

The Kestrelman Trust



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2017

Registered Charity No 1150057

THE KESTRELMAN TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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THE KESTRELMAN TRUST**Reference and Administrative information****Trustees**

Roger John Manser
Anna Maria Marzec-Manser
Tomas Jan Marzec-Manser
Julian Robert Marzec-Manser

Chairman

Roger Manser

Principal Office

10 St Georges Yard
Farnham
Surrey
GU9 7LW

Charity Number

1150057

Independent Examiner

Joy Granat, Holden Granat LLP, 13 Walton Park, Walton-on-Thames, Surrey KT12 3ET

Solicitors

DMH Stallard, 1st Floor Wonersh House, The Guildway, Old Portsmouth Road, Guildford, Surrey GU3 1LR

Investment Managers

Raymond James Investment Services Ltd, Broadwalk House, 5 Appold Street, London EC2A 2AG
Grierson Dickens Ltd, 10 Georges Yard, Farnham, Surrey GU97LW

Administrators and Financial Advisers

Grierson Dickens Ltd, 10 Georges Yard, Farnham, Surrey GU97LW

Report of the Trustees for the year ended 31 August 2017

The Trustees present their report along with the financial statements of the Charity for the year ended 31 August 2016. The financial statements have been prepared in accordance with the Deed of Trust and the recommendations of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

The Trust is an unincorporated Trust, constituted under a Trust Deed dated 20 November 2012 and is a registered charity, number 1150057. The Trust was established by the settlor, Roger Manser.

The power of appointing new Trustees of the Charity is vested in the existing Trustees. The minimum number of Trustees is three individuals.

When appointing new Trustees, the existing Trustees will give consideration to the Trust's purpose and aims to ensure they appoint individuals who understand the duties and responsibilities expected of them, and will act in the best interests of the Trust.

All of the current Trustees have received a copy of the Trust's governing documents and have reviewed the Charity Commission guidance, 'Responsibilities of Charity Trustees'. It is expected that all Trustees appointed in the future will be provided with a similar induction pack which will also include details of accounting records and meeting minutes .

The Trustees consider their combined skill set is sufficient to ensure the efficient performance of the charity at this time and feel that, given the size and nature of the Trust, a formal programme of training is not currently necessary, but they will continue to monitor the situation and provide suitable training where circumstances require.

THE KESTRELMAN TRUST**Report of the Trustees for the year ended 31 August 2017 - continued**

The Trustees are required to hold at least two meetings a year. A quorum at a meeting of the Trustees is the greater of one third of those present or two Trustees. Decisions are made on a majority of votes cast at a meeting or by a resolution signed by the Trustees. Every Trustee has one vote at the meeting except the chairman who has a second or casting vote.

The powers of the Trustees are set out under the Trust Deed. Nothing in the Trust Deed restricts or excludes the exercise by the Trustees of the powers given by the Trustee Act 2000 as regards investment, the acquisition or disposal of land and the employment of agents, nominees and custodians.

All decisions relating to the Charity are taken by the Trustees.

Objectives and activities

The objects of the Charity are for the Trustees to apply on an international basis the income and capital of the Trust for the following charitable purposes as they shall see fit:

- Environment
- Social Inclusion
- Education & the Arts
- Relief for Refugees & Those in Need

The Trustees will pursue these objectives by the awarding of grants to appropriate organisations operating within the above areas and the subsequent monitoring of the impact the grants have made.

Risk management

The Trustees have considered the major risks to which the Charity is exposed. They have reviewed the risks and established systems and procedures to manage those risks.

The Trustees consider being able to hold adequate funds to meet current and future liabilities (i.e. grants) as constituting the Charity's major risk. The Trustees consider that they hold adequate funds to meet current liabilities. They have reviewed their procedures for the assessment of risk management and consider that they have proper procedures in place.

Achievements and performance

In the year to August 2017, the Trust approved grants of just under £470,000. This was a similar level to the previous accounting period and again in line with the desired annual range of between £300,000 and £500,000.

Just over half of the total granted went towards environmental causes, both in the UK and abroad. The two second largest areas, representing around a quarter of the total each, were social inclusion and relief for refugees and those in need. A small amount went towards education and the arts.

The trust remains focused on giving to a relatively small number of organisations with whom the trustees have existing relationships and where there is a strong understanding of each other's respective objectives. As such, the number of separate organisations receiving grants fell when compared to last year, from 35 to 31. This is a trend which is expected to continue and as a result, external ("cold") applications are rarely successful.

The trustees are aware that organisations can become dependent on any one source of funding. One of their aims is to avoid a situation whereby an organisation is dependent on the Kestrelman Trust. So whilst the Trust will often agree to making a series of grants to the same organisation over a multiple year period, the trustees encourage recipients to find alternative sources of funding before the end of the grant giving period. The trustees believe this is a sustainable approach which promotes longevity. Existing beneficiaries are expected to provide updates to the Trustees at least every 6 months.

THE KESTRELMAN TRUST**Report of the Trustees for the year ended 31 August 2017 - continued****Achievements and performance (continued)**

Grants are categorized as either "strategic" (organisations or projects trying to make a fundamental change to the way something is done, a longer-term focus) or "sticking plaster" (a short-term fix to solve a small part of what is often a much larger issue). As in previous years, most grants made (around 90%) fell into the first category and the trustees are comfortable with this split.

In the main, grants are made to organisations working in areas of personal interest to the Trustees. These include the preservation of the environment, sustainable and democratic economic growth and degrowth, researching longstanding alternatives to traditional natural fuels, the integration of marginalised individuals and communities and combatting exploited, often underprivileged societies.

Some examples of organisations in the environmental sector were Client Earth and their work to stop illegal logging in the Bialowieza Forest, The Climate Coalition and their "Speak Up Week of Action", Wildlife & Countryside Link, Synchronicity Earth, The London Wildlife Trust and Platform (London).

Under the social inclusion category were beneficiaries including Crisis and their Skylight project, St Mungo's Putting Down Roots gardening project and Landworks and The Clink Charity who both run work-based training schemes for ex-offenders.

Two local charities supported this year include the Library of Things, an organisation founded on the principle that "borrowing not buying" makes for a happier and healthier community – targeting those in less-privileged parts of London. The project has so far helped people start their own companies, create shared gardens and orchards, organise local markets and put on parties and festivals, which have all brought people together.

In the same vein of bringing people together, London-based East End Trades Guild have created a community of small independent businesses and the self-employed. EETG members not only offer goods and services to the public but share social spaces where they can create and build personal and commercial relationships (as neighbours) to, they say, make the local area a safer and better place to be.

Relief for refugees and those in need remains a key theme for the Trustees; City of Sanctuary, whose vision is for the UK to be a welcoming place of safety for people fleeing violence and persecution, and Freedom United, which is fighting against modern slavery where people, not just in the UK, are working for little or no pay, controlled by threats, debt, and violence.

Another area of interest for the Trustees relates to the democratisation and openness of trade negotiations; groups such as Trade Justice Movement and Global Justice Now are calling for full transparency and for the right to public consultation. The trustees expect their support for such groups to continue.

Two other, long standing, beneficiaries that were again granted to this year were Medicine Sans Frontiers and TEMWA.

Financial review

The Statement of Financial Activities for the year shows net outgoing resources of £247,743 (2016 £107,526).

The Trustees are happy with progress to date – it is anticipated that the current funding will be sufficient to meet the future objectives and activities of the charity.

THE KESTRELMAN TRUST**Report of the Trustees for the year ended 31 August 2017 - continued****Investment policy and performance**

The financial objective of the Trust is to maintain two years' worth of anticipated grants in cash or near cash assets (known as "Cash") and for the remainder (known as "the Investments") to be exposed to investment risk with the aim of achieving income or gains in excess of rates available from instant access cash deposit accounts plus 2%. This investment benchmark will be reviewed on an annual basis.

Reserves policy

The Trustees aim to distribute both the entire capital and the income arising therefrom over a period of ten years from outset. The intention is to distribute between £300k and £500k per annum but this will vary from year to year depending on grant making opportunities and investment returns.

It is the intention of the Trustees to manage the capital of the Trust so as to provide continuing income and capital growth in the short and medium terms which, when combined with capital reduction, will enable the Trustees to achieve the above objectives.

The level of free reserves at 31 August 2017 was £2,770,079, which the Trustees consider to be satisfactory to meet anticipated annual grants and donations.

Plans for future years

The trustees will continue to focus on giving to strategic projects in the environmental, social inclusion and sustainable development sectors. The Trust will continue with its divestment from areas with a high exposure to fossil fuels in favour of sustainable and low-carbon based investment funds, which their financial advisers are helping to facilitate.

The intention is to carry on supporting refugees, ex-offenders, the local community and movements working towards sustainable international economic development and alternative fair trade systems.

Public benefit

The principles of public benefit, as defined by the Charity Commission, have been noted by Trustees. The Trustees confirm having given regard to the Charity Commission's guidance and state their belief that the aims of the Trust are to provide identifiable benefits to the public.

THE KESTRELMAN TRUST**Report of the Trustees for the year ended 31 August 2017 - continued****Trustees' responsibilities in relation to the financial statements**

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Charities in England and Wales requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

The Trustees are responsible for preparing the Trustees' Report and the accounts. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees Report was approved on

2018 and signed on their behalf by:

R Manser

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

THE KESTRELMAN TRUST

I report on the accounts of The Kestrelman Trust for the year ended 31 August 2017, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes 1 to 12.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You consider that an audit is not required for this year under section 144(2) of the Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

J E Granat ACA
Holden Granat LLP
Chartered Accountants

13 Walton Park
Walton-on-Thames
Surrey
KT12 3ET

THE KESTRELMAN TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds 2017 £	Unrestricted Funds 2016 £
Income			
Investment income	2	52,924	68,695
Total income		52,924	68,695
Expenditure			
Cost of raising funds:			
Investment management fees		18,056	18,443
Expenditure on charitable activities	4	497,510	487,818
Total expenditure		515,566	506,261
Net income/expenditure and net movement in funds before gains and losses on investments		(462,642)	(437,566)
Gains on investment assets	6	214,899	330,040
Net movement in funds		(247,743)	(107,526)
Fund balances at 1 September 2016		3,017,822	3,125,348
Fund balances at 31 August 2017		2,770,079	3,017,822

The notes on pages 10 to 14 form part of these financial statements.

THE KESTRELMAN TRUST**BALANCE SHEET****AS AT 31 AUGUST 2017**

	Notes	2017 £	2016 £
Fixed Assets			
Investments	6	2,311,779	2,640,386
Current Assets:			
Debtors		4,148	4,111
Cash held	7	464,920	407,983
		469,068	412,094
Current Liabilities:			
Amounts due within one year	8	10,768	34,658
Net current assets		458,300	377,436
Total assets less current liabilities		2,770,079	3,017,822
Represented by:			
Unrestricted Trust Fund	9	2,770,079	3,017,822

The notes on pages 10 to 14 form part of these financial statements.

Approved by the Trustees on 2018

R Manser

THE KESTRELMAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. **ACCOUNTING POLICIES**

The principal accounting policies are summarised below.

Basis of preparation

The accounts have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") including Section 1A, and with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 issued in 2014 and revised in 2016. The financial statements are also prepared in accordance with the Charities Act 2011.

The charity is a public benefit entity as defined by FRS 102.

Exemption

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by the FRS 102.

- the requirements of Section 7 Statement of Cash Flows.

Funds structure

The funds held are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the trust and which have not been designated for other purposes.

Going concern

The trustees are confident that the charity will continue to be a going concern and the financial statements have been prepared on this basis.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Investments

Investments are stated at market value at balance sheet date. Realised gains and losses on investments, calculated on the difference between the sale proceeds and their cost are credited or charged to the Statement of Financial Activities (SOFA) in the year of gains or losses.

Unquoted investments are valued initially at cost and subsequently at fair value.

Unrealised gains and losses representing the movement in the market values during the year are credited or charged to the SOFA in the year of gains or losses.

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2017****Liabilities**

Liabilities are recognised on the balance sheet as soon as a constructive obligation resulting from a past event can be reliably measured. Current liabilities represent those liabilities which are expected to be settled within the next 12 months from the balance sheet date.

Financial instruments

The Trust only has financial assets and liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

2 Legal status of the trust

The Charity is governed by a trust deed dated 20 November 2012 and is constituted as a charitable trust.

3. INVESTMENT INCOME

	2017	2016
	£	£
Interest on cash deposits	22,339	12,764
Dividends and other interest receivable	30,585	55,931
	<u>52,924</u>	<u>68,695</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	2017	2016
	£	£
Independent Examination	1,200	1,400
Grants (note 5)	469,877	464,941
Support costs:		
- Administration	23,473	18,327
- Accountancy fees	2,700	3,150
- Bank charges	260	-
	<u>497,510</u>	<u>487,818</u>

5. GRANTS PAYABLE

	2017	2016
	£	£
At 1 September 2016, approved grants unpaid	20,000	99,400
Grants approved in the year	469,877	464,941
Grants paid in the year	(489,877)	(544,341)
	<u>-</u>	<u>20,000</u>
At 31 August 2017, approved grants unpaid	-	20,000
Grants falling due for payment within one year	-	20,000
Grants falling due for payment after one year	-	-
	<u>-</u>	<u>-</u>
Analysis of grants payable		
	£	£
Grants to institutions	464,877	464,941
Grants to individuals	5,000	-
	<u>469,877</u>	<u>464,941</u>

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2017**

5.	GRANTS PAYABLE (contd)	2017	2016
		£	£
	Analysis of grants payable by activity		
		£	£
	Environment	239,750	172,192
	Social Inclusion	124,627	120,611
	Education & the Arts	500	60,319
	Relief for Refugees & those in need	105,000	111,819
		<u>469,877</u>	<u>464,941</u>
6.	INVESTMENTS	2017	2016
		£	£
	Listed investments at market value	2,291,776	2,620,386
	Unlisted investments at fair value	20,000	20,000
		<u>2,311,776</u>	<u>2,640,386</u>
	<u>Listed investments at market value</u>		
		2017	2016
		£	£
	Market value at 1 September 2016	2,620,386	2,361,616
	Additions at cost	253,387	381,317
	Disposals (including equalisations)	(796,893)	(452,587)
	Change in market value in the year	214,899	330,040
	At 31 August 2017	<u>2,291,779</u>	<u>2,620,386</u>
	<u>Gain on listed investment assets</u>		
		2017	2016
		£	£
	Unrealised gains	183,612	273,173
	Realised gains / (losses)	31,287	56,867
		<u>214,899</u>	<u>330,040</u>

All investments are held to provide an investment return.

The following listed investments exceed 5% of the total investment value:

	£
Aberdeen UT Mgrs Responsible UK Equity I Dis	147,715
LionTrust Inv Ltd Sust Future Corp BD	237,780
Impax Enviro Mkts Ord Gbp 0.1	176,735
Jupiter UT Mgrs Jupiter Ecology 1 Acc	117,934
Legal & General UT L&G Ethical Trust (I)DIS	121,489
Rathbone UT Mgt Ethical Bond Instl Inc	239,242
Standard Life Invs Ethical Corp BD Platform 1	195,476
Standard Life Invs UK Ethical Platform 1 RETL	212,850

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2017****6. INVESTMENTS (contd)****Analysis of listed investments by category of holding**

	£
Open Ended Investment Companies	793,822
Unit Trusts	552,661
Investment Trusts	258,161
Exchange Traded Funds	575,466
European Investment Companies	111,669
	<u>2,291,779</u>

Unlisted investments at fair value

	2017	2016
	£	£
Fair value at 1 September 2016 and At 31 August 2017	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

Analysis of all investments by location

	£
Investments held in the UK	2,180,110
Investments held outside the UK	111,669
	<u>2,291,779</u>

7. CASH HELD

	2017	2016
	£	£
Nat West plc	84,000	133,581
Scottish Widows Bank plc	9,421	9,406
Raymond James Investment Services Ltd	120,796	14,879
Triodos Bank	250,703	250,117
	<u>£464,920</u>	<u>407,983</u>

8. ANALYSIS OF CURRENT LIABILITIES

	2017	2016
	£	£
Creditors falling due within one year:		
Grants	-	20,000
Investment management fees	2,286	2,593
Accountancy	2,700	5,400
Independent Examination fee	1,200	2,400
Administration fees	4,582	4,265
	<u>10,768</u>	<u>34,658</u>

9. NET ASSETS OF THE FUNDS OF THE CHARITY

	Fixed	Net	Fund
	assets	current	balance
	£	assets	£
	£	£	£
Unrestricted funds	2,311,776	458,303	2,770,079
	<u>2,311,776</u>	<u>458,303</u>	<u>2,770,079</u>

THE KESTRELMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 AUGUST 2017

10. EMPLOYEE INFORMATION

There were no employees of the Charity in the year ended 31 August 2017 (2016 none).

11. TAXATION

As a charity, the Trust is exempt from tax on income and gains falling within section 524 to 536 Income Taxes Act 2007 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

12. RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

No member of the Board of Trustees received any remuneration for his/her services.

The Trustees have not been reimbursed for any individual expenses.

There were no related party transactions during the year.