



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 Banks (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

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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.

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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

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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.

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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

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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 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

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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

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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 included 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.

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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.

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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.

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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.

Our priorities for 2021-22

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.

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- 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:



Anne Owers
Signed on 30/09/21 @ 17:08

Dame Anne Owers (Chair of Trustees)

Date: 2021-09-30

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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 ...

The Koestler Trust

Independent Auditor's Report To The Members Of

The Koestler Trust For the year ended 31 March 2021

(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 ...

The Koestler Trust

Independent Auditor's Report To The Members Of

The Koestler Trust For the year ended 31 March 2021

(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.



Shoaib Arshad
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
		<u>112,104</u>	<u>112,102</u>	<u>110,573</u>	<u>110,571</u>
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
		<u>1,126,293</u>	<u>1,132,440</u>	<u>561,507</u>	<u>581,082</u>
CREDITORS: amounts falling due within one year	16	<u>(180,553)</u>	<u>(184,690)</u>	<u>(273,522)</u>	<u>(277,316)</u>
NET CURRENT ASSETS		<u>945,740</u>	<u>947,750</u>	<u>287,985</u>	<u>303,766</u>
TOTAL EXPENDITURE					
NET ASSETS		<u>£ 1,057,844</u>	<u>£ 1,059,852</u>	<u>£ 398,558</u>	<u>£ 414,337</u>
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
		<u>590,734</u>	<u>592,742</u>	<u>335,558</u>	<u>351,337</u>
Restricted funds	17	467,110	467,110	63,000	63,000
		<u>£ 1,057,844</u>	<u>£ 1,059,852</u>	<u>£ 398,558</u>	<u>£ 414,337</u>

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

_____ and signed on their behalf by:-
2021-09-30



Dame Anne Owers
Signed on 30/09/21 @ 17:08

DAME ANNE OWERS, Chair



Jane Gillespie
Signed on 30/09/21 @ 07:53

JANE GILLESPIE, Treasurer

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	<u>615,578</u>	<u>170,195</u>
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	<u>607,325</u>	<u>12,206</u>
Cash and cash equivalents at 1 April 2020	388,361	376,155
Cash and cash equivalents at 31 March 2021	<u><u>£ 995,686</u></u>	<u><u>£ 388,361</u></u>
Components of cash and cash equivalents		
	At 1 April 2020 £	At 31 March 2021 £
Cash at bank and in hand	388,361	995,686
	<u>388,361</u>	<u>995,686</u>

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 received are deferred when conditions are attached, for example when they relate to a specific future period.

Investment Income is recognised on an accruals basis.

The Koestler Trust

Notes to the consolidated Financial Statements

For the year ended 31 March 2021

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.

The Koestler Trust

Notes to the consolidated Financial Statements

For the year ended 31 March 2021

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income for Charitable activities				
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
	<u>872,131</u>	<u>95,050</u>	<u>967,181</u>	<u>854,862</u>
Capital Grants (note 3)	-	397,221	397,221	-
	<u>£ 872,131</u>	<u>£ 492,271</u>	<u>£ 1,364,402</u>	<u>£ 854,862</u>

Comparative donations and legacies

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income for Charitable activities			
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
	<u>£ 728,018</u>	<u>£ 126,844</u>	<u>£ 854,862</u>

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	-
	<u>£ 479,724</u>	<u>£ 82,503</u>
Analysis of Capital Funds (note 17)		
Designated Funds	82,503	82,503
Restricted Funds	397,221	-
	<u>£ 479,724</u>	<u>£ 82,503</u>

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.

The Koestler Trust

Notes to the consolidated Financial Statements

For the year ended 31 March 2021

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	
<i>Total 2020</i>	<i>£ 49,237</i>	<i>£ Nil</i>		<i>£ 49,237</i>

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	
<i>Total 2020</i>	<i>£ 215</i>	<i>£ Nil</i>		<i>£ 215</i>

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	
<i>Total 2020</i>	<i>£ Nil</i>	<i>£ Nil</i>		<i>£ Nil</i>

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

The Koestler Trust
Notes to the consolidated Financial Statements
For the year ended 31 March 2021

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
	<u>£ 413,517</u>	<u>£ 112,731</u>	<u>£ 235,129</u>	<u>£ 761,377</u>	<u>£ 851,448</u>

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.

The Koestler Trust

Notes to the consolidated Financial Statements

For the year ended 31 March 2021

5. RESOURCES EXPENDED (continued)

Comparative resources expended

	Staff costs	Other direct costs	Support costs	Total 2020
	£	£	£	£
<i>Cost of charitable activities by project:</i>				
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
<i>Costs of generating voluntary income</i>	<i>94,492</i>	<i>20,296</i>	<i>54,529</i>	<i>169,317</i>
	£ 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

The Koestler Trust

Notes to the consolidated Financial Statements

For the year ended 31 March 2021

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	-
	<u>£ 556,033</u>	<u>£ 517,764</u>
	2021 £	2020 £
Allocated to:		
Charitable activities	342,774	310,464
Fundraising costs	70,743	94,492
Support costs	142,516	112,808
	<u>£ 556,033</u>	<u>£ 517,764</u>
Average number of employees	<u>19</u>	<u>19</u>

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 Policies* (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
	<u>£ 189,389</u>	<u>£ 186,529</u>

The Koestler Trust

Notes to the consolidated Financial Statements

For the year ended 31 March 2021

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	<u>5,176</u>	<u>15,739</u>	<u>20,915</u>
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	<u>2,667</u>	<u>6,326</u>	<u>8,993</u>
Net book value			
At 31 March 2021	<u>£ 2,509</u>	<u>£ 9,413</u>	<u>£ 11,922</u>
At 31 March 2020	<u>£ 1,674</u>	<u>£ 8,836</u>	<u>£ 10,510</u>

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	-
	<u>£ 100,181</u>	<u>£ 100,180</u>	<u>£ 100,062</u>	<u>£ 100,061</u>

The Koestler Trust

Notes to the consolidated Financial Statements

For the year ended 31 March 2021

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	<u>£ (13,771)</u>	<u>£ (5,194)</u>
Current assets	<u>6,442</u>	<u>20,098</u>
	6,442	20,098
Liabilities	(4,434)	(4,319)
	<u>£ 2,008</u>	<u>£ 15,779</u>
Profit and loss account	2,008	15,779
Capital and reserves	<u>£ 2,008</u>	<u>£ 15,779</u>

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

The Koestler Trust
Notes to the consolidated Financial Statements
For the year ended 31 March 2021

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
	<u>£ 86,996</u>	<u>£ 86,701</u>	<u>£ 140,549</u>	<u>£ 142,721</u>

15. INVESTMENTS HELD AS CURRENT ASSETS

	Charity 2021 £	Group 2021 £	Charity 2020 £	Group 2020 £
CAF 12 months fixed rate investment	<u>50,053</u>	<u>50,053</u>	<u>50,000</u>	<u>50,000</u>

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
	<u>£ 180,553</u>	<u>£ 184,690</u>	<u>£ 273,522</u>	<u>£ 277,316</u>

The Koestler Trust
Notes to the consolidated Financial Statements
For the year ended 31 March 2021

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	-	-	-	-	-
	<u>£ 158,603</u>	<u>£ 45,001</u>	<u>£ (76,100)</u>	<u>£ 280,000</u>	<u>£ 407,504</u>
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
	<u>£ 63,000</u>	<u>£ 492,271</u>	<u>£ (88,161)</u>	<u>£ Nil</u>	<u>£ 467,110</u>
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
	<u>351,337</u>	<u>914,621</u>	<u>(673,216)</u>	<u>-</u>	<u>592,742</u>
Restricted Funds	63,000	492,271	(88,161)	-	467,110
	<u>£ 414,337</u>	<u>£ 1,406,892</u>	<u>£ (761,377)</u>	<u>£ Nil</u>	<u>£ 1,059,852</u>

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For the year ended 31 March 2021

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

	<i>Brought Forward</i>	<i>Incoming Resources</i>	<i>Resources Expended</i>	<i>Transfers and investment gains/(losses)</i>	<i>Carried Forward</i>
	£	£	£	£	£
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	-	-	-	-	-
	<u>£ 149,910</u>	<u>£ 138,603</u>	<u>£ (149,910)</u>	<u>£ 20,000</u>	<u>£ 158,603</u>
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)	-	-
	<u>£ 22,123</u>	<u>£ 126,844</u>	<u>£ (85,967)</u>	<u>£ Nil</u>	<u>£ 63,000</u>
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
	<u>339,348</u>	<u>777,470</u>	<u>(765,481)</u>	<u>-</u>	<u>351,337</u>
Restricted Funds	22,123	126,844	(85,967)	-	63,000
	<u>£ 361,471</u>	<u>£ 904,314</u>	<u>£ (851,448)</u>	<u>£ Nil</u>	<u>£ 414,337</u>

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Total
	Designated	General	Funds	Funds
	Funds	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
	<u>£ 407,504</u>	<u>£ 185,238</u>	<u>£ 467,110</u>	<u>£ 1,059,852</u>

Comparative analysis of net assets between funds

	Unrestricted Funds		Restricted	Total
	Designated	General	Funds	Funds
	Funds	Funds		
	£	£	£	£
<i>Tangible fixed assets</i>	-	10,510	-	10,510
<i>Net current assets</i>	158,603	182,224	63,000	303,766
	<u>£ 158,603</u>	<u>£ 192,734</u>	<u>£ 63,000</u>	<u>£ 314,276</u>

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.

The Koestler Trust
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For the year ended 31 March 2021

21. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted Funds 2020 £</i>	<i>Restricted Funds 2020 £</i>	<i>Total Funds 2020 £</i>
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	728,018	126,844	854,862
Other trading activities	49,237	-	49,237
TOTAL	<u>777,470</u>	<u>126,844</u>	<u>904,314</u>
EXPENDITURE ON:			
Raising funds			
Costs of generating voluntary income	169,317	-	169,317
Charitable activities	596,164	85,967	682,131
TOTAL EXPENDITURE	<u>765,481</u>	<u>85,967</u>	<u>851,448</u>
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	<u>£ 351,337</u>	<u>£ 63,000</u>	<u>£ 414,337</u>