated funds	17	260,730	260,730	*368,195*	*368,195*
Subsidiary companies	17	-	19,268	-	*6,576*
General fund	17	276,499	276,499	*196,017*	*196,017*
		537,229	556,497	*564,212*	*570,788*
Restricted funds	17	1,321,527	1,321,527	*866,455*	*866,455*
		£ 1,858,756	£ 1,878,024	*£ 1,430,667*	*£ 1,437,243*

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard 102. The financial statements were approved, and authorised for issue, by the Board of Trustees on 2023-12-18 and signed on their behalf by:-

Richard Heaton
Signed on 15/12/23 @ 21:09

SIR RICHARD HEATON KCB, Chair

J Booth
Signed on 18/12/23 @ 13:52

JASMIN BOOTH, Treasurer

The annexed notes form part of these financial statements

The Koestler Trust
Consolidated Cash Flow Statement
For the year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities		
Surplus for the financial year	440,781	*377,391*
Adjustments for:		
Depreciation	5,844	*2,912*
(Increase)/decrease in debtors	(34,319)	*31,818*
Decrease in creditors	85,246	*14,687*
Investment income	(2,370)	*(325)*
Net cash flows from operating activities	495,182	*426,483*
Cash flows from investing activities		
Purchase of tangible fixed assets	(490,406)	*(473,065)*
Purchase of investments (fixed and short term)	48,276	*(42)*
Return on investment - interest receivable	2,370	*325*
Net increase/(decrease) in cash and cash equivalents	55,422	*(46,299)*
Cash and cash equivalents at 1 April 2022	949,387	*995,686*
Cash and cash equivalents at 31 March 2023	£ 1,004,809	*£ 949,387*

Components of cash and cash equivalents

	At 1 April 2022	Cashflows	At 31 March 2023
	£	£	£
Cash at bank and in hand	949,387	55,422	1,004,809

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102 have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Group financial statements

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Koestler (Sales) Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and SORP 2015.

Company status

The Koestler Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, it is probable that the amount will be received and the amount can be quantified with reasonable accuracy. Revenue grants recieved are deferred when conditions are attached, for example when they relate to a specific future period.

Investment Income is recognised on an accruals basis.

Resources Expended

Expenditure is recognised on an accruals basis, inclusive of irrecoverable VAT.

Charitable activities include expenditure associated with the staging of art exhibitions as an essential part of promoting artistic activities on the part of people within the criminal justice system, as set out in the Trust's Objectives stated in the Trustees report. They also include the award of prizes for the artistic merit of the work and the activities of the Koestler Art Centre, which organises the exhibitions, promotes the work of the Trust within the prison system, including specific arts projects and exhibits prisoner art on a permanent basis.

Support costs are overhead expenditure and management costs necessary in order to control the charitable activities of the Trust and ensure that the Trust's objectives are being achieved. They are allocated over the charity's expenditure headings, including fundraising, charitable activities and governance based on staff costs.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	Over 4 years
Fixtures, fittings & equipment	Over 7 years

Pensions

The Charity contributes to a defined contribution pension scheme on behalf of a number of employees. The pension charge represents the amount payable by the charity to the pension fund in respect of the year.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, cash at bank and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	*Total Funds 2022 £*
Income for Charitable activites				
Donations from Public Sector	151,380	11,250	162,630	*151,380*
Donations from Trusts	253,903	28,543	282,446	*395,477*
Donations from Businesses	76,261	12,817	89,078	*54,609*
Donations from Individuals	85,857	6,626	92,483	*101,091*
Sales of Donated Goods	-	-	-	*2,574*
Legacies	280,391	-	280,391	*107,317*
	847,792	59,236	907,028	*812,448*
Capital Grants (note 3)	-	490,268	490,268	*411,926*
	£ 847,792	£ 549,504	£ 1,397,296	*£ 1,224,374*

Comparative donations and legacies

	Unrestricted Funds 2022	*Restricted Funds 2022*	*Total Funds 2022*
Income for Charitable activites	*£*	*£*	*£*
Donations from Public Sector	*151,380*	*-*	*151,380*
Donations from Trusts	*344,159*	*51,318*	*395,477*
Donations from Businesses	*52,609*	*2,000*	*54,609*
Donations from Individuals	*100,091*	*1,000*	*101,091*
Sales of Donated Goods	*2,574*	*-*	*2,574*
Legacies	*107,317*	*-*	*107,317*
	758,130	*54,318*	*812,448*
	-	*411,926*	*411,926*
	£ 758,130	*£ 466,244*	*£ 1,224,374*

In addition to the above grants, donations and legacies, the Trust receives the use of 168a Du Cane Road, and the costs associated with maintaining the premises, free of charge from HMP Wormwood Scrubs. This benefit is not included in the Statement of Financial Activities as the value cannot be ascertained without substantial expense on a quantity surveyor.

3. KOESTLER HOUSE DEVELOPMENT

	2023	*2022*
	£	*£*
Capital Funds brought forward	479,724	*82,503*
Restricted grants and donations (note 2)	490,268	*397,221*
	£ 969,992	*£ 479,724*
Analysis of Capital Funds (note 17)		
Designated Funds	82,503	*82,503*
Restricted Funds	887,489	*397,221*
	£ 969,992	*£ 479,724*

The development of the new building started during the year and will be completed in 2023-4. The costs of £959,228 incurred by 31 March 2023 has been reported as additions to leasehold building under note 11 of these financial statements.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	*Total Funds 2022*
	£	£	£	*£*
Trading income	37,048	-	37,048	*34,716*
Total 2023	£ 37,048	£ Nil	£ 37,048	
Total 2022	*£ 34,716*	*£ Nil*		*£ 34,716*

5. INVESTMENT INCOME

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	*Total Funds 2022*
	£	£	£	*£*
Interest receivable from:				
Bank interest	2,370	-	2,370	*325*
Total 2023	£ 2,370	£ Nil	£ 2,370	
Total 2022	*£ 325*	*£ Nil*		*£ 325*

6. RESOURCES EXPENDED

	Staff costs	Other direct costs	Support costs	Total 2023	Total 2022
	£	£	£	£	*£*
Cost of charitable activities by project:					
UK Exhibition at Southbank	35,323	101,462	22,482	159,267	*87,559*
Out of London Exhibitions	32,307	23,480	20,562	76,349	*106,067*
Prizes Awarded	-	28,539	-	28,539	*29,836*
Arts Response & Awards	141,538	28,008	90,084	259,630	*244,792*
Publicity	27,925	34,102	17,773	79,800	*58,124*
Mentoring	41,195	9,200	26,219	76,614	*72,081*
Outreach and Involvement	90,761	9,295	57,766	157,822	*130,621*
Koestler sales	-	21,855	-	21,855	*28,582*
Total charitable expenditure	369,049	255,941	234,886	859,876	*757,662*
Costs of generating voluntary income	74,837	13,589	47,631	136,057	*124,362*
	£ 443,886	£ 269,530	£ 282,517	£ 995,933	*£ 882,024*

Resources expended include:

	2023	*2022*
Audit fee (inclusive of VAT)	6,600	*4,680*
Other services	2,040	*1,566*
Depreciation	5,844	*4,981*

Details of staff costs are given in Note 8.

6. RESOURCES EXPENDED (continued)

Comparative resources expended

	Staff costs	*Other direct costs*	*Support costs*	*Total 2022*
	£	*£*	*£*	*£*
Cost of charitable activities by project:				
UK Exhibition at Southbank	*29,649*	*42,121*	*15,789*	*87,559*
Out of London Exhibitions	*64,318*	*7,498*	*34,251*	*106,067*
Prizes Awarded	*-*	*29,836*	*-*	*29,836*
Arts Response & Awards	*144,690*	*23,051*	*77,051*	*244,792*
Publicity	*26,542*	*17,448*	*14,134*	*58,124*
Mentoring	*42,684*	*6,667*	*22,730*	*72,081*
Outreach and Involvement	*82,912*	*3,556*	*44,153*	*130,621*
Koestler sales	*-*	*28,582*	*-*	*28,582*
Total charitable expenditure	*390,795*	*158,759*	*208,108*	*757,662*
Costs of generating voluntary income	*69,679*	*17,577*	*37,106*	*124,362*
	£ 460,474	*£ 176,336*	*£ 245,214*	*£ 882,024*

7. SUPPORT COSTS

	Total 2023	*Total 2022*
	£	*£*
Governance costs	15,520	*7,813*
Staff costs	168,605	*143,932*
General overheads	98,392	*93,469*
	£ 282,517	*£ 245,214*

8. STAFF NUMBERS AND COSTS

	2023	*2022*
	£	*£*
Wages and salaries	521,700	*527,087*
Social security costs	42,927	*42,920*
Pension costs	28,294	*29,249*
Cost of contracted staff	-	*1,200*
Other staff costs	19,570	*3,950*
	£ 612,491	*£ 604,406*

	2023	2022
	£	£
Allocated to:		
Charitable activities	369,049	*390,795*
Fundraising costs	74,837	*69,679*
Support costs	168,605	*143,932*
	£ 612,491	*£ 604,406*

Average number of employees	21	*19*

One (2022: one) employee received remuneration of more than £60,000 between £60,001 to £70,000.

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, Key management personnel includes the management team.

Following the recommendations of the National Council for Voluntary Organisations' guidance on *Setting and Communicating Remuneration Polices* (April 2014), and with the agreement of the individual staff involved, the Koestler Trust has started publishing the gross salaries of its management team. These are as follows:

	2023	2022
	£	£
Chief Executive	71,685	*68,612*
Director of Arts	17,886	*46,581*
Director of Outreach & Involvement	40,456	*39,063*
Director of Development	46,038	*44,154*
	£ 176,065	*£ 198,410*

9. TRUSTEES REMUNERATION AND BENEFITS

The Articles of Association allow for the payment of professional fees to Trustees under certain circumstances, however, during the year, no members of the Board of Trustees received any remuneration (2022 - £NIL).
No members of the Board of Trustees received reimbursement of expenses (2022 - £NIL).

10. TANGIBLE FIXED ASSETS

	Koestler House	Fixture and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2022	**470,964**	**3,176**	**17,840**	**491,980**
Additions	**488,264**	**608**	**1,534**	**490,406**
At 31 March 2023	**959,228**	**3,784**	**19,374**	**982,386**
Depreciation				
At 1 April 2022	**-**	**1,065**	**8,840**	**9,905**
Charge for the year	**-**	**1,015**	**4,829**	**5,844**
At 31 March 2023	**-**	**2,080**	**13,669**	**15,749**
Net book value				
At 31 March 2023	**£ 959,228**	**£ 1,704**	**£ 5,705**	**£ 966,637**
At 31 March 2022	*£ 470,964*	*£ 2,111*	*£ 9,000*	*£ 482,075*

A new building 'Koestler House' is under construction on leased land. Accounting for the depreciation of Koester House will commence when the building becomes operational.

11. INVESTMENTS

	Charity 2023	Group 2023	*Charity 2022*	*Group 2022*
	£	£	*£*	*£*
CCLA COIF Charities Deposit Fund	**101,999**	**101,999**	*100,222*	*100,222*
Investment in subsidiaries (note 12)	**1**	**-**	*1*	*-*
	£ 102,000	**£ 101,999**	*£ 100,223*	*£ 100,222*

12. INVESTMENT IN SUBSIDIARIES

Koestler (Sales) Limited is a company limited by guarantee whose members are also the trustees of the Koestler Trust. The Company had a policy of donating 25% of sales income from artwork to Victim Support and is included in the costs of sales. The Company also had a policy to gift aid its profits to the Trust. Three of the Trustees were directors of Koestler (Sales) Ltd during the year: Dr Nora Laraki, (appointed December 2022) Gary Mansfield, and Robert Taylor (resigned September 2022).

The financial results of Koestler (Sales) Limited are as follows:

	2023	*2022*
	£	*£*
Turnover	37,048	*34,716*
Cost of sales	(17,712)	*(25,083)*
Administrative costs	(3,750)	*(3,499)*
Profit in the year before Gift Aid	15,586	*6,134*
Gift Aid donations to Koestler Trust (Charity)	(2,501)	*(1,566)*
Corporation tax charge	(393)	*-*
Profit in the year	12,692	*£ 4,568*
Current assets	34,708	*14,029*
	34,708	*14,029*
Liabilities	(15,440)	*(7,453)*
	19,268	*£ 6,576*
Profit and loss account	19,268	*6,576*
Capital and reserves	19,268	*£ 6,576*

Following are the inter-company transactions during the year and balances held at the year end.

	2023	*2022*
	£	*£*
Balance due to Koestler Trust as at 31 March 2023	1,667	*2,501*
Koestler Trust income entitlement during the year	2,501	*1,566*

13. DEBTORS

	Charity 2023	Group 2023	*Charity 2022*	*Group 2022*
Due within one year	£	£	*£*	*£*
Due from group undertakings	1,667	-	*2,501*	*-*
Prepayments and accrued income	79,484	80,049	*54,321*	*54,883*
	£ 90,304	£ 89,202	*£ 56,822*	*£ 54,883*

14. INVESTMENTS HELD AS CURRENT ASSETS

	Charity 2023	Group 2023	*Charity 2022*	*Group 2022*
	£	£	*£*	*£*
CAF 12 months fixed rate investment	-	-	*50,053*	*50,053*

15. Cash at bank and in hand

The year end cash balance reflects the funds already raised and received for the construction of the new Koestler Arts building which will be completed in 2023-24

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity 2023	Group 2023	*Charity 2022*	*Group 2022*
	£	£	*£*	*£*
Grants in advance	214,178	214,178	*160,794*	*160,794*
Social security and other taxes	10,062	10,062	*9,535*	*9,535*
Accruals	40,303	40,603	*18,771*	*18,771*
Other creditors	5,745	14,153	*4,766*	*10,277*
	£ 270,288	£ 284,623	*£ 193,866*	*£ 199,377*

17. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
2022-23 Projects	40,000	-	(40,000)	-	-
Outreach Fund	-	-		65,000	65,000
Mentoring Fund	35,000	-	(35,000)	50,000	50,000
Arts Awards and Response Fund	90,000	-	(90,000)	100,000	100,000
Family Support and Hosts Fund	15,000	-	-	-	15,000
Website and Database Development Fund	40,000	-	(9,270)	-	30,730
Koestler House Development Fund	82,503	-	(82,503)	-	-
Koestler House Running Costs Fund	15,000	-	(15,000)	-	-
Mentoring Fund	50,692	-	(50,692)	-	-
	£ 368,195	£ Nil	£ (322,465)	£ 215,000	£ 260,730
RESTRICTED FUNDS					
UK Exhibition at Southbank	-	17,818	(17,818)	-	-
Koestler House Development Fund	809,147	490,268	-	-	1,299,415
Mentoring	57,308	41,418	(76,614)	-	22,112
	£ 866,455	£ 549,504	£ (94,432)	£ Nil	£ 1,321,527
SUMMARY OF FUNDS					
Designated Funds	368,195	-	(322,465)	215,000	260,730
Subsidiary companies	6,576	37,048	(24,356)	-	19,268
General Funds	196,017	850,162	(554,680)	(215,000)	276,499
	570,788	887,210	(901,501)	-	556,497
Restricted Funds	866,455	549,504	(94,432)	-	1,321,527
	£ 1,437,243	£ 1,436,714	£ (995,933)	£ Nil	£ 1,878,024

17. STATEMENT OF FUNDS (continued)

Comparative statement of funds

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers and investment gains/(losses)*	*Carried Forward*
	£	*£*	*£*	*£*	*£*
DESIGNATED FUNDS					
2021-22 Projects	*21,001*	*-*	*(21,001)*	*-*	*-*
2022-23 Projects	*-*	*40,000*	*-*	*-*	*40,000*
Regional Exhibition Fund	*50,000*	*-*	*(50,000)*	*-*	*-*
Mentoring & Outreach Fund	*40,000*	*-*	*(5,000)*	*-*	*35,000*
Arts Awards and Response Fund	*110,000*	*-*	*(110,000)*	*90,000*	*90,000*
Family Support and Hosts Fund	*25,000*	*-*	*(10,000)*	*-*	*15,000*
Website and Database Development Fund	*40,000*	*-*	*-*	*-*	*40,000*
Koestler House Development Fund	*82,503*	*-*	*-*	*-*	*82,503*
Koestler House Running Costs Fund	*15,000*	*-*	*-*	*-*	*15,000*
Scholarships	*24,000*	*-*	*(24,000)*	*-*	*-*
Mentoring Fund	*-*	*-*	*-*	*50,692*	*50,692*
	£ 407,504	*£ 40,000*	*£ (220,001)*	*£ 140,692*	*£ 368,195*
RESTRICTED FUNDS					
UK Exhibition at Southbank	*-*	*17,818*	*(17,818)*	*-*	*-*
Koestler House Development Fund	*397,221*	*411,926*	*-*	*-*	*809,147*
Mentoring	*69,889*	*36,500*	*(49,081)*	*-*	*57,308*
	£ 467,110	*£ 466,244*	*£ (66,899)*	*£ Nil*	*£ 866,455*
SUMMARY OF FUNDS					
Designated Funds	*407,504*	*40,000*	*(220,001)*	*140,692*	*368,195*
Subsidiary companies	*2,008*	*34,716*	*(30,148)*	*-*	*6,576*
General Funds	*183,230*	*718,455*	*(564,976)*	*(140,692)*	*196,017*
	592,742	*793,171*	*(815,125)*	*-*	*570,788*
Restricted Funds	*467,110*	*466,244*	*(66,899)*	*-*	*866,455*
	£ 1,059,852	*£ 1,259,415*	*£ (882,024)*	*£ Nil*	*£ 1,437,243*

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds	General Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	7,409	959,228	966,637
Fixed asset investments	-	101,999	-	101,999
Net current assets	260,730	186,359	362,299	809,388
	£ 260,730	£ 295,767	£ 1,321,527	£ 1,878,024

Comparative analysis of net assets between funds

	Unrestricted Funds			
	Designated Funds	*General Funds*	*Restricted Funds*	*Total Funds*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*11,111*	*470,964*	*482,075*
Fixed asset investments	*-*	*100,222*	*-*	*100,222*
Net current assets	*368,195*	*91,260*	*866,455*	*854,946*
	£ 368,195	*£ 202,593*	*£ 866,455*	*£ 1,437,243*

19. PENSION COMMITMENTS

Pension costs in note 8 relate to payments made to a defined contribution pension scheme. The charitable company's liability is limited to making the payments due to the scheme on a timely basis. The liability at the 31 March 2023 is £5,746 (2022 : £4,768).

20. RELATED PARTIES

There were no related party transactions, other than those disclosed in note 6 and 7.

21. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2022	*Restricted Funds 2022*	*Total Funds 2022*
	£	*£*	*£*
INCOME AND ENDOWMENTS FROM:			
Donations and legacies			
for charitable activities	*717,398*	*95,050*	*812,448*
for capital development	*-*	*397,221*	*411,926*
Other trading activities	*34,716*	*-*	*34,716*
Investments	*325*	*-*	*325*
TOTAL	*752,439*	*492,271*	*1,259,415*
EXPENDITURE ON:			
Raising funds			
Costs of generating voluntary income	*124,362*	*-*	*124,362*
Charitable activities	*669,501*	*88,161*	*757,662*
TOTAL EXPENDITURE	*793,863*	*88,161*	*882,024*
NET MOVEMENT IN FUNDS	*(41,424)*	*404,110*	*377,391*
RECONCILIATION OF FUNDS:			
TOTAL FUNDS AT 31 MARCH 2021	*996,852*	*63,000*	*1,059,852*
TOTAL FUNDS AT 31 MARCH 2022	*£ 955,428*	*£ 467,110*	*£ 1,437,243*

THE KOESTLER TRUST

England & Wales - Charity number 1105759

Accounts

KOESTLER ARTS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

Charity Number **01105759**
Company Number **04961363**

THE KOESTLER TRUST
REPORT AND ACCOUNTS 2021-22

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TRUSTEES' REPORT

The Trustees, who are also directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, present their combined directors' and trustees' annual report with the financial statements of the charity for the year ended 31st March 2022. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 and comply with the Charity's governing document, applicable law and the requirements of the Statement of Recommended Practice (FRS 102). The Company has taken advantage of the exemptions available to smaller entities.

LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity number:	1105759
Company limited by guarantee number:	4961363
Principal and Registered address:	Koestler Arts Centre 168a Du Cane Road, London W12 0TX
Telephone:	020 8740 0333
Email:	info@koestlerarts.org.uk
Website:	www.koestlerarts.org.uk
Auditors:	Knox Cropper LLP 65 Leadenhall Street, London EC3A 2AD
Trustees and company directors:	Dame Anne Owers (Chair) Ariane Bankes (Vice Chair for Arts) Jane Gillespie (Treasurer and Chair of the Finance & HR subcommittee) David Banks Nicholas Bowlby (until Dec 2021) Stephen Chambers RA (until Dec 2021) Robert Taylor (resigned June 2022) Andrea Rose Carl Hardwick Gary Mansfield Roger Hill (until Dec 2021) Sir Richard Heaton Page Nyame Satterthwaite (from Dec 2021) Nicola Solomons (from Dec 2021) Dr Nora Laraki (from Dec 2021) Jasmin Booth (from Dec 2021)
Company Secretary and Chief Executive Officer:	Sally Taylor
Honorary President:	Lord David Ramsbotham

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is governed by its Memorandum and Articles.

The Board of Trustees met 4 times during the year, all the meetings have been held remotely on ZOOM and the Annual General Meeting was held on 9th December 2021, also by ZOOM.

The Board has 4 sub-groups, each of which provides oversight of specific aspects of the charity's work: -

The Finance & HR Sub-Group was chaired by Jane Gillespie as Treasurer, and includes the Chair, Vice Chair, Chief Executive and Development Director. It met on 4 occasions by ZOOM during the year, scrutinising the finances and HR and planning strategic development.

The Outreach & Involvement Sub-Group, chaired by Robert Taylor and serviced by Sarah Matheve, Director of Outreach & Involvement, oversees the mentoring programme and all other ways that the Trust engages with and supports offenders and secure patients, e.g., with work experience placements at the Koestler Arts Centre and outreach visits to establishments. The group includes service users and representatives from partner agencies.

The Arts Sub-Group, chaired by Ariane Bankes and serviced by Director of Arts Fiona Curran, oversees the awards process, exhibitions, and sales. This group also includes award winners, awards judges, and prison art tutors.

The 'Koestler House' subgroup, chaired by David Banks, and serviced by Sally Taylor, CEO, which provides oversight and guidance around the proposed new premises.

Staff management is underpinned by Support & Supervision meetings, where each member of staff meets one-to-one with his or her line manager every 4-6 weeks. The decisions of these meetings are recorded in writing. Each member of staff also has an annual appraisal to review progress and set targets for the year ahead. Team meetings are held every week, in 2020/21 by Zoom. The Chief Executive's Support & Supervision is provided by the Chair of Trustees.

RISK AND INTERNAL CONTROL

An overall risk assessment is reported annually to the Board of Trustees. This addresses issues from specific aspects of infrastructure, including data protection, health and safety, human resources, environmental impact and office fabric and equipment. Each of these areas is the responsibility of a designated member of staff, who reports regularly to the team meeting.

AIMS AND OBJECTIVES

The Koestler Trust's ongoing aims are: -

1. To motivate offenders, secure patients, and detainees to take part and achieve in the arts, helping them transform their lives.

2. To increase public awareness and understanding of arts by offenders, secure patients & detainees.

3. To be an efficient, dynamic, and collaborative organisation, driven by values, quality, and outcomes.

As registered with the Charities Commission, the Koestler Trust's charitable objects are "for the advancement of the arts and education and for purposes beneficial to the community:

a) to promote the creative enterprise of inmates and former inmates of prisons, young offender institutions, secure units and any other establishment for the lawful detention of individuals including patients and former patients in high security psychiatric and other hospital units in the United Kingdom ("the institution") and those subject to non-custodial orders in the United Kingdom and person subjected to similar regimes outside the United Kingdom in the fields of the visual and performing arts, sciences, crafts or trades by the provision of awards to such persons and groups of persons for meritorious work and the exhibition of their work;

b) to institute or support worthwhile artistic or creative projects at any of the institutions which aim to stimulate the education or skills of such persons and to assist in their rehabilitation and resettlement in society."

The Trustees refer to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

HOW THE CHARITY'S ACTIVITIES DELIVER PUBLIC BENEFIT

The Koestler Trust's awards, exhibitions, artwork sales, mentoring and outreach form a co-ordinated and effective programme of motivations for offenders, secure patients, and detainees to participate and achieve in the arts. The awards provide goals and rewards, the exhibitions offer recognition, the sales provide financial rewards, the mentoring supports offenders to take up or develop their arts practice, especially after release into the community, and the outreach visits to prisons bring artistic opportunities to new beneficiaries.

These activities bring benefits to the offenders, detainees, and patients themselves – raising their self-awareness, helping them express and understand their feelings, and developing their skills and self-discipline. These improvements in turn bring benefits to their families and communities, and to the staff who work in prisons and other establishments.

Most importantly arts activity offers a diversion from re-offending. For the community at large, the overriding benefit of the Koestler Trust's activities is to help offenders move towards crime-free lives. The Trust also benefits the public by raising awareness and understanding of offenders, detainees, and secure patients, through exhibition and showcasing of their artistic achievements.

ACTIVITIES AND ACHIEVEMENTS DURING 2021-22

Much of the period of this report continues to have been affected by the Covid 19 pandemic, its consequences, and Government action and guidance in the light of the pandemic. This has not only affected the prison service and other secure settings but also the arts environment, in terms of restrictions and closures, and how we were able to operate as a charity in these times.

The operational aim throughout the year was to bring the team back into the office as safely as we were able and adopting social distancing rules, use of masks and other risk assessed measures to make the team feel safe and create a COVID secure environment. Again, the team involved in the processing of the Awards were prioritised in the office, and temporary help was employed to regain some of the time in processing the 2021 Awards which had been lost to the Lockdown which was in place at the beginning of 2021, and had therefore delayed our usual annual cycle, by approximately 3 months.

All the Trust's activities during 2021-22 aimed to maximise and increase the charity's public benefit.

Achievements 2021-22 - Aim 1

Help to motivate offenders, secure patients, and detainees to take part and achieve in the arts, helping them transform their lives.

Throughout the pandemic, life in prisons had become enormously restrictive. This continued as the pandemic eased on the outside, but prisons and other secure settings were relatively slow to open up, and inmates were still being held in 23-hour Lockdown, with very limited access to purposeful activity, which included art rooms and education.

Inspections by HM Inspectorate of Prisons have found that recovery in prisons has generally been slow and inconsistent, leaving many prisoners frustrated as their life remains unchanged while restrictions in the community have been lifted. There has been disappointingly little progress to improve time out of cell, which in most prisons is far from returning to already insufficient pre-pandemic levels. Apart from the small proportion in work, for many prisoners, spending 22.5 hours a day locked in their cell is not unusual, nor is having to choose between completing basic domestic tasks or exercising. In the Inspectorate's adult prisoner surveys in 2020/2021, 49 per cent of respondents said that they spent fewer than two hours out of their cell on a typical weekday, which rose to 67 per cent at weekends.

Criminal Justice Joint Inspection report May 2022

This year continued to demonstrate some of the most challenging circumstances our communities and criminal justice system have ever faced, our work has continued to concentrate on reaching as many people as possible, and offering positivity, focus and opportunities to build wellbeing, building on our experiences in 2020/21 and lessons learnt as a result.

Although the extended effects of the pandemic have worsened the challenging realities of so many of our beneficiaries, it has also emphasised the importance of creativity, and the role the Koestler Awards play as a platform for that creativity.

We have endured 18+ months of 22/23 hours per day of solitary confinement and it has been horrendous. Without creative activity I am sure I would have become chronically stressed and depressed to a potentially dangerous degree! Many inmates, who could not occupy themselves, have succumbed - it is tragic!

Being creative, especially in lockdown, has really helped me with my mental health. Being in prison is hard but being inside and in full lockdown, well that's a lot harder. My artwork has kept me going and I hope you all enjoy looking at my artwork.

It has given me a feeling of fulfilment, purpose, and drive. Creativity has given me new perspective and confidence. It has opened a whole new door for me. One without limits as I am the pioneer of what I am doing with rice. It has helped me manage my time in prison and during lockdown, thanks to Koestler.

It's been therapeutic, focused my mind on achieving an aim and a goal. During lockdown it saved me. Art keeps my mind stimulated, satisfies my creative need.

Quotes from entrants to the Koestler Awards 2021

2021 Koestler Awards

We again delayed the 2021 Koestler Awards deadline until June, we were delighted to receive 6,468 entries. 2547 men, women and young people entered the 2021 Koestler Awards, only a marginal reduction on 2020. There were 1,094 first-time entrants despite reduced marketing opportunities,

269 establishments were represented in the Awards. These included prisons, young offender institutions, secure mental health units, immigration removal centres and probation services, a reduction of 6 on 2020.

62 volunteer judges joined us physically and remotely to safely offer awards and share their expertise through written feedback and encouragement for our entrants. We granted 2,596 awards, and £29,836 prize money was sent to award-winners.

We aim to send written feedback to every entrant. In 2021, with little opportunity for volunteers to join us due to the pandemic, we have relied on our judges and small staff team to provide this year's feedback. 92% of entrants received personalised, written feedback on their work, a remarkable achievement with such reduced capacity.

Continuing Covid 19 adaptations

- Extended deadline – With education staff, including art tutors, unable to access prisons during lockdown to post entries from their classes, we decided to extend the deadline for the Awards from April to June. This allowed staff members to access and submit work made during the initial lockdowns.

- Increased maximum entries – While we normally ask entrants to limit their entries to 5, with an extended deadline it was important to offer increased opportunities for those who had already submitted work. Increasing the maximum entries to 10 offered more chances for purposeful activity and was well-received by our entrants.

- Stipend to judges – In line with our commitment to champion artists and recognising the value of their time and the economic challenges so many currently face, we continued to offer a stipend to everyone who volunteered their time to judge the Koestler Awards. This has become a permanent feature of our judging process, with the aim of enabling a diverse group of judges and artists at all stages of their careers, as well as previous Koestler Award winners, to share expertise with our entrants.

2021 Outreach and Involvement

We have seen the return of many of the Outreach programmes which the Covid-19 pandemic made impossible in 2020. These programmes celebrate achievement and encourage creativity, as well as providing tailored opportunities to encourage participation in the Koestler Awards.

Having hosted a virtual Arts Tutor Seminar in 2020, we welcomed back around 30 staff members from secure settings to our in-person 2021 seminar,at our UK exhibition at Southbank Centre. Having taken on board feedback from the previous virtual event, we also hosted a webinar for around 20 members of prison staff, enabling people from across the UK to attend and share best practice and learning from the year.

Establishment visits resumed from early 2022, giving Koestler Arts staff the opportunity to meet current and potential Koestler Awards entrants in prisons and secure mental health units, and encourage creativity more widely across the establishments, although several were still cancelled at short notice due to COVID infections. Bespoke videos for prisons were also created where we were unable to undertake visits.

The Art Aid sheets established during 2020 to provide inspiration to our beneficiaries when art classes did not function, have developed and become a permanent feature of our outreach programme. They also continue to offer professional development opportunities to former entrants and mentees who receive a fee for the commission and experience of working to a brief.

We are also continuing to commission videos and audio from entrants, mentees and Koestler Arts alumni, as well as employing alumni to create and edit marketing material. Including the voices of our beneficiaries brings an authenticity to the content and will continue to be core to our marketing material.

The commissioning of online tutorials is an idea we are exploring which responds to needs identified by our beneficiaries to have access to online learning that feels relevant to them. The pilot is in its early stages and we are pleased with the resulting tutorials and masterclasses which can be viewed through our YouTube channel.

We intended to hold Exhibited Artist Family days at the 2021 Exhibition, but we were not in a position to take the events forward. There had still been no clarification from HMPPS on restrictions imposed on people on licence from attending celebratory events, and it was felt that this made planning and risk assessing an event, where artists themselves often attend with family members, too difficult to navigate. As in 2020, we therefore continued to create bespoke information packs for every artist with work in the show that they could share with family members.

Mentoring & Scholarships

The mentoring and scholarship programme offers bespoke, one-to-one assistance over the course of the year, and despite the challenges brought by the pandemic it has continued to deliver on the 4 key objectives of the programme:

1. To help prisoners maintain an arts practice post-release through bespoke arts mentoring
2. To improve mentees' coping ability, reduce stress and engender hope for the future
3. To support mentees to access education and training
4. To provide a diversion from reoffending

Face-to-face mentoring sessions started again following lockdown, and we are actively recruiting and training mentors again to meet the growing demand for support via the programme.

One of the key outcomes of the programme post-pandemic is its holistic impact on wellbeing. With resettlement presenting varied challenges, the pandemic has heightened many of the emotional challenges which people are faced with on release. Through participating in the project, mentees have continued to report reduced stress and anxiety, and well as reduced isolation and increased support networks. The data from our new project evaluation tools have showed, through both qualitative and quantitative data, the impact of the mentoring programme.

Milestone	Project Average (over last 3 years)
Mentees report a reduced sense of isolation/increased support networks	95%
Mentees have desisted from re-offending 6 months from finishing mentoring	85.5%
Mentees feel that they are better equipped to manage their mental health/wellbeing	89.5%
Mentees report reduced stress/anxiety	86.5%
Mentees report improved self-esteem and confidence	89.5%

Some notable projects successes in 2021 include

- 5 mentees were shortlisted with 4 getting work selected for the RA Summer show.
- A mentee and scholar have been invited to co-curate a public exhibition in Exeter, which included their own work being exhibited.
- A recently matched visual arts mentee has had work selected for display at a Liverpool Gallery.
- Two poetry mentees with, between them, 5 poems in Volume 3 of our anthology.
- One mentee has begun facilitating his own arts workshops at the homeless charity where he works.
- Another visual arts mentee was for a stall at a Norwich art fair.
- Two mentees performed at our Voices from Prison event.
- A former MVLM scholar was selected for the Ruth Borchard Self-portrait prize and participated in a National Portrait Gallery Event

Achievements 2021-22 - Aim 2

Increase public awareness and understanding of arts by offenders, secure patients, and detainees.

Koestler Arts fulfils its 2nd charitable aim through an innovative national programme of events, exhibitions, displays and partnerships, showcasing the excellence of our entrants' work to an expanding audience.

2021-2 Exhibitions and Displays

The I and the We, our UK exhibition returned to our usual space at the Southbank Centre and opened at the end of October 2021,where it was enthusiastically greeted by our friends and

supporters. Curated by artist Camille Walala and her sister, curator Sarah Ihler-Meyer, *The I and the We* showcased around 200 artworks selected from the 2021 Awards. The exhibition was free and open every day until 5 December, and featured daily tours by ex-prisoner exhibition Hosts, employed by us and specially trained to help guide visitors around the exhibition.

In conjunction with the exhibition, we launched *Koestler Voices: New Poetry from Prisons Volume 3*. Featuring a foreword by former Scots Makar Jackie Kay, the anthology gathered together 50 poems from the 2020 and 2021 Koestler Awards, showcasing some of the inspiring poetry written by people in the criminal justice system.

At the end of 2020 we were thrilled to be able to complete the curation project with young people from Sheffield Youth Justice Service behind the exhibition at Sheffield's Millennium Gallery, which showcased artwork from across Yorkshire. However, the Exhibition itself '*My Path'* was postponed because of COVID restrictions which prevented the reopening of Galleries, until May 2021. Several pieces from the '*My Path'* exhibition were also shown at Ripon Museum from June to September

We also opened exhibitions in Manchester's HOME, *'Soul Journey to Truth'* curated on Zoom by Lady Unchained, as part of the Ripples of Hope Human Rights Festival, and a further exhibition '*Power- Freedom to Create'* at the National Justice Museum in Nottingham. We were very grateful to all these galleries for continuing to support our exhibitions despite the issues they were dealing with during this time, imposed on them because of COVID restrictions

A small display at All Saints Dulwich from 5 October to 15 November coincided with Prisons Week / Prisons Sunday, and the church invited the chaplain at HMP Wandsworth to preach alongside the artwork. A further display in Newcastle Cathedral was in partnership with the Oswin Project was part of a conference called 'Changing Perception' and on display in March and April 2022.

2021 Events & Public Engagement

Our annual spoken word and poetry event Voices from Prison also took place at Southbank Centre during the course of the exhibition, and featured performances of written work from the 2020 and 2021 Koestler Awards by former Koestler Awards entrants, in front of a sold-out audience.

We opened the Koestler Arts Centre to the public in September for Open House London, as part of our commitment to share the creativity of Koestler Awards entrants with as wide a public audience as possible. This 2-day event also provided entrants with more opportunities to sell their work ,as well as supporting the charity Victim Support, which receives 25% of each artwork sale.

We continue with our monthly e newsletter distribution and continued in 2021/22 to increase our presence on Twitter, and now have more than 11,000 followers. We also posted all Medal Winners online to encourage entries and for art tutors to use, alongside images of work in our Exhibitions. Films made by 'Way Out TV' a company encouraging prisoners to become involved in TV production, and a film made at the Southbank Centre of the Exhibition have also been posted.

Following feedback from mentees around the positive impact of feeling part of a like-minded community, we initiated our *Two Together* Instagram takeover. We produced a series of interviews between 10 current and former mentees available on Instagram. These videos give

an insight into the impact of developing an arts practice in prison, and also work as a marketing tool for the mentoring scheme.

Achievements 2021-22 - Aim 3

Be an efficient, dynamic, and collaborative organisation, driven by values, quality, and outcomes.

Operations and Administration

We have been delighted to see continued support for our work and for those isolated in the criminal justice system throughout the year. The support of multi-year grants from ACE, HMPPS and Paul Hamlyn Foundation have allowed us to ensure our core work could continue.

We remain enormously grateful to all those Trusts, Foundations and individuals who have remained loyal to us during this difficult time. We have produced and widely distributed our Annual Review.

We have maintained regular contact with our individual supporters, building relationships and sharing the impact of their support, which has led to high donor retention. Centring our communication with Trusts and Foundations around stories from our beneficiaries has also seen our income from this area remain stable, which has been encouraging as we look to develop new partnerships to enable our work to grow.

This is the fourth year of the four-year funding that the Koestler Trust has benefitted from as a National Portfolio Organisation of Arts Council England, which is a great endorsement of the quality of our work. We continue to be hugely grateful also to the Ministry of Justice for their ongoing support.

This is also the third year of a 10-year grant from the Paul Hamlyn Foundation for our core work, which has underpinned some vital new developments, in particular again this year our Digital work has proved vital.

This is also the final year of the 4-year Business Plan '*Enhancing Engagement'* to improve the experience of both our beneficiaries and increase our Audience reach and diversity, and to continue to support our fundraising, in particularly digitally.

Koestler Arts has a strong ethos of social justice and is committed to taking action to reduce its energy consumption and waste. As outlined in our Environmental Action Plan, our new premises will build on the recommendations of an eco-audit and has had sustainability embedded at each step. Alongside the premises, we are committed to greening our awards and exhibitions as well as our office activities, with a commitment to sustainable printing and materials as well as a reduction in landfill waste.

Whilst the initial fundraising and granting of Planning Permission for our new premises was completed in 2020 and the Board of Trustees gave the go ahead to start the project at the December 2020 Board meeting, the project was delayed during 2021 because of negotiations on the lease of the land, and a consequent redesign of the building. This necessitated a reapplication for Planning Permission, which was granted again in December 2021. A

rebudgetted scheme was approved by the Board in January 2022 at an Extraordinary meeting, and work started on the construction of the building in March 2022. It is anticipated that the building will be in place, adjacent to our current offices, in the Autumn of 2022. This will enable a sea change in our operations allowing us a tailormade space and modern facilities in which our work can thrive.

We are hugely grateful to Arts Council England, including the Capital Kickstarter Fund, the Ministry of Justice, Hammersmith and Fulham Council, Trusts and Foundations and individuals who have all contributed to ensure that our new building has been made possible.

We were delighted to be shortlisted for the 2022 Award for Civic Arts Organisations in recognition of our work and response to the pandemic, and we are very grateful to the Calouste Gulbenkian Foundation for providing this opportunity to show the transformative impact of art in the criminal justice system.

We undertook a Board recruitment drive which resulted in a pleasingly large number of applicants, and we welcomed four new Board members to join our experienced Board to contribute to the health of the Charity.

The Koestler Trust remains a *London Living Wage* employer.

FINANCIAL REVIEW

The Koestler Trust's income in 2021/22 was £847,489. This does not include income raised for our Capital funds for the new building.

The Koestler Trust has again delivered a successful year financially

In terms of Government funding, the Trust, retains its annual core grant from Her Majesty's Prison and Probation Service (£75,000). This will continue into 2022/23. We remain part of Art Council England's National Portfolio, receiving a core grant of £75,000 per year for 2018-22, which has been extended into 2022/23. Our grant from the Paul Hamlyn Foundation to support our core work, makes the Foundation our largest supporter.

Grant-making Foundations continued to provide the largest proportion of the Trust's income at 49%. The Monument Trust, The Henry Smith Charity and the Bromley Trust were among those who maintained their support in 2021/22. During the year, the Trust also continued to receive funding from the Marie Louise von Motesiczky Trust.

This fundraising, alongside continuing much appreciated support for scholarships, named awards and core contributions from both individuals and smaller Trusts and Foundations, and Art Societies, contributed 24% of our fundraising total. We were also very fortunate to receive generous funds from Legacies left to the Trust during the year.

The Trust continued to receive funds from businesses, raising 6% of our funds from these sources. Our main corporate donors remain Elysium Healthcare and Sodexo Justice Services. CCLA continued their support and the collection of Koestler Trust work in their offices. Doughty Street Chambers supported the Visitors Choice award.

RESERVES

The Trust must raise its money on an ongoing basis (it does not have an endowment from its founder Arthur Koestler).

The Trustees' policy is to have reserves of unrestricted funds for the total costs of running the charity for at least 3 months ahead. At the year end, the Trust had free reserves of £184,905 with the unrestricted reserve of £564,212.

FUNDRAISING PRACTICES

All fundraising for the Koestler Trust is undertaken by the staff team, led by the Chief Executive and Development Director. No professional fundraisers or commercial participators carry out any fundraising activities on our behalf. Donor data is maintained on a secure database, and staff have undertaken training into the requirements of GDPR rules.

FUTURE PLANS

Enhancing Engagement: *the Koestler Trust's Strategic Plan to 2021/22 saw* the last year of this plan, setting out 3 strategic goals relating to the charity's three main areas of work. The development of our next 5-year plan was undertaken by the team and the Board during the year.

A new Equality and Diversity Policy and Action Plan has been developed to sit alongside our 5-year business plan. This plan will underpin our responsibility to attract a more diverse workforce and Board of Trustees, alongside our standing commitment to have a Board member with lived experience of the criminal justice system. The policy and action plan will ensure this commitment reaches beyond our internal structures, recognising and removing barriers which people from all backgrounds may face in accessing our Award Scheme, exhibition and events programme and outreach projects.

Our priorities for 2022-23

We will continue with many of the adaptations put in place to cope with the COVID 19 restrictions, which have proved valuable, particularly around digital delivery.

It is anticipated that our new building will be completed this coming financial year, our 60th anniversary. The building will enable a sea change in our operations, which will be reflected in our 2022-25 Business Plan.

Other plans include:

- The UK Exhibition at the Southbank Centre curated by artist and activist Ai Weiwei
- Regional exhibitions at Tramway in Glasgow and in South Hill Park, Bracknell the latter alongside a research programme coordinated by the University of Surrey.
- We will continue to grow our digital presence and expand our support for art tutor, mentees and sales online.
- We will pilot an Induction Wing Pack to introduce new prison inmates to Koestler Arts
- We will introduce new ringfenced Awards for young people under 25

- We will continue to enhance the use of our Database for fundraising purposes and increase our capacity for data analysis and ensure that we are fully compliant with all Data Protection legislation.

- We will begin pilot projects based on the findings of focus group work held in prisons in 2019, which we have been unable to undertake earlier because of Covid restrictions, these include in prison feedback days.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statement in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for the year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

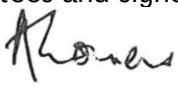
In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Bringing increased self-confidence, wellbeing, hope and resilience to those in the criminal justice system has never been more vital. On behalf of the Trustees, I would like to thank the staff team, who have made sure that this vital work has kept going through very challenging times. Thanks also to my fellow Trustees, and all the donors, supporters and volunteers who helped to unlock the talent inside.

2022 will be an important milestone for Koestler Arts. It will be our 60th anniversary, and we can reflect back on the thousands of people who have participated in, and been inspired by, our work. But we will also very much be looking forward. Thanks to the amazing efforts of Sally Taylor and the team, our Koestler House sub-committee, and many of our loyal supporters, Koestler Arts will have its own home for the first time. Based in custom-built shipping containers, still in the shadow of HMP Wormwood Scrubs, it will continue to be a beacon of hope, now and for the future.

Approved by the Trustees and signed on their behalf by:



Dame Anne Owers (Chair of Trustees)

Date: 20/10/22

The Koestler Trust
Independent Auditor's Report To The Members Of The Koestler Trust For the year ended 31 March 2022

Opinion

We have audited the financial statements of The Koestler Trust (the 'parent company') and its subsidiary ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2022 and of the group's 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

/Continued ...

(Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report .

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

/Continued ...

(Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) applicable to smaller entities and the Companies Act 2006.
- We understood how the charitable company is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures. The charitable company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override and allocation of costs to charitable activities and restricted funds.
- Our approach was to check that the income from grants and donations were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed the transactions with the subsidiary company, major journal adjustments along with unusual transactions and considered the identification and disclosure of related party transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *https://www.frc.org.uk/auditorsresponsibilities.* This description forms part of our auditor's report.

/Continued ...

(Continued)

Use of our report

This report is made solely to the parent 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 parent company'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 parent company and the parent company's members as a body, for our audit work, for this report or for the opinions we have formed.

Shoaib Arshad (Senior Statutory Auditor)
For and on behalf of:
Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

10 November 2022

Registered company no. 04961363

The Koestler Trust
Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 March 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	*Total Funds 2021 £*
INCOME AND ENDOWMENTS FROM:					
Donations and legacies					
for charitable activities	2	758,130	54,318	812,448	*967,181*
for capital development	2	-	411,926	411,926	*397,221*
Other trading activities	4	34,716	-	34,716	*11,083*
Investments	5	325	-	325	*692*
Other	6	-	-	-	*30,715*
TOTAL		793,171	466,244	1,259,415	*1,406,892*
EXPENDITURE ON:					
Raising funds					
Costs of generating voluntary income		124,362	-	124,362	*120,410*
Charitable activities		690,763	66,899	757,662	*640,967*
TOTAL EXPENDITURE	7	815,125	66,899	882,024	*761,377*
NET MOVEMENT IN FUNDS		(21,954)	399,345	377,391	*645,515*
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 APRIL 2021		*592,742*	*467,110*	*1,059,852*	*414,337*
TOTAL FUNDS AT 31 MARCH 2022		£ 570,788	£ 866,455	£ 1,437,243	*£ 1,059,852*

All income and expenditure has arisen from continuing activities. None of the Charity's activities were acquired or discontinued during the above two financial years.

The Koestler Trust

(company limited by guarantee) (registered company no. 04961363)

Consolidated Balance Sheet

As at 31 March 2022

	Notes	Charity 2022 £	Group 2022 £	*Charity 2021 £*	*Group 2021 £*
FIXED ASSETS					
Tangible assets	11	482,076	482,075	*11,923*	*11,922*
Investments	12	100,223	100,222	*100,181*	*100,180*
		582,299	582,297	*112,104*	*112,102*
CURRENT ASSETS					
Debtors	14	56,822	54,883	*86,996*	*86,701*
Short term investments	15	50,053	50,053	*50,053*	*50,053*
Cash at bank and in hand	16	935,359	949,387	*989,244*	*995,686*
		1,042,234	1,054,323	*1,126,293*	*1,132,440*
CREDITORS: amounts falling due within one year	17	(193,866)	(199,377)	*(180,553)*	*(184,690)*
NET CURRENT ASSETS		848,368	854,946	*945,740*	*947,750*
TOTAL EXPENDITURE					
NET ASSETS		£ 1,430,667	£ 1,437,243	*£ 1,057,844*	*£ 1,059,852*
FUNDS					
Unrestricted funds:					
Designated funds	18	368,195	368,195	*407,504*	*407,504*
Subsidiary companies	18	-	6,576	-	*2,008*
General fund	18	196,017	196,017	*183,230*	*183,230*
		564,212	570,788	*590,734*	*592,742*
Restricted funds	18	866,455	866,455	*467,110*	*467,110*
		£ 1,430,667	£ 1,437,243	*£ 1,057,844*	*£ 1,059,852*

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard 102. The financial statements were approved, and authorised for issue, by the Board of Trustees on 29/09/22 and signed on their behalf by:-

A Owers

DAME ANNE OWERS, Chair

Jane Gillespie

JANE GILLESPIE, Treasurer

The annexed notes form part of these financial statements

The Koestler Trust
Consolidated Cash Flow Statement
For the year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Surplus for the financial year	377,391	*645,515*
Adjustments for:		
Depreciation	2,912	*7,361*
Decrease in debtors	31,818	*56,020*
Decrease/(increase) in creditors	14,687	*(92,626)*
Investment income	(325)	*(692)*
Net cash flows from operating activities	426,483	*615,578*
Cash flows from investing activities		
Purchase of tangible fixed assets	(473,065)	*(8,773)*
Purchase of investments (fixed and short term)	(42)	*(172)*
Return on investment - interest receivable	325	*692*
Net (decrease)/increase in cash and cash equivalents	(46,299)	*607,325*
Cash and cash equivalents at 1 April 2021	995,686	*388,361*
Cash and cash equivalents at 31 March 2022	£ 949,387	*£ 995,686*

Components of cash and cash equivalents

	At 1 April 2021	Cashflows	At 31 March 2022
	£	£	£
Cash at bank and in hand	995,686	(46,299)	949,387

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102 have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Group financial statements

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Koestler (Sales) Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and SORP 2015.

Company status

The Koestler Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, it is probable that the amount will be received and the amount can be quantified with reasonable accuracy. Revenue grants recieved are deferred when conditions are attached, for example when they relate to a specific future period.

Investment Income is recognised on an accruals basis.

Resources Expended

Expenditure is recognised on an accruals basis, inclusive of irrecoverable VAT.

Charitable activities include expenditure associated with the staging of art exhibitions as an essential part of promoting artistic activities on the part of people within the criminal justice system, as set out in the Trust's Objectives stated in the Trustees report. They also include the award of prizes for the artistic merit of the work and the activities of the Koestler Art Centre, which organises the exhibitions, promotes the work of the Trust within the prison system, including specific arts projects and exhibits prisoner art on a permanent basis.

Support costs are overhead expenditure and management costs necessary in order to control the charitable activities of the Trust and ensure that the Trust's objectives are being achieved. They are allocated over the charity's expenditure headings, including fundraising, charitable activities and governance based on staff costs.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	Over 4 years
Fixtures, fittings & equipment	Over 7 years

Pensions

The Charity contributes to a defined contribution pension scheme on behalf of a number of employees. The pension charge represents the amount payable by the charity to the pension fund in respect of the year.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, cash at bank and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	*Total Funds 2021 £*
Income for Charitable activites				
Donations from Public Sector	151,380	-	151,380	*151,380*
Donations from Trusts	344,159	51,318	395,477	*460,892*
Donations from Businesses	52,609	2,000	54,609	*52,537*
Donations from Individuals	100,091	1,000	101,091	*107,366*
Legacies	107,317	-	107,317	*195,006*
	758,130	54,318	812,448	*967,181*
Capital Grants (note 3)	-	411,926	411,926	*397,221*
	£ 758,130	£ 466,244	£ 1,224,374	*£ 1,364,402*

Comparative donations and legacies

	Unrestricted Funds 2021	*Restricted Funds 2021*	*Total Funds 2021*
Income for Charitable activites	*£*	*£*	*£*
Donations from Public Sector	*151,380*	*-*	*151,380*
Donations from Trusts	*367,892*	*93,000*	*460,892*
Donations from Businesses	*50,487*	*2,050*	*52,537*
Donations from Individuals	*107,366*	*-*	*107,366*
Legacies	*195,006*	*-*	*195,006*
	£ 872,131	*£ 95,050*	*£ 967,181*

In addition to the above grants, donations and legacies, the Trust receives the use of 168a Du Cane Road, and the costs associated with maintaining the premises, free of charge from HMP Wormwood Scrubs. This benefit is not included in the Statement of Financial Activities as the value cannot be ascertained without substantial expense on a quantity surveyor.

3. KOESTLER HOUSE DEVELOPMENT

	2022	*2021*
	£	*£*
Capital Funds brought forward	479,724	*82,503*
Allocation of unrestricted grants and donations	-	*-*
Restricted grants and donations (note 2)	411,926	*397,221*
	£ 891,650	*£ 479,724*
Analysis of Capital Funds (note 18)		
Designated Funds	82,503	*82,503*
Restricted Funds	809,147	*397,221*
	£ 891,650	*£ 479,724*

The development for the new building has not started during the year. The advances of £27,223 from 2021 and the costs of £443,741 incurred during the year has been reported as additions to leasehold building under note 11 of these financial statements.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	*Total Funds 2021*
	£	£	£	*£*
Trading income	34,716	-	34,716	*11,083*
Total 2022	£ 34,716	£ Nil	£ 34,716	
Total 2021	*£ 11,083*	*£ Nil*		*£ 11,083*

5. INVESTMENT INCOME

	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	*Total Funds 2021*
	£	£	£	*£*
Interest receivable from:				
Bank interest	325	-	325	*692*
Total 2022	£ 325	£ Nil	£ 325	
Total 2021	*£ 692*	*£ Nil*		*£ 692*

6. OTHER INCOMING RESOURCES

	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	*Total Funds 2021*
	£	£	£	*£*
Other income	-	-	-	*30,715*
Total 2022	£ Nil	£ Nil	£ Nil	
Total 2021	*£ 30,715*	*£ Nil*		*£ 30,715*

Other income is the Government support during Covid-19 under the Coronavirus Job Retention Scheme.

7. RESOURCES EXPENDED

	Staff costs	Other direct costs	Support costs	Total 2022	Total 2021
	£	£	£	£	*£*
Cost of charitable activities by project:					
UK Exhibition at Southbank	29,649	42,121	15,789	87,559	*52,759*
Out of London Exhibitions	64,318	7,498	34,251	106,067	*72,053*
Prizes Awarded	-	29,836	-	29,836	*25,889*
Arts Response & Awards	144,690	23,051	77,051	244,792	*231,412*
Publicity	26,542	17,448	14,134	58,124	*53,834*
Mentoring	42,684	6,667	22,730	72,081	*69,611*
Outreach and Involvement	82,912	3,556	44,153	130,621	*110,555*
Koestler sales	-	28,582	-	28,582	*24,854*
Total charitable expenditure	390,795	158,759	208,108	757,662	*640,967*
Costs of generating voluntary income	69,679	17,577	37,106	124,362	*120,410*
	£ 460,474	£ 176,336	£ 245,214	£ 882,024	*£ 761,377*

Resources expended include:

	2022	*2021*
Audit fee (inclusive of VAT)	3,480	*3,312*
Other services	2,766	*2,628*
Depreciation	2,912	*4,981*

Details of staff costs are given in Note 9.

5. RESOURCES EXPENDED (continued)

Comparative resources expended

	Staff costs	*Other direct costs*	*Support costs*	*Total 2021*
	£	*£*	*£*	*£*
Cost of charitable activities by project:				
UK Exhibition at Southbank	*28,487*	*8,074*	*16,198*	*52,759*
Out of London Exhibitions	*34,717*	*17,596*	*19,740*	*72,053*
Prizes Awarded	*-*	*25,889*	*-*	*25,889*
Arts Response & Awards	*138,011*	*14,927*	*78,474*	*231,412*
Publicity	*29,020*	*8,313*	*16,501*	*53,834*
Mentoring	*42,136*	*3,516*	*23,959*	*69,611*
Outreach and Involvement	*70,403*	*120*	*40,032*	*110,555*
Koestler sales	*-*	*24,854*	*-*	*24,854*
Total charitable expenditure	*342,774*	*103,289*	*194,904*	*640,967*
Costs of generating voluntary income	*70,743*	*9,442*	*40,225*	*120,410*
	£ 413,517	*£ 112,731*	*£ 235,129*	*£ 761,377*

8. SUPPORT COSTS

	Total 2022	*Total 2021*
	£	*£*
Governance costs	7,813	*5,877*
Staff costs	143,932	*142,516*
General overheads	93,469	*86,736*
	£ 245,214	*£ 235,129*

9. STAFF NUMBERS AND COSTS

	2022	*2021*
	£	*£*
Wages and salaries	527,087	*504,974*
Social security costs	42,920	*30,327*
Pension costs	29,249	*15,506*
Cost of contracted staff	1,200	*5,226*
Other staff costs	3,950	-
	£ 604,406	*£ 556,033*

	2022	2021
	£	£
Allocated to:		
Charitable activities	390,795	*342,774*
Fundraising costs	69,679	*70,743*
Support costs	143,932	*142,516*
	£ 604,406	*£ 556,033*

Average number of employees	21	*19*

One (2020: one) employee received remuneration of more than £60,000 between £60,001 to £70,000.

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, Key management personnel includes the management team.

Following the recommendations of the National Council for Voluntary Organisations' guidance on *Setting and Communicating Remuneration Polices* (April 2014), and with the agreement of the individual staff involved, the Koestler Trust has started publishing the gross salaries of its management team. These are as follows:

	2022	2021
	£	£
Chief Executive	68,612	*67,225*
Director of Arts	46,581	*37,537*
Director of Outreach & Involvement	39,063	*37,912*
Director of Development	44,154	*43,855*
	£ 198,410	*£ 186,529*

10. TRUSTEES REMUNERATION AND BENEFITS

The Articles of Association allow for the payment of professional fees to Trustees under certain circumstances, however, during the year, no members of the Board of Trustees received any remuneration (2021 - £NIL).
No members of the Board of Trustees received reimbursement of expenses (2021 - £NIL).

11. TANGIBLE FIXED ASSETS

	Koestler House	Fixture and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2021	-	5,176	15,739	20,915
Additions	470,964	-	2,101	473,065
Disposals	-	(2,000)	-	(2,000)
At 31 March 2022	470,964	3,176	17,840	491,980
Depreciation				
At 1 April 2021	-	2,667	6,326	8,993
Charge for the year	-	398	2,514	2,912
On disposals	-	(2,000)	-	(2,000)
At 31 March 2022	-	1,065	8,840	9,905
Net book value				
At 31 March 2022	£ 470,964	£ 2,111	£ 9,000	£ 482,075
At 31 March 2021	*£ Nil*	*£ 2,509*	*£ 9,413*	*£ 11,922*

A new building 'Koestler House' is under construction on leased land. Accounting for the depreciation of Koester House will commence when the building becomes operational.

12. INVESTMENTS

	Charity 2022	Group 2022	*Charity 2021*	*Group 2021*
	£	£	*£*	*£*
CCLA COIF Charities Deposit Fund	100,222	100,222	*100,180*	*100,180*
Investment in subsidiaries (note 13)	1	-	*1*	-
	£ 100,223	£ 100,222	*£ 100,181*	*£ 100,180*

13. INVESTMENT IN SUBSIDIARIES

Koestler (Sales) Limited is a company limited by guarantee whose members are also the trustees of the Koestler Trust. The Company had a policy of donating 25% of sales income from artwork to Victim Support and is included in the costs of sales. The Company also had a policy to gift aid its profits to the Trust. One of the Trustees, Robert Taylor (resigned June 2022), was a director of Koestler (Sales) Limited. The financial results of Koestler (Sales) Limited are as follows:

		2022		*2021*
		£		*£*
Turnover		34,716		*11,083*
Cost of sales		(25,083)		*(6,921)*
Administrative costs		(3,499)		*(2,596)*
Profit in the year before Gift Aid		6,134		*1,566*
Gift Aid donations to Koestler Trust (Charity)		(1,566)		*(15,337)*
Profit in the year	£	4,568	*£*	*(13,771)*
Current assets		14,028		*6,621*
		14,028		*6,621*
Liabilities		(7,453)		*(4,613)*
	£	6,575	*£*	*2,008*
Profit and loss account		6,575		*2,008*
Capital and reserves	£	6,575	*£*	*2,008*

Following are the inter-company transactions during the year and balances held at the year end.

	2022	*2021*
	£	*£*
Balance due to Koestler Trust as at 31 March 2022	2,501	*475*
Koestler Trust income entitlement during the year	1,566	*15,337*

14. DEBTORS

	Charity 2022	Group 2022	*Charity 2021*	*Group 2021*
Due within one year	£	£	*£*	*£*
Grant debtors	-	-	*-*	*-*
Due from group undertakings	2,501	-	*475*	*-*
Prepayments and accrued income	54,321	54,883	*86,521*	*86,701*
	£ 56,822	£ 54,883	*£ 86,996*	*£ 86,701*

15. INVESTMENTS HELD AS CURRENT ASSETS

	Charity 2022	Group 2022	*Charity 2021*	*Group 2021*
	£	£	*£*	*£*
CAF 12 months fixed rate investment	50,053	50,053	*50,053*	*50,053*

16. Cash at bank and in hand

The year end cash balance reflects the funds already raised and received for the construction of the new Koestler Arts building which will take place in 2022/23.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity 2022	Group 2022	*Charity 2021*	*Group 2021*
	£	£	*£*	*£*
Grants in advance	160,794	160,794	*152,556*	*152,556*
Social security and other taxes	9,535	9,535	*10,574*	*10,574*
Accruals	18,771	20,791	*12,767*	*14,452*
Other creditors	4,766	8,257	*4,656*	*7,108*
	£ 193,866	£ 199,377	*£ 180,553*	*£ 184,690*

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
2021-22 Projects	21,001	-	(21,001)	-	-
2022-23 Projects	-	40,000	-	-	40,000
Regional Exhibition Fund	50,000	-	(50,000)	-	-
Mentoring & Outreach Fund	40,000	-	(5,000)	-	35,000
Arts Awards and Response Fund	110,000	-	(110,000)	90,000	90,000
Family Support and Hosts Fund	25,000	-	(10,000)	-	15,000
Website and Database Development Fund	40,000	-	-	-	40,000
Koestler House Development Fund	82,503	-	-	-	82,503
Koestler House Running Costs Fund	15,000	-	-	-	15,000
Scholarships	24,000	-	(24,000)	-	-
Mentoring Fund	-	-	-	50,692	50,692
	£ 407,504	£ 40,000	£ (220,001)	£ 140,692	£ 368,195
RESTRICTED FUNDS					
UK Exhibition at Southbank	-	17,818	(17,818)	-	-
Koestler House Development Fund	397,221	411,926	-	-	809,147
Mentoring	69,889	36,500	(49,081)	-	57,308
	£ 467,110	£ 466,244	£ (66,899)	£ Nil	£ 866,455
SUMMARY OF FUNDS					
Designated Funds	407,504	40,000	(220,001)	140,692	368,195
Subsidiary companies	2,008	34,716	(30,148)	-	6,576
General Funds	183,230	718,455	(564,976)	(140,692)	196,017
	592,742	793,171	(815,125)	-	570,788
Restricted Funds	467,110	466,244	(66,899)	-	866,455
	£ 1,059,852	£ 1,259,415	£ (882,024)	£ Nil	£ 1,437,243

18. STATEMENT OF FUNDS (continued)

Comparative statement of funds

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers and investment gains/(losses)*	*Carried Forward*
	£	*£*	*£*	*£*	*£*
DESIGNATED FUNDS					
2021-22 Projects	*-*	*21,001*	*-*	*-*	*21,001*
2020-21 Projects	*56,100*	*-*	*(56,100)*	*-*	*-*
Regional Exhibition Fund	*-*	*-*	*-*	*50,000*	*50,000*
Mentoring & Outreach Fund	*-*	*-*	*-*	*40,000*	*40,000*
Arts Awards and Response Fund	*20,000*	*-*	*(20,000)*	*110,000*	*110,000*
Family Support and Hosts Fund	*-*	*-*	*-*	*25,000*	*25,000*
Website and Database Development Fund	*-*	*-*	*-*	*40,000*	*40,000*
Koestler House Development Fund	*82,503*	*-*	*-*	*-*	*82,503*
Koestler House Running Costs Fund	*-*	*-*	*-*	*15,000*	*15,000*
Scholarships	*-*	*24,000*	*-*	*-*	*24,000*
	£ 158,603	*£ 45,001*	*£ (76,100)*	*£ 280,000*	*£ 407,504*
RESTRICTED FUNDS					
2020-21 Projects	*-*	*2,050*	*(2,050)*	*-*	*-*
UK Exhibition at Southbank	*-*	*2,000*	*(2,000)*	*-*	*-*
Regional Exhibition Fund	*-*	*14,500*	*(14,500)*	*-*	*-*
Koestler House Development Fund	*-*	*397,221*	*-*	*-*	*397,221*
Mentoring	*63,000*	*76,500*	*(69,611)*	*-*	*69,889*
	£ 63,000	*£ 492,271*	*£ (88,161)*	*£ Nil*	*£ 467,110*
SUMMARY OF FUNDS					
Designated Funds	*158,603*	*45,001*	*(76,100)*	*280,000*	*407,504*
Subsidiary companies	*15,779*	*11,083*	*(24,854)*	*-*	*2,008*
General Funds	*176,955*	*858,537*	*(572,262)*	*(280,000)*	*183,230*
	351,337	*914,621*	*(673,216)*	*-*	*592,742*
Restricted Funds	*63,000*	*492,271*	*(88,161)*	*-*	*467,110*
	£ 414,337	*£ 1,406,892*	*£ (761,377)*	*£ Nil*	*£ 1,059,852*

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds	General Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	482,075	-	482,075
Fixed asset investments	-	100,222	-	100,222
Net current assets	368,195	(379,704)	866,455	854,946
	£ 368,195	£ 202,593	£ 866,455	£ 1,437,243

Comparative analysis of net assets between funds

	Unrestricted Funds			
	Designated Funds	*General Funds*	*Restricted Funds*	*Total Funds*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*11,922*	*-*	*11,922*
Net current assets	*407,504*	*173,316*	*467,110*	*947,750*
	£ 407,504	*£ 185,238*	*£ 467,110*	*£ 959,672*

20. PENSION COMMITMENTS

Pension costs in note 9 relate to payments made to a defined contribution pension scheme. The charitable company's liability is limited to making the payments due to the scheme on a timely basis. The liability at the 31 March 2022 is £4,768 (2021 : £4,656).

21. RELATED PARTIES

There were no related party transactions, other than those disclosed in note 6 and 7.

22. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2021	*Restricted Funds 2021*	*Total Funds 2021*
	£	*£*	*£*
INCOME AND ENDOWMENTS FROM:			
Donations and legacies			
for charitable activities	*872,131*	*95,050*	*967,181*
for capital development	*-*	*397,221*	*397,221*
Other trading activities	*11,083*	*-*	*11,083*
Investments	*692*	*-*	*692*
Other	*30,715*	*-*	*30,715*
TOTAL	*914,621*	*492,271*	*1,406,892*
EXPENDITURE ON:			
Raising funds			
Costs of generating voluntary income	*120,410*	*-*	*120,410*
Charitable activities	*552,806*	*88,161*	*640,967*
TOTAL EXPENDITURE	*673,216*	*88,161*	*761,377*
NET MOVEMENT IN FUNDS	*241,405*	*404,110*	*645,515*
RECONCILIATION OF FUNDS:			
TOTAL FUNDS AT 31 MARCH 2020	*351,337*	*63,000*	*414,337*
TOTAL FUNDS AT 31 MARCH 2021	*£ 592,742*	*£ 467,110*	*£ 1,059,852*

THE KOESTLER TRUST

England & Wales - Charity number 1105759

Accounts

KOESTLER ARTS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

Charity Number 01105759
Company Number 04961363

THE KOESTLER TRUST
REPORT AND ACCOUNTS 2020-21

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TRUSTEES' REPORT

The Trustees, who are also directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, present their combined directors' and trustees' annual report with the financial statements of the charity for the year ended 31st March 2021. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 and comply with the Charity's governing document, applicable law and the requirements of the Statement of Recommended Practice (FRS 102). The Company has taken advantage of the exemptions available to smaller entities.

LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity number:	1105759
Company limited by guarantee number:	4961363
Principal and Registered address:	Koestler Arts Centre 168a Du Cane Road, London W12 0TX
Telephone:	020 8740 0333
Email:	info@koestlerarts.org.uk
Website:	www.koestlerarts.org.uk
Auditors:	Knox Cropper LLP 65 Leadenhall Street, London, EC3A 2AD
Trustees and company directors:	Dame Anne Owers (Chair) Ariane Bankes (Vice Chair for Arts) Jane Gillespie (Treasurer and Chair of the Finance and Strategy subcommittee) David Banks Nicholas Bowlby Stephen Chambers RA Robert Taylor Andrea Rose Femi Martin (resigned September 2020) Carl Hardwick Gary Mansfield Roger Hill Sir Richard Heaton (appointed March 2021)
Company Secretary and Chief Executive Officer:	Sally Taylor
Honorary President:	Lord David Ramsbotham

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is governed by its Memorandum and Articles.

The **Board of Trustees** met 4 times during the year, all the meetings have been held remotely on ZOOM and the Annual General Meeting was held on 9th December 2020, also by ZOOM.

The Board has 4 sub-groups, each of which provides oversight of specific aspects of the charity's work: -

The **Finance & HR Sub-Group** was chaired by Jane Gillespie as Treasurer, and includes the Chair, Vice Chair, Chief Executive and Development Director. It met on 4 occasions by ZOOM during the year, scrutinising the finances and HR and planning strategic development.

The **Outreach & Involvement Sub-Group**, chaired by Robert Taylor and serviced by Sarah Matheve, Director of Outreach & Involvement, oversees the mentoring programme and all other ways that the Trust engages with and supports offenders and secure patients, e.g., with work experience placements at the Koestler Arts Centre and outreach visits to establishments. The group includes service users and representatives from partner agencies.

The **Arts Sub-Group**, chaired by Ariane Bankes and serviced by Director of Arts Fiona Curran, oversees the awards process, exhibitions, and sales. This group also includes award winners, awards judges, and prison art tutors.

The **'Koestler House'** subgroup, chaired by David Banks, and serviced by Sally Taylor, CEO, which provides oversight and guidance around potential new premises.

Staff management is underpinned by Support & Supervision meetings, where each member of staff meets one-to-one with his or her line manager every 4-6 weeks. The decisions of these meetings are recorded in writing. Each member of staff also has an annual appraisal to review progress and set targets for the year ahead. Team meetings are held every week, in 2020/21 by Zoom. The Chief Executive's Support & Supervision is provided by the Chair of Trustees.

RISK AND INTERNAL CONTROL

An overall risk assessment is reported annually to the Board of Trustees. This addresses issues from specific aspects of infrastructure, including data protection, health and safety, human resources, environmental impact and office fabric and equipment. Each of these areas is the responsibility of a designated member of staff, who reports regularly to the team meeting.

AIMS AND OBJECTIVES

The Koestler Trust's ongoing aims are: -

1. To motivate offenders, secure patients, and detainees to take part and achieve in the arts, helping them transform their lives.

2. To increase public awareness and understanding of arts by offenders, secure patients & detainees.

3. To be an efficient, dynamic, and collaborative organisation, driven by values, quality, and outcomes.

As registered with the Charities Commission, the Koestler Trust's charitable objects are "for the advancement of the arts and education and for purposes beneficial to the community:

a) to promote the creative enterprise of inmates and former inmates of prisons, young offender institutions, secure units and any other establishment for the lawful detention of individuals including patients and former patients in high security psychiatric and other hospital units in the United Kingdom ("the institution") and those subject to non-custodial orders in the United Kingdom and person subjected to similar regimes outside the United Kingdom in the fields of the visual and performing arts, sciences, crafts or trades by the provision of awards to such persons and groups of persons for meritorious work and the exhibition of their work;

b) to institute or support worthwhile artistic or creative projects at any of the institutions which aim to stimulate the education or skills of such persons and to assist in their rehabilitation and resettlement in society."

The Trustees refer to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

HOW THE CHARITY'S ACTIVITIES DELIVER PUBLIC BENEFIT

The Koestler Trust's awards, exhibitions, artwork sales, mentoring and outreach form a co-ordinated and effective programme of motivations for offenders, secure patients, and detainees to participate and achieve in the arts. The awards provide goals and rewards, the exhibitions offer recognition, the sales provide financial rewards, the mentoring supports offenders to take up or develop their arts practice, especially after release into the community, and the outreach visits to prisons bring artistic opportunities to new beneficiaries.

These activities bring benefits to the offenders, detainees, and patients themselves – raising their self-awareness, helping them express and understand their feelings, and developing their skills and self-discipline. These improvements in turn bring benefits to their families and communities, and to the staff who work in prisons and other establishments.

Most importantly arts activity offers a diversion from re-offending. For the community at large, the overriding benefit of the Koestler Trust's activities is to help offenders move towards crime-free lives. The Trust also benefits the public by raising awareness and understanding of offenders, detainees, and secure patients, through exhibitions and showcasing of their artistic achievements.

ACTIVITIES AND ACHIEVEMENTS DURING 2020-21

The whole period of this report has been affected by the Covid 19 pandemic, its consequences, and Government action and guidance in the light of the pandemic. This has not only affected the prison service and other secure settings and the arts environment, in terms of restrictions and closures, but also how we were able to operate as a charity in times of lockdown, of which there were three during this period.

The team were working from home for large portions of the year, and adopting social distancing, use of masks and other risk assessed measures to make the team feel safe and create a COVID secure environment when we were able to return to the office, after staff

consultation, in much reduced numbers. It was important at this point that the team involved in the processing of the Awards were prioritised in the office, and temporary help was employed to attempt to regain some of the time in processing the 2020 Awards which had been lost to Lockdowns.

All the Trust's activities during 2020-21 aimed to maximise and increase the charity's public benefit.

Achievements 2020-21 - Aim 1

Help to motivate offenders, secure patients, and detainees to take part and achieve in the arts, helping them transform their lives.

"The cumulative effect of such prolonged and severe restrictions on prisoners' mental health and wellbeing is profound." Charlie Taylor, Chief Inspector of Prisons, What happens to prisoners in a pandemic?

Throughout the pandemic, life in prisons has become enormously restrictive. Pre-pandemic, our country's around 80,000 prisoners were already experiencing overcrowded conditions. In the words of Peter Clarke, former Chief Inspector of Prisons, inadequate facilities lead to "frustration, boredom, greater use of illicit substances and often deteriorating physical and mental health". Now, in response to the Covid-19 pandemic, increased periods of lockdown have stripped away the vital activities which ensure that the approximately 50,000 people released from prison each year are ready, safe, and able to re-join our communities – work, education, and a chance to see friends and family.

"In order to lead successful, crime-free lives when they leave custody, prisoners must change the way they feel about themselves and develop a belief that they can take control of their future. In our fieldwork we saw a sense of hopelessness and helplessness becoming engrained." Charlie Taylor, Chief Inspector of Prisons

With the average daily amount of time out of cell for adult prisoners limited to 90 minutes, compared to an expected 10 hours, as a result of Covid-19 restrictions, the effects on mental health and wellbeing have been stark. 71% of women and 47% of men recently surveyed in prison reported mental health problems, and self-inflicted deaths remain over 6 times more likely in prison than in the general population. The Covid-19 pandemic has therefore added untold additional pressures being felt in many establishments, through much reduced prospects for change and rehabilitation.

"Without creative outlets within the prison system, I don't think I would have been able to cope with the stresses and strains of the often negative and hostile environment. Being creative has opened up new avenues of progression that I did not previously know existed." Koestler Awards entrant 2020

This year, in some of the most challenging circumstances our communities and criminal justice system have ever faced, our work has been concentrated on reaching as many people as possible, and offering positivity, focus and opportunities to build wellbeing.

Immediately Lockdown 1 was called we announced that the Koestler Awards 2020 would continue to take place. This positive outlook has exemplified all our actions this year and produced some unanticipated and creative responses to the issues posed by the Lockdowns.

This report addresses our achievements considering the pandemic, the issues we faced and their outcomes and the adaptations we made because of the COVID19 strictures, many of which have produced valuable learnings as we move into 2021/22, again in Lockdown.

The pandemic has worsened the challenging realities of so many of our beneficiaries, but it has also emphasised the importance of creativity, and the role the Koestler Awards play as a platform for that creativity.

2020 Koestler Awards

After delaying the 2020 Koestler Awards deadline, we were delighted to receive 6,550 entries, only a 14% decrease from 2019. 3,055 men, women and young people entered the 2020 Koestler Awards, a 20% decrease from 2019.

275 establishments were represented in the Awards. These included prisons, young offender institutions, secure mental health units, immigration removal centres and probation services, and compared to 2019 represents a 7% decrease.

There were 1,460 first-time entrants despite reduced marketing opportunities, showing the continued relevance and importance of the awards and creativity for people in secure settings.

Over 50 volunteer judges joined us physically and remotely to safely offer awards and share their expertise through written feedback and encouragement for our entrants. We granted 2,596 awards, and £29,685 prize money was sent to award-winners.

In 2019, for the first time, we were able to send written feedback to every entrant, in part thanks to the extraordinary commitment of our volunteers who gave 5,365 hours of their time. In 2020, with little opportunity for volunteers to join us due to the pandemic, we have relied on our judges and small staff team to provide this year's feedback. 75% of entrants received personalised, written feedback on their work, a remarkable achievement with such reduced capacity. As we look to the challenges ahead, finding innovative and effective ways to increase this feedback number in 2021 remains a priority.

"There is much talent hidden in prisons and at many levels, all awaiting expression, encouragement and development. Continue to give hope, joy, and change lives in a hundred ways. You have certainly blessed my life with all three." Koestler Awards Entrant 2020

Covid 19 adaptations

- **Extended deadline** – With education staff, including art tutors, unable to access prisons during lockdown to post entries from their classes, we decided to extend the deadline for the Awards from April to June. This allowed staff members to access and submit work made prior to the pandemic, as well as send in work made during the initial lockdown.

- **Increased maximum entries** – While we normally ask entrants to limit their entries to 5, with an extended deadline it was important to offer increased opportunities for those who had already submitted work. Increasing the maximum entries to 10 offered more chances for purposeful activity and was well-received by our entrants.

- **Stipend to judges -** In line with our commitment to champion artists and recognising the value of their time and the economic challenges so many currently face, we offered a stipend to everyone who volunteered their time to judge the Koestler Awards. This will become a permanent feature of our judging process in the future, with the aim of

enabling a diverse group of judges and artists at all stages of their careers to share expertise with our entrants.

Each year we look to develop our reach within prisons and among those in the community through our outreach programmes. These have traditionally included our mentoring and scholarships, c.30 annual prison visits to celebrate achievement and encourage participation in the Awards, as well as facilitating an Associates membership scheme, family engagement and employment programmes around our UK exhibition, and an Art Tutor Seminar to enable the sharing of best practice between those facilitating creativity in the criminal justice system. In 2020, these were some of the areas of our work most impacted by the national and prison-wide lockdowns and increased restrictions.

2020 Outreach and Involvement

Considering the restrictions enforced by the pandemic, our traditional outreach programmes focused on celebrating achievement and encouraging participation have been transformed with digital versions where possible. We have been able to create alternatives to our family engagement programme, establishments visits and the Art Tutor Seminar, while our Associates and mentoring programmes have continued with adapted support to best meet the needs of our entrants in the pandemic.

We were forced to halt face-to-face mentoring during the initial lockdowns, with video calls taking their place and phone calls for mentees with restricted digital access. The lockdowns and have caused a reduction in referrals to the scheme by probation officers, but we are proud of the adaptations we have made to support our current cohort of mentees and volunteer mentors. In early October we sent around 2,500 eligible 2020 Koestler Awards entrants specific information on the mentoring project, with the aim of generating more mentoring applications, and have been proactive since in reaching out to entrants who could potentially benefit from the programme.

Covid-19 Adaptations

- **Arts Bursaries for Mentees** - Each mentee was given a bursary for arts equipment. Items purchased included a desk-top easel, drawing materials, sketch books and artists monographs, this encouraged mentees to pursue their creative practice despite the isolation and anxiety of lockdown.

- **Increased communication with entrants** - To maintain engagement and support our beneficiaries' creativity and wellbeing we created new channels of communication. A fortnightly newsletter has been sent to all mentees and mentors since March, including updates about the Awards, creative suggestions, and opportunities. We have made greater use of *Email a Prisoner* where possible to keep in direct contact with entrants and have been sending regular updates to art tutors and establishment staff.

- **Digital prison visits** - Bespoke videos and slideshows of work could be requested by establishments as a stand-in for our physical visits and included introductions from Koestler Arts staff and insights from judges. Through sharing this material via in-cell technology and working in partnership with organisations such as Way-Out TV, we could celebrate the achievements of those who entered the Awards, as well as encourage creativity and participation more widely.

- **Alternative family engagement programme** - To ensure entrants could celebrate their achievements with family and friends, all exhibited artists from the Southbank Centre

exhibition could invite their friends and family to get in touch with us to receive a personalised, celebratory pack. These packs featured photographs of their loved ones' artwork in situ, feedback on the piece from judges and posters from the show.

- **Art Aid Sheets** – These creative resources, which were sent to mentees and distributed within hundreds of prisons and secure establishments, contained activities and ideas which can be completed with minimal materials resources and experience and provided purposeful activity during lockdowns. The Art Aid Sheets are now devised monthly by mentees, who receive a fee for the commission and include a short case study about them and their creativity.

Achievements 2020-21 - Aim 2

Increase public awareness and understanding of arts by offenders, secure patients, and detainees.

Koestler Arts fulfils its 2nd charitable aim – to increase public awareness and understanding of arts by prisoners, secure patients, and detainees – through an innovative national programme of events, exhibitions, displays and partnerships, showcasing the excellence of our entrants' work to an expanding audience.

2020 Exhibitions and Displays

Alongside our UK exhibition at Southbank Centre which was to be guest-curated by Camille Walala, we had 2 regional exhibitions scheduled to take place in 2020/21 in Manchester and Sheffield. Three additional displays were planned to take place at venues including Tate Modern and Supreme Court, London, and we were discussing again joining the EFG London Jazz Festival to host workshops and a performance inside HMP Wormwood Scrubs.

Despite the pandemic, in 2020 we were thrilled to be able to complete the curation project with young people from Sheffield Youth Justice Service behind the upcoming exhibition at Sheffield's Millennium Gallery, which showcases artwork from across Yorkshire. (While most of the planned displays and exhibitions were postponed, we have now been able to open exhibitions in Manchester's HOME, Sheffield's Millennium Gallery, and the National Justice Museum in Nottingham in May 2021 following restrictions being lifted).

Knowing the importance of publicly celebrating the creative achievements of our entrants we made sure our 2020 national exhibition at Southbank Centre could still go ahead in-keeping with Covid-19 guidelines. The outdoor installation in the windows across the Southbank Centre site was up from 12th November to 13th December showcasing over 60 works from across the secure estate, with an accompanying digital version.

Covid-19 Adaptations

- **Digital version of exhibition** – Recognising that there would be those unable to attend the installation in-person and to ensure the work had the maximum reach, especially since the period of the Exhibition included Lockdown 2, we produced an interactive digital version with additional content including insights from the artists, interviews, and a video of the show, as well as the capacity to purchase artwork and write feedback on the pieces.

- **QR codes to access additional information** – With restricted space and no staff members regularly onsite or the ability to run a Hosts programme, we used QR codes for the first time to provide visitors with additional information and the chance to hear directly from

the artists. This also enabled us to replicate digitally feedback cards and provide audience choice awards as well as the much-appreciated feedback which was sent directly to the exhibited artists.

Pivotal to our work is the aim of connecting our entrants and their artwork with their local communities and increasing opportunities for the public to engage in the issues around arts in criminal justice settings through partnerships and collaborations. In the past these opportunities have include talks and open house events, publications, and collaborations around events such as the 2019 London Jazz Festival.

2020 Events & Public Engagement

To ensure we could continue to offer opportunities to share the skills, imaginations, and experiences of our entrants with as wide an audience as possible, we had to quickly develop new ways of showcasing and engaging audiences, principally through digital technologies.

Many of these innovations have formed new partnerships with both arts and criminal justice organisations, and we will be incorporating much of our learning from 2020 into the development of a fuller digital events and participation programme beyond the pandemic. We were delighted to work with The Monument Trust Fellowship on the publication "*Humane Justice*", and in 2020/21 the support framework offered by this partnership has been hugely valued.

We continue with our monthly e-newsletter distribution and continued in 2020/21 to increase our presence on Twitter, and now have more than 11,000 followers. We also posted all Medal Winners online to encourage entries and for art tutors to use. Films made by 'Way Out TV' a company encouraging prisoners to become involved in TV production, and a film made at the Southbank Centre of the Exhibition have also been posted.

Covid-19 Adaptations

- **Online events and tutorials** – In developing partnership and our in-house resources we were able to commission former entrants and mentees to deliver online tutorials, masterclasses, and workshops. Two former mentees joined us as part of *The Big Draw* festival to talk about their creative practice and deliver a demonstration. We were also able to commission another former mentee to produce a drawing tutorial which could be shared with mentees and establishment staff, and another former mentee was commissioned to edit a video advertising the mentoring programme. These commissions provide mentees and former entrants with the chance to respond to a brief and build professional skills, as well as helping Koestler Arts to advertise its work within prisons.

- **Online feedback writing** – Knowing our ability to invite volunteers into the Koestler Arts Centre to physically provide feedback would be limited, we created online opportunities for our supporters to engage with the entries and write feedback on the pieces. While it was a time-intensive process to administer, it enabled a wide range of people to take part in the process and share their feedback with our entrants. It also gave our supporters the opportunity to see more of the work entered into the Koestler Awards, something which was particularly important to us in a year when far less work was able to be sold or showcased physically.

Achievements 2020-21 - Aim 3

Be an efficient, dynamic, and collaborative organisation, driven by values, quality, and outcomes.

Operations and Administration

During the first lockdown and in consultation with staff, we made the decision to take up the Government's job retention scheme for 5 members of the arts team who were unable to work without access to the office. We topped up the government contribution to cover full salaries and were able to re-open the office after two months with a rigorous risk assessment in place. During the Summer, Autumn and the second lockdown, a reduced number of staff were able to work in the office, with most of the team working from home, and this has continued into 2021. In the 3rd Lockdown, we again used the Government's Job Retention Scheme to fully or flexibly furlough members of the team, who were unable to undertake their work remotely. All members of the team continued in the employment of Koestler Arts throughout the period of the pandemic.

We have been delighted to see continued support for our work and those isolated in the criminal justice system throughout the year. Due to the pandemic, we have seen a 14% decrease in income compared to 2019/20, however, the continued support and partnership of The Monument Trust, as well as multi-year grants from ACE, HMPPS and Paul Hamlyn Foundation have allowed us to confidently ensure our core work could continue throughout the year.

We remain enormously grateful to all those Trusts, Foundations and individuals who have remained loyal to us during this difficult time. We have not had to call on any monies from the ACE Cultural Recovery funds. We have produced and widely distributed our Annual Report.
We have maintained regular contact with our individual supporters, building relationships and sharing the impact of their support, which has led to high donor retention in this challenging period. Centring our communication with Trusts and Foundations around stories from our beneficiaries has also seen our income from this area remain stable, which has been encouraging as we look to develop new partnerships to enable our work to grow.

The final fundraising for our new premises was completed in 2020. Our Board of Trustees gave the go ahead to start the project at the December 2020 Board meeting.

Work is already underway to revise our Equality and Diversity Policy and Action Plan, following up on a Board Development consultancy undertaken in 2019. This plan sets out the ways in which Koestler Arts will continue to meet and exceed our duties under the Equality Act and ensure that we attract a more diverse workforce and Board of Trustees, as well as being proactive in recognising and removing barriers which people from all backgrounds may face in accessing our Award Scheme, exhibition & events programme, and outreach projects. It is recognised that the development and implementation of the Equality and Diversity Policy will be ongoing with short-term and long-term objectives.

This is the third year of the four-year funding that the Koestler Trust has benefitted from as a National Portfolio Organisation of Arts Council England, which is a great endorsement of the quality of our work. We continue to be hugely grateful also to the Ministry of Justice for their ongoing support.

This is also the second year of a 10-year grant from the Paul Hamlyn Foundation for our core work, which has underpinned some vital new developments, in particular, this year our Digital work.

This is also the third year of a new 4-year Business Plan '*Enhancing Engagement'* to cover the next 4 years of Arts Council England funding, and to improve the experience of both our beneficiaries and increase our Audience reach and diversity, and to continue to support our fundraising and reach, in particular digitally.

Our Board remains stable and continues to contribute to the health of the Charity.

The Koestler Trust remains a *London Living Wage* employer.

FINANCIAL REVIEW

The Koestler Trust's **income** in 2020/21 was £1,406,892.

The Koestler Trust has again delivered a successful year financially

In terms of Government funding, the Trust, following a tendering process, retains its annual core grant from the /Her Majesty's Prison and Probation Service (£75,000). This will continue into 2021/22. We remain part of Art Council England's National Portfolio, receiving a core grant of £75,000 per year for 2018-22.

This has been the second year of a 10-year grant from the Paul Hamlyn Foundation to support our core work, making the Foundation our largest supporter.

Grant-making Foundations continued to provide the largest proportion of the Trust's income at 49%. The Monument Trust, The Henry Smith Charity and the Bromley Trust were among those who maintained or increased their support in 2020/21. During the year, the Trust also continued to receive funding from the Marie Louise von Motesiczky Trust.

Much appreciated support for scholarships, named awards and core costs from both individuals and smaller trusts and foundations, and Art Societies, contributed 21% of our fundraising total.

The Trust continued to receive funds from businesses, raising 7% of our funds from these sources. Our main corporate donors remain Elysium Healthcare and Sodexo Justice Services. CCLA continued their support and the collection of Koestler Trust work in their offices. Doughty Street Chambers supported the Visitors Choice award.

RESERVES

The Trust must raise its money on an ongoing basis (it does not have an endowment from its founder Arthur Koestler).

The Trustees' policy is to have reserves of unrestricted funds for the total costs of running the charity for at least 3 months ahead. At the year end, the Trust had free reserves of £171,307 with the unrestricted reserve of £590,734.

FUNDRAISING PRACTICES

All fundraising for the Koestler Trust is undertaken by the staff team, led by the Chief Executive and Development Director. No professional fundraisers or commercial participators carry out any fundraising activities on our behalf. Donor data is maintained on a secure database, and staff have undertaken training into the requirements of GDPR rules.

FUTURE PLANS

Enhancing Engagement: *the Koestler Trust's Strategic Plan to 2021/22* the last year of this plan, sets out 3 strategic goals relating to the charity's three main areas of work: -

1. Individual Engagement: enhancing engagement in individuals lives.
2. Public Engagement: increasing awareness of arts by offenders and its importance
3. Enhancing our resources: growth in the infrastructure, resources, and evidence for our work.

<u>Our priorities for 2021-22</u>

We will continue with many of the adaptations put in place to cope with the COVID 19 restrictions, particularly around digital delivery.

We will be looking to reintroduce successful programmes from past years, including in-prison workshops and performances as part of the EFG London Jazz Festival and participating in Open House London with the opportunity to visit the Koestler Arts Centre and buy artwork.

The commissioning of online tutorials is part of an idea we are exploring which responds to needs identified by our beneficiaries to have access to online learning that feels relevant to them. The pilot is in its early stages, but we are incredibly pleased with the resulting tutorials and masterclasses which can be viewed through our YouTube channel. We are already working to produce another video and related commission around encouraging participation in the Awards by young people and those with experience of the youth justice estate.

It is anticipated that our new building will be completed this coming financial year, our 60th anniversary. This building will enable a sea change in our operations, which will be reflected in our 2022-25 Business Plan.

Other plans include:

- The UK Exhibition at the Southbank Centre curated by designer and artist Camille Walala.

- Regional exhibitions at HOME in Manchester in collaboration with the *Ripples of Hope* festival, an exhibition in Sheffield's Millennium Gallery curated by young people under the care of Sheffield Youth Justice, followed by an exhibition at the Prison and Police Museum in Ripon and an exhibition at the National Justice Museum in Nottingham.

- We will produce the third volume of our '*Voices from Prison*' poetry anthologies.

- We will continue to grow our digital presence and expand our support for art tutors, communications, and sales online.

- We will continue to enhance the use of our Database for fundraising purposes and increase our capacity for data analysis and ensure that we are fully compliant with all Data Protection legislation.

- We will develop and monitor our work against the '*Enhancing Engagement'* 4-year business plan adopted by the Board and develop a new Business Plan for 2022 onwards.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statement in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for the year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

I would like to thank the Koestler Arts team for their resilience, positivity and creativity in this extraordinary year, and the Trustees for all their work in support of the team.

Approved by the Trustees and signed on their behalf by:

Signed on 30/09/21 @ 17:08

Dame Anne Owers (Chair of Trustees)

Date: 2021-09-30

The Koestler Trust
Independent Auditor's Report To The Members Of
The Koestler Trust For the year ended 31 March 2021

Opinion

We have audited the financial statements of The Koestler Trust (the 'parent company') and its subsidiary ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2021 and of the group's 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

/Continued …

(Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report .

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

/Continued …

(Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) applicable to smaller entities and the Companies Act 2006.
- We understood how the charitable company is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures. The charitable company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override and allocation of costs to charitable activities and restricted funds.
- Our approach was to check that the income from grants and donations were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed the transactions with the subsidiary company, major journal adjustments along with unusual transactions and considered the identification and disclosure of related party transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *https://www.frc.org.uk/auditorsresponsibilities.* This description forms part of our auditor's report.

/Continued …

The Koestler Trust
Independent Auditor's Report To The Members Of
The Koestler Trust For the year ended 31 March 2021

(Continued)

Use of our report

This report is made solely to the parent 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 parent company'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 parent company and the parent company's members as a body, for our audit work, for this report or for the opinions we have formed.

Countersigned on 30/09/21 @ 17:30

Shoaib Arshad (Senior Statutory Auditor)
For and on behalf of:
Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

2021-09-30

Registered company no. 04961363

The Koestler Trust
Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	*Total Funds 2020 £*
INCOME AND ENDOWMENTS FROM:					
Donations and legacies					
for charitable activities	2	**872,131**	**95,050**	**967,181**	*854,862*
for capital development	2	**-**	**397,221**	**397,221**	*-*
Other trading activities	4	**11,083**	**-**	**11,083**	*49,237*
Investments	5	**692**	**-**	**692**	*215*
Other	6	**30,715**	**-**	**30,715**	*-*
TOTAL		**914,621**	**492,271**	**1,406,892**	*904,314*
EXPENDITURE ON:					
Raising funds					
Costs of generating voluntary income		**120,410**	**-**	120,410	*169,317*
Charitable activities		**552,806**	**88,161**	640,967	*682,131*
TOTAL EXPENDITURE	7	**673,216**	**88,161**	**761,377**	*851,448*
NET MOVEMENT IN FUNDS		**241,405**	**404,110**	**645,515**	*52,866*
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 APRIL 2020		*351,337*	*63,000*	*414,337*	*361,471*
TOTAL FUNDS AT 31 MARCH 2021		**£ 592,742**	**£ 467,110**	**£ 1,059,852**	*£ 414,337*

All income and expenditure has arisen from continuing activities. None of the Charity's activities were acquired or discontinued during the above two financial years.

The Koestler Trust

(company limited by guarantee) (registered company no. 04961363)

Consolidated Balance Sheet

As at 31 March 2021

	Notes	Charity 2021 £	Group 2021 £	*Charity 2020 £*	*Group 2020 £*
FIXED ASSETS					
Tangible assets	11	**11,923**	**11,922**	*10,511*	*10,510*
Investments	12	**100,181**	**100,180**	*100,062*	*100,061*
		112,104	**112,102**	*110,573*	*110,571*
CURRENT ASSETS					
Debtors	14	**86,996**	**86,701**	*140,549*	*142,721*
Short term investments	15	**50,053**	**50,053**	*50,000*	*50,000*
Cash at bank and in hand		**989,244**	**995,686**	*370,958*	*388,361*
		1,126,293	**1,132,440**	*561,507*	*581,082*
CREDITORS: amounts falling due within one year	16	**(180,553)**	**(184,690)**	*(273,522)*	*(277,316)*
NET CURRENT ASSETS		**945,740**	**947,750**	*287,985*	*303,766*
TOTAL EXPENDITURE					
NET ASSETS		**£ 1,057,844**	**£ 1,059,852**	*£ 398,558*	*£ 414,337*
FUNDS					
Unrestricted funds:					
Designated funds	17	**407,504**	**407,504**	*158,603*	*158,603*
Subsidiary companies	17	**-**	**2,008**	*-*	*15,779*
General fund	17	**183,230**	**183,230**	*176,955*	*176,955*
		590,734	**592,742**	*335,558*	*351,337*
Restricted funds	17	**467,110**	**467,110**	*63,000*	*63,000*
		£ 1,057,844	**£ 1,059,852**	*£ 398,558*	*£ 414,337*

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard 102. The financial statements were approved, and authorised for issue, by the Board of Trustees on 2021-09-30 and signed on their behalf by:-

Signed on 30/09/21 @ 17:08

DAME ANNE OWERS, Chair

Signed on 30/09/21 @ 07:53

JANE GILLESPIE, Treasurer

The annexed notes form part of these financial statements

The Koestler Trust
Consolidated Cash Flow Statement
For the year ended 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities		
Surplus for the financial year	**645,515**	*52,866*
Adjustments for:		
Depreciation	**7,361**	*4,981*
Decrease/(increase) in debtors	**56,020**	*(110,553)*
(Decrease)/increase in creditors	**(92,626)**	*223,116*
Investment income	**(692)**	*(215)*
Net cash flows from operating activities	**615,578**	*170,195*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(8,773)**	*(8,143)*
Purchase of investments (fixed and short term)	**(172)**	*(150,061)*
Return on investment - interest receivable	**692**	*215*
Net (decrease)/increase in cash and cash equivalents	**607,325**	*12,206*
Cash and cash equivalents at 1 April 2020	**388,361**	*376,155*
Cash and cash equivalents at 31 March 2021	**£ 995,686**	*£ 388,361*

Components of cash and cash equivalents

	At 1 April 2020	Cashflows	At 31 March 2021
	£	£	£
Cash at bank and in hand	**388,361**	**607,325**	**995,686**
	388,361	**607,325**	*995,686*

The Koestler Trust
Notes to the consolidated Financial Statements
For the year ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102 have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Group financial statements

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Koestler (Sales) Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and SORP 2015.

Company status

The Koestler Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, it is probable that the amount will be received and the amount can be quantified with reasonable accuracy. Revenue grants recieved are deferred when conditions are attached, for example when they relate to a specific future period.

Investment Income is recognised on an accruals basis.

Resources Expended

Expenditure is recognised on an accruals basis, inclusive of irrecoverable VAT.

Charitable activities include expenditure associated with the staging of art exhibitions as an essential part of promoting artistic activities on the part of people within the criminal justice system, as set out in the Trust's Objectives stated in the Trustees report. They also include the award of prizes for the artistic merit of the work and the activities of the Koestler Art Centre, which organises the exhibitions, promotes the work of the Trust within the prison system, including specific arts projects and exhibits prisoner art on a permanent basis.

Support costs are overhead expenditure and management costs necessary in order to control the charitable activities of the Trust and ensure that the Trust's objectives are being achieved. They are allocated over the charity's expenditure headings, including fundraising, charitable activities and governance based on staff costs.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	Over 4 years
Fixtures, fittings & equipment	Over 7 years

Pensions

The Charity contributes to a defined contribution pension scheme on behalf of a number of employees. The pension charge represents the amount payable by the charity to the pension fund in respect of the year.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, cash at bank and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	*Total Funds 2020*
	£	£	£	*£*
Income for Charitable activites				
Donations from Public Sector	**151,380**	**-**	**151,380**	*153,000*
Donations from Trusts	**367,892**	**93,000**	**460,892**	*483,104*
Donations from Businesses	**50,487**	**2,050**	**52,537**	*59,721*
Donations from Individuals	**107,366**	**-**	**107,366**	*139,034*
Legacies	**195,006**	**-**	**195,006**	*20,003*
	872,131	**95,050**	**967,181**	*854,862*
Capital Grants (note 3)	**-**	**397,221**	**397,221**	*-*
	£ 872,131	**£ 492,271**	**£ 1,364,402**	*£ 854,862*

Comparative donations and legacies

	Unrestricted Funds 2020	*Restricted Funds 2020*	*Total Funds 2020*
Income for Charitable activites	*£*	*£*	*£*
Donations from Public Sector	*150,000*	*3,000*	*153,000*
Donations from Trusts	*368,904*	*114,200*	*483,104*
Donations from Businesses	*53,464*	*6,257*	*59,721*
Donations from Individuals	*135,647*	*3,387*	*139,034*
Legacies	*20,003*	*-*	*20,003*
	£ 728,018	*£ 126,844*	*£ 854,862*

In addition to the above grants, donations and legacies, the Trust receives the use of 168a Du Cane Road, and the costs associated with maintaining the premises, free of charge from HMP Wormwood Scrubs. This benefit is not included in the Statement of Financial Activities as the value cannot be ascertained without substantial expense on a quantity surveyor.

3. KOESTLER HOUSE DEVELOPMENT

	2021	*2020*
	£	*£*
Capital Funds brought forward	**82,503**	**-**
Allocation of unrestricted grants and donations	**-**	*82,503*
Restricted grants and donations (note 2)	**397,221**	*-*
	£ 479,724	*£ 82,503*
Analysis of Capital Funds (note 17)		
Designated Funds	**82,503**	*82,503*
Restricted Funds	**397,221**	*-*
	£ 479,724	*£ 82,503*

The development for the new building has not started before 31 March 2021. The advances of £27,223 paid by 31 March 2021 are reported as prepayments in the note 14 of these financial statements.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	*Total Funds 2020 £*
Trading income	**11,083**	**-**	**11,083**	*49,237*
Total 2021	**£ 11,083**	**£ Nil**	**£ 11,083**	
Total 2020	*£ 49,237*	*£ Nil*		*£ 49,237*

5. INVESTMENT INCOME

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	*Total Funds 2020 £*
Interest receivable from:				
Bank interest	**692**	**-**	**692**	*215*
Total 2021	**£ 692**	**£ Nil**	**£ 692**	
Total 2020	*£ 215*	*£ Nil*		*£ 215*

6. OTHER INCOMING RESOURCES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	*Total Funds 2020 £*
Other income	**30,715**	**-**	**30,715**	*-*
Total 2021	**£ 30,715**	**£ Nil**	**£ 30,715**	
Total 2020	*£ Nil*	*£ Nil*		*£ Nil*

Other income is the Government support during Covid-19 under the Coronavirus Job Retention Scheme.

7. RESOURCES EXPENDED

	Staff costs	Other direct costs	Support costs	**Total 2021**	Total 2020
	£	£	£	**£**	*£*
Cost of charitable activities by project:					
UK Exhibition at Southbank	28,487	8,074	16,198	**52,759**	*90,502*
Out of London Exhibitions	34,717	17,596	19,740	**72,053**	*69,507*
Prizes Awarded	-	25,889	-	**25,889**	*29,778*
Arts Response & Awards	138,011	14,927	78,474	**231,412**	*217,645*
Publicity	29,020	8,313	16,501	**53,834**	*6,292*
Mentoring	42,136	3,516	23,959	**69,611**	*74,390*
Outreach and Involvement	70,403	120	40,032	**110,555**	*139,586*
Koestler sales	-	24,854	-	**24,854**	*54,431*
Total charitable expenditure	342,774	103,289	194,904	**640,967**	*682,131*
Costs of generating voluntary income	70,743	9,442	40,225	**120,410**	*169,317*
	£ 413,517	£ 112,731	£ 235,129	**£ 761,377**	*£ 851,448*

Resources expended include:

	2021	*2020*
Audit fee (inclusive of VAT)	**3,312**	*3,198*
Other services	**2,628**	*2,520*
Depreciation	**7,361**	*4,981*

Details of staff costs are given in Note 9.

5. RESOURCES EXPENDED (continued)

Comparative resources expended

	Staff costs	*Other direct costs*	*Support costs*	*Total 2020*
	£	*£*	*£*	*£*
Cost of charitable activities by project:				
UK Exhibition at Southbank	*28,160*	*46,092*	*16,250*	*90,502*
Out of London Exhibitions	*34,001*	*15,885*	*19,621*	*69,507*
Prizes Awarded	*-*	*29,778*	*-*	*29,778*
Arts Response & Awards	*127,020*	*17,325*	*73,300*	*217,645*
Publicity	*-*	*6,292*	*-*	*6,292*
Mentoring	*40,995*	*9,738*	*23,657*	*74,390*
Outreach and Involvement	*80,288*	*12,966*	*46,332*	*139,586*
Koestler sales	*-*	*54,431*	*-*	*54,431*
Total charitable expenditure	*310,464*	*192,507*	*179,160*	*682,131*
Costs of generating voluntary income	*94,492*	*20,296*	*54,529*	*169,317*
	£ 404,956	*£ 212,803*	*£ 233,689*	*£ 851,448*

8. SUPPORT COSTS

	Total 2021	*Total 2020*
	£	*£*
Governance costs	**5,877**	*9,646*
Staff costs	**142,516**	*112,808*
General overheads	**86,736**	*111,235*
	£ 235,129	*£ 233,689*

9. STAFF NUMBERS AND COSTS

	2021	2020
	£	£
Wages and salaries	**490,164**	*466,705*
Social security costs	**37,028**	*30,327*
Pension costs	**27,744**	*15,506*
Cost of contracted staff	**-**	*5,226*
Other staff costs	**1,097**	*-*
	£ 556,033	*£ 517,764*

	2021	2020
	£	£
Allocated to:		
Charitable activities	**342,774**	*310,464*
Fundraising costs	**70,743**	*94,492*
Support costs	**142,516**	*112,808*
	£ 556,033	*£ 517,764*

Average number of employees	**19**	*19*

One (2020: one) employee received remuneration of more than £60,000 between £60,001 to £70,000.

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, Key management personnel includes the management team.

Following the recommendations of the National Council for Voluntary Organisations' guidance on *Setting and Communicating Remuneration Polices* (April 2014), and with the agreement of the individual staff involved, the Koestler Trust has started publishing the gross salaries of its management team. These are as follows:

	2021	2020
	£	£
Chief Executive	**68,427**	*67,225*
Director of Arts	**38,576**	*37,537*
Director of Outreach & Involvement	**38,673**	*37,912*
Director of Development	**43,713**	*43,855*
	£ 189,389	*£ 186,529*

10. TRUSTEES REMUNERATION AND BENEFITS

The Articles of Association allow for the payment of professional fees to Trustees under certain circumstances, however, during the year, no members of the Board of Trustees received any remuneration (2020 - £NIL).
No members of the Board of Trustees received reimbursement of expenses (2020 - £NIL).

11. TANGIBLE FIXED ASSETS

	Fixture and fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 April 2020	**5,948**	**43,103**	**49,051**
Additions	**1,389**	**7,384**	**8,773**
Disposals	**(2,161)**	**(34,748)**	**(36,909)**
At 31 March 2021	**5,176**	**15,739**	**20,915**
Depreciation			
At 1 April 2020	**4,274**	**34,267**	**38,541**
Charge for the year	**554**	**6,807**	**7,361**
On disposals	**(2,161)**	**(34,748)**	**(36,909)**
At 31 March 2021	**2,667**	**6,326**	**8,993**
Net book value			
At 31 March 2021	**£ 2,509**	**£ 9,413**	**£ 11,922**
At 31 March 2020	*£ 1,674*	*£ 8,836*	*£ 10,510*

12. INVESTMENTS

	Charity 2021	Group 2021	*Charity 2020*	*Group 2020*
	£	£	£	£
CCLA COIF Charities Deposit Fund	**100,180**	**100,180**	*100,061*	*100,061*
Investment in subsidiaries (note 13)	**1**	**-**	*1*	*-*
	£ 100,181	**£ 100,180**	*£ 100,062*	*£ 100,061*

13. INVESTMENT IN SUBSIDIARIES

Koestler (Sales) Limited is a company limited by guarantee whose members are also the trustees of the Koestler Trust. The Company had a policy of donating 25% of sales income from artwork to Victim Support and is included in the costs of sales. The Company also had a policy to gift aid its profits to the Trust. One of the Trustees, Robert Taylor , is a director of Koestler (Sales) Limited. The financial results of Koestler (Sales) Limited are as follows:

		2021		*2020*
		£		*£*
Turnover		**11,083**		*49,237*
Cost of sales		**(6,921)**		*(30,927)*
Administrative costs		**(2,596)**		*(2,973)*
Profit in the year before Gift Aid		**1,566**		*15,337*
Gift Aid donations to Koestler Trust (Charity)		**(15,337)**		*(20,531)*
Profit in the year	**£**	**(13,771)**	*£*	*(5,194)*
Current assets		**6,442**		*20,098*
		6,442		*20,098*
Liabilities		**(4,434)**		*(4,319)*
	£	**2,008**	*£*	*15,779*
Profit and loss account		**2,008**		*15,779*
Capital and reserves	**£**	**2,008**	*£*	*15,779*

Following are the inter-company transactions during the year and balances held at the year end.

	2021	*2020*
	£	**£**
Balance due to Koestler Trust as at 31 March 2021	**475**	*524*
Koestler Trust income entitlement during the year	**15,337**	*20,531*

14. DEBTORS

	Charity 2021	Group 2021	*Charity 2020*	*Group 2020*
Due within one year	**£**	**£**	*£*	*£*
Grant debtors	**-**	**-**	*18,750*	*18,750*
Gift Aid recoverable	**-**	**-**	*1,824*	*1,824*
Due from group undertakings	**475**	**-**	*524*	*-*
Prepayments and accrued income	**86,521**	**86,701**	*119,446*	*122,142*
Other debtors	**-**	**-**	*5*	*5*
	£ 86,996	**£ 86,701**	*£ 140,549*	*£ 142,721*

15. INVESTMENTS HELD AS CURRENT ASSETS

	Charity 2021	Group 2021	*Charity 2020*	*Group 2020*
	£	**£**	*£*	*£*
CAF 12 months fixed rate investment	**50,053**	**50,053**	*50,000*	*50,000*

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity 2021	Group 2021	*Charity 2020*	*Group 2020*
	£	**£**	*£*	*£*
Grants in advance	**152,556**	**152,556**	*245,000*	*245,000*
Payments due to Victim Support	**-**	**-**	*-*	*-*
Social security and other taxes	**10,574**	**10,574**	*9,080*	*9,080*
Accruals	**12,767**	**14,452**	*15,421*	*17,551*
Other creditors	**4,656**	**7,108**	*4,021*	*5,685*
	£ 180,553	**£ 184,690**	*£ 273,522*	*£ 277,316*

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
2021-22 Projects	-	21,001	-	-	21,001
2020-21 Projects	56,100	-	(56,100)	-	-
Regional Exhibition Fund	-	-	-	50,000	50,000
Mentoring & Outreach Fund	-	-	-	40,000	40,000
Arts Awards and Response Fund	20,000	-	(20,000)	110,000	110,000
Family Support and Hosts Fund	-	-	-	25,000	25,000
Website and Database Development Fund	-	-	-	40,000	40,000
Koestler House Development Fund	82,503	-	-	-	82,503
Koestler House Running Costs Fund	-	-	-	15,000	15,000
Scholarships	-	24,000	-	-	24,000
Research Fund	-	-	-	-	-
	£ 158,603	£ 45,001	£ (76,100)	£ 280,000	£ 407,504
RESTRICTED FUNDS					
2020-21 Projects	-	2,050	(2,050)	-	-
UK Exhibition at Southbank	-	2,000	(2,000)	-	-
Regional Exhibition Fund	-	14,500	(14,500)	-	-
Koestler House Development Fund	-	397,221	-	-	397,221
Arts Response & Awards	-	-	-	-	-
Mentoring	63,000	76,500	(69,611)	-	69,889
	£ 63,000	£ 492,271	£ (88,161)	£ Nil	£ 467,110
SUMMARY OF FUNDS					
Designated Funds	158,603	45,001	(76,100)	280,000	407,504
Subsidiary companies	15,779	11,083	(24,854)	-	2,008
General Funds	176,955	858,537	(572,262)	(280,000)	183,230
	351,337	914,621	(673,216)	-	592,742
Restricted Funds	63,000	492,271	(88,161)	-	467,110
	£ 414,337	£ 1,406,892	£ (761,377)	£ Nil	£ 1,059,852

15. STATEMENT OF FUNDS (continued)

2020-21 Projects fund includes restricted and unrestricted grants that were not fully expended during the year.

Out of London Exhibitions Fund includes grants that were fully expended during 2019-20.

Mentoring Fund includes grants from Henry Smith Charity and Monday Charitable Trust that were not fully expended and are carried over to 2020-21.

Comparative statement of funds

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers and investment gains/(losses)*	*Carried Forward*
	£	*£*	*£*	*£*	*£*
DESIGNATED FUNDS					
2019-20 Projects	*149,910*	*-*	*(149,910)*	*-*	*-*
2020-21 Projects	*-*	*56,100*	*-*	*-*	*56,100*
Arts response	*-*	*-*	*-*	*20,000*	*20,000*
Koestler House Development Fund	*-*	*82,503*	*-*	*-*	*82,503*
Research Fund	*-*	*-*	*-*	*-*	*-*
	£ 149,910	*£ 138,603*	*£ (149,910)*	*£ 20,000*	*£ 158,603*
RESTRICTED FUNDS					
2019-20 Projects	*4,500*	*-*	*(4,500)*	*-*	*-*
Out of London Exhibitions	*5,123*	*-*	*(5,123)*	*-*	*-*
Arts Response & Awards	*-*	*5,200*	*(5,200)*	*-*	*-*
Mentoring	*12,500*	*75,500*	*(25,000)*	*-*	*63,000*
Outreach and Involvement	*-*	*46,144*	*(46,144)*	*-*	*-*
	£ 22,123	*£ 126,844*	*£ (85,967)*	*£ Nil*	*£ 63,000*
SUMMARY OF FUNDS					
Designated Funds	*149,910*	*138,603*	*(149,910)*	*20,000*	*158,603*
Subsidiary companies	*20,973*	*49,237*	*(54,431)*	*-*	*15,779*
General Funds	*168,465*	*589,630*	*(561,140)*	*(20,000)*	*176,955*
	339,348	*777,470*	*(765,481)*	*-*	*351,337*
Restricted Funds	*22,123*	*126,844*	*(85,967)*	*-*	*63,000*
	£ 361,471	*£ 904,314*	*£ (851,448)*	*£ Nil*	*£ 414,337*

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds	General Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	11,922	-	11,922
Fixed asset investments	-	100,180	-	100,180
Net current assets	407,504	73,136	467,110	947,750
	£ 407,504	£ 185,238	£ 467,110	£ 1,059,852

Comparative analysis of net assets between funds

	Unrestricted Funds			
	Designated Funds	*General Funds*	*Restricted Funds*	*Total Funds*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*10,510*	*-*	*10,510*
Net current assets	*158,603*	*182,224*	*63,000*	*303,766*
	£ 158,603	*£ 192,734*	*£ 63,000*	*£ 314,276*

19. PENSION COMMITMENTS

Pension costs in note 9 relate to payments made to a defined contribution pension scheme. The charitable company's liability is limited to making the payments due to the scheme on a timely basis. The liability at the 31 March 2021 is £4,656 (2020 : £4,019).

20. RELATED PARTIES

There were no related party transactions, other than those disclosed in note 6 and 7.

21. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2020	*Restricted Funds 2020*	*Total Funds 2020*
	£	*£*	*£*
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	*728,018*	*126,844*	*854,862*
Other trading activities	*49,237*	*-*	*49,237*
TOTAL	*777,470*	*126,844*	*904,314*
EXPENDITURE ON:			
Raising funds			
Costs of generating voluntary income	*169,317*	*-*	*169,317*
Charitable activities	*596,164*	*85,967*	*682,131*
TOTAL EXPENDITURE	*765,481*	*85,967*	*851,448*
NET MOVEMENT IN FUNDS	*11,989*	*40,877*	*52,866*
RECONCILIATION OF FUNDS:			
TOTAL FUNDS AT 31 MARCH 2019	*339,348*	*22,123*	*361,471*
TOTAL FUNDS AT 31 MARCH 2020	*£ 351,337*	*£ 63,000*	*£ 414,337*