



## **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**

**CONTENTS**

	<b>Page</b>
Trustees' Report	1 – 11
Statement of Trustees' Responsibilities	12 – 13
Independent Auditors' Report	14 – 17
Consolidated Statement of Financial Activities	18
Consolidated Balance Sheet	19
Consolidated Cash Flow Statement	20
Notes to the Accounts	21 - 34

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

### **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 31<sup>st</sup> 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:	<a href="mailto:info@koestlerarts.org.uk">info@koestlerarts.org.uk</a>
Website:	<a href="http://www.koestlerarts.org.uk">www.koestlerarts.org.uk</a>
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 & 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

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

### 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.

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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 Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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.*

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

*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

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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



# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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 2<sup>nd</sup> 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

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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 tailor-made 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 Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

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

# The Koestler Trust

## Trustees' Report for the year ended March 31st, 2022

---

- 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.

## The Koestler Trust

### Trustees' Report for the year ended March 31st, 2022

---

2022 will be an important milestone for Koestler Arts. It will be our 60<sup>th</sup> 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 ...



# **The Koestler Trust**

## **Independent Auditor's Report To The Members Of**

### **The Koestler Trust For the year ended 31 March 2022**

---

(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 2022**

---

(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 2022**

---

(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 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
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
<b>TOTAL</b>		<b>793,171</b>	<b>466,244</b>	<b>1,259,415</b>	<b>1,406,892</b>
<b>EXPENDITURE ON:</b>					
Raising funds					
Costs of generating voluntary income		124,362	-	124,362	120,410
Charitable activities		690,763	66,899	757,662	640,967
<b>TOTAL EXPENDITURE</b>	7	<b>815,125</b>	<b>66,899</b>	<b>882,024</b>	<b>761,377</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(21,954)</b>	<b>399,345</b>	<b>377,391</b>	<b>645,515</b>
<b>RECONCILIATION OF FUNDS:</b>					
TOTAL FUNDS AT 1 APRIL 2021		592,742	467,110	1,059,852	414,337
<b>TOTAL FUNDS AT 31 MARCH 2022</b>		<b>£ 570,788</b>	<b>£ 866,455</b>	<b>£ 1,437,243</b>	<b>£ 1,059,852</b>

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 £
<b>FIXED ASSETS</b>					
Tangible assets	11	482,076	482,075	11,923	11,922
Investments	12	100,223	100,222	100,181	100,180
		<u>582,299</u>	<u>582,297</u>	<u>112,104</u>	<u>112,102</u>
<b>CURRENT ASSETS</b>					
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
		<u>1,042,234</u>	<u>1,054,323</u>	<u>1,126,293</u>	<u>1,132,440</u>
CREDITORS: amounts falling due within one year	17	<u>(193,866)</u>	<u>(199,377)</u>	<u>(180,553)</u>	<u>(184,690)</u>
<b>NET CURRENT ASSETS</b>		<u>848,368</u>	<u>854,946</u>	<u>945,740</u>	<u>947,750</u>
<b>TOTAL EXPENDITURE</b>					
<b>NET ASSETS</b>		<u>£ 1,430,667</u>	<u>£ 1,437,243</u>	<u>£ 1,057,844</u>	<u>£ 1,059,852</u>
<b>FUNDS</b>					
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
		<u>564,212</u>	<u>570,788</u>	<u>590,734</u>	<u>592,742</u>
Restricted funds	18	866,455	866,455	467,110	467,110
		<u>£ 1,430,667</u>	<u>£ 1,437,243</u>	<u>£ 1,057,844</u>	<u>£ 1,059,852</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

29/09/22 and signed on their behalf by:-



DAME ANNE OWERS, Chair



JANE GILLESPIE, Treasurer

# The Koestler Trust

## Consolidated Cash Flow Statement

### For the year ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
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)
<b>Net cash flows from operating activities</b>	<u>426,483</u>	<u>615,578</u>
<b>Cash flows from investing activities</b>		
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
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(46,299)</u>	<u>607,325</u>
Cash and cash equivalents at 1 April 2021	995,686	388,361
<b>Cash and cash equivalents at 31 March 2022</b>	<u>£ 949,387</u>	<u>£ 995,686</u>
<b>Components of cash and cash equivalents</b>		
	At 1 April 2021	At 31 March 2022
	£	£
Cash at bank and in hand	<u>995,686</u>	<u>(46,299)</u>
		<u>949,387</u>

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

---

#### 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 2022

---

#### ***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 2022

#### 2. DONATIONS AND LEGACIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>Income for Charitable activities</b>				
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
	<u>758,130</u>	<u>54,318</u>	<u>812,448</u>	<u>967,181</u>
Capital Grants (note 3)	-	411,926	411,926	397,221
	<u>£ 758,130</u>	<u>£ 466,244</u>	<u>£ 1,224,374</u>	<u>£ 1,364,402</u>

#### *Comparative donations and legacies*

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
<b>Income for Charitable activities</b>			
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
	<u>£ 872,131</u>	<u>£ 95,050</u>	<u>£ 967,181</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.

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

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
			<u>£ 891,650</u>	<u>£ 479,724</u>
<b>Analysis of Capital Funds (note 18)</b>				
Designated Funds			82,503	82,503
Restricted Funds			809,147	397,221
			<u>£ 891,650</u>	<u>£ 479,724</u>
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	Restricted Funds	Total Funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
Trading income	34,716	-	34,716	11,083
Total 2022	<u>£ 34,716</u>	<u>£ Nil</u>	<u>£ 34,716</u>	
Total 2021	<u>£ 11,083</u>	<u>£ Nil</u>		<u>£ 11,083</u>
5. INVESTMENT INCOME				
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
Interest receivable from:				
Bank interest	325	-	325	692
Total 2022	<u>£ 325</u>	<u>£ Nil</u>	<u>£ 325</u>	
Total 2021	<u>£ 692</u>	<u>£ Nil</u>		<u>£ 692</u>
6. OTHER INCOMING RESOURCES				
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
Other income	-	-	-	30,715
Total 2022	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ Nil</u>	
Total 2021	<u>£ 30,715</u>	<u>£ Nil</u>		<u>£ 30,715</u>

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 2022

#### 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
	<u>£ 460,474</u>	<u>£ 176,336</u>	<u>£ 245,214</u>	<u>£ 882,024</u>	<u>£ 761,377</u>

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.

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

#### 5. RESOURCES EXPENDED (continued)

##### *Comparative resources expended*

	Staff costs	Other direct costs	Support costs	Total 2021
	£	£	£	£
<i>Cost of charitable activities by project:</i>				
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
<i>Total charitable expenditure</i>	<i>342,774</i>	<i>103,289</i>	<i>194,904</i>	<i>640,967</i>
<i>Costs of generating voluntary income</i>	<i>70,743</i>	<i>9,442</i>	<i>40,225</i>	<i>120,410</i>
	<u>£ 413,517</u>	<u>£ 112,731</u>	<u>£ 235,129</u>	<u>£ 761,377</u>

#### 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
	<u>£ 245,214</u>	<u>£ 235,129</u>

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

#### 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	-
	<u>£ 604,406</u>	<u>£ 556,033</u>
	2022	2021
	£	£
Allocated to:		
Charitable activities	390,795	342,774
Fundraising costs	69,679	70,743
Support costs	143,932	142,516
	<u>£ 604,406</u>	<u>£ 556,033</u>
Average number of employees	<u>21</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:

	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
	<u>£ 198,410</u>	<u>£ 186,529</u>

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

#### 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
	£	£	£	£
<b>Cost</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
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

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

---

#### 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	<u>£ 4,568</u>	<u>£ (13,771)</u>
Current assets	14,028	6,621
	<u>14,028</u>	<u>6,621</u>
Liabilities	(7,453)	(4,613)
	<u>£ 6,575</u>	<u>£ 2,008</u>
Profit and loss account	6,575	2,008
Capital and reserves	<u>£ 6,575</u>	<u>£ 2,008</u>

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

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

#### 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
	<u>£ 56,822</u>	<u>£ 54,883</u>	<u>£ 86,996</u>	<u>£ 86,701</u>

#### 15. INVESTMENTS HELD AS CURRENT ASSETS

	Charity 2022	Group 2022	Charity 2021	Group 2021
	£	£	£	£
CAF 12 months fixed rate investment	<u>50,053</u>	<u>50,053</u>	<u>50,053</u>	<u>50,053</u>

#### 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
	<u>£ 193,866</u>	<u>£ 199,377</u>	<u>£ 180,553</u>	<u>£ 184,690</u>



# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

#### 18. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
<b>DESIGNATED FUNDS</b>					
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
	<u>£ 407,504</u>	<u>£ 40,000</u>	<u>£ (220,001)</u>	<u>£ 140,692</u>	<u>£ 368,195</u>
<b>RESTRICTED FUNDS</b>					
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
	<u>£ 467,110</u>	<u>£ 466,244</u>	<u>£ (66,899)</u>	<u>£ Nil</u>	<u>£ 866,455</u>
<b>SUMMARY OF FUNDS</b>					
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
	<u>592,742</u>	<u>793,171</u>	<u>(815,125)</u>	<u>-</u>	<u>570,788</u>
Restricted Funds	467,110	466,244	(66,899)	-	866,455
	<u>£ 1,059,852</u>	<u>£ 1,259,415</u>	<u>£ (882,024)</u>	<u>£ Nil</u>	<u>£ 1,437,243</u>

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

#### 18. STATEMENT OF FUNDS (continued)

##### *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>
	£	£	£	£	£
<b>DESIGNATED FUNDS</b>					
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
	<u>£ 158,603</u>	<u>£ 45,001</u>	<u>£ (76,100)</u>	<u>£ 280,000</u>	<u>£ 407,504</u>
 <b>RESTRICTED FUNDS</b>					
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
	<u>£ 63,000</u>	<u>£ 492,271</u>	<u>£ (88,161)</u>	<u>£ Nil</u>	<u>£ 467,110</u>
 <b>SUMMARY OF FUNDS</b>					
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>

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

#### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds	General 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
	<u>£ 368,195</u>	<u>£ 202,593</u>	<u>£ 866,455</u>	<u>£ 1,437,243</u>

#### *Comparative analysis of net assets between funds*

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

#### 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.

# The Koestler Trust

## Notes to the consolidated Financial Statements

### For the year ended 31 March 2022

---

#### 22. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>
	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>
<b>INCOME AND ENDOWMENTS FROM:</b>			
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
<b>TOTAL</b>	<u>914,621</u>	<u>492,271</u>	<u>1,406,892</u>
<b>EXPENDITURE ON:</b>			
Raising funds			
Costs of generating voluntary income	120,410	-	120,410
Charitable activities	552,806	88,161	640,967
<b>TOTAL EXPENDITURE</b>	<u>673,216</u>	<u>88,161</u>	<u>761,377</u>
<b>NET MOVEMENT IN FUNDS</b>	241,405	404,110	645,515
<b>RECONCILIATION OF FUNDS:</b>			
TOTAL FUNDS AT 31 MARCH 2020	351,337	63,000	414,337
<b>TOTAL FUNDS AT 31 MARCH 2021</b>	<u>£ 592,742</u>	<u>£ 467,110</u>	<u>£ 1,059,852</u>