

The Kestrelman Trust



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2016

Registered Charity No 1150057

THE KESTRELMAN TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

CONTENTS

	<u>Pages</u>
Administrative information and Trustees' report	2-4
Independent auditor's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10-14

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

Auditors

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, 77 Cornhill, London EC3V 3QQ
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 2016

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 2016 - 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 2016, the Trust approved grants of around £465,000. Whilst this was slightly higher than in the previous three years, it remained within the desired range.

As last year, our priority for grant giving is to the environmental sector – broadly defined – in the UK and elsewhere. Our interest remains primarily in supporting the sustainable use of resources in socially equitable ways. Other areas of major interest are in fair and sustainable economic growth/managed degrowth, the social inclusion of marginalised communities and in providing opportunities and vocational training to disadvantaged individuals and groups.

By and large within all sectors to which we donate, decisions on the level and direction of grants relate to the Trustees' personal interests. Only rarely are external applications accepted. However, all projects of whatever provenance are assessed prior to approval, with the expectation that grantees will provide regular reports. Moreover, for reference purposes, we continue to segregate grants into what we have called "strategic" and "sticking plaster" to distinguish and maintain a balance between both function and time-scale. Whilst strategic projects have been strongly favoured in the past, there was a finer balance this year between these two areas. Going forward, we will focus on making lasting differences to peoples' lives, favouring the strategic classification.

Over the reporting period, the number of recipients remained higher than we would like with around 35 separate beneficiaries. This includes those charities who received more than one grant in the 12 months. In value terms, support for the environment represented just under forty-percent of the total, social inclusion and relief for refugees and those in need represented around a quarter each, and the remainder going towards education & the arts.

THE KESTRELMAN TRUST**Report of the Trustees for the year ended 31 August 2016 - continued****Achievements and performance (continued)**

Close to home we continued to support the restoration work at Wiltons' Music Hall in Shadwell, London. We also shared the vision of Greater London National Park (GLNP), which is looking to ensure there are sufficient wild and natural spaces throughout the city, and that its existing open green spaces remain so. Similarly, we contributed to London Wildlife Trust's Wild London Future Fund who are protecting London's wildlife and nature reserves now and for future generations.

Two other groups with a more local presence were Time and Talents, who run targeted community projects for those in the need including the elderly and disabled, and Bede House, both organisations with the objective of creating a strong, resilient, happy, and supportive community.

In Penzance, we continued to fund the salary of a YMCA outreach worker, who is providing invaluable assistance to troubled youngsters in an area that is blighted by homelessness, crime and drugs, perhaps as a consequence of the seasonality of employment.

Also within the UK, we contributed to the work of Crisis and in particular its Skylight project for training homeless people and young offenders in order to help them start rebuilding their lives. St Mungo's, who also operate in this field, are another organisation which we continue to fund.

Another of the Trust's priorities is to fund innovative and 'challenger' groups such as the New Economics Foundation.

More generally in the environmental sector, the Trust is working with charities to support renewable energy, wildlife conservation and assist both in the mitigation and adaption to global climate change. Groups supported in this area included Platform (London), John Muir Trust, Green Alliance, Client Earth and the Marine Conservation Society.

Overseas, the Trust supported Afrikids in their work to empower girls with a voice and to give them choice and control over their own bodies by teaching them about sexual and reproductive health and rights (SRHR). The Trust again supported Temwa, a charity operating in remote, rural areas of Northern Malawi with a focus on solving issues related to food shortages, the availability of basic education and infrastructural issues including access to healthcare, transport facilities and controlling deforestation which leads to flooding and displacement.

The Trust supported some more mainstream charities, such as Mediciens Sans Frontieres, the RNLI and Mountain Rescue England & Wales, as well as some more niche areas. For example, we have continued our funding of a project to publish a map of informal communal taxi routes in Mozambique's capital to formalize their role in commuting (vis a vis the private car).

The Trustees have longstanding connections with Poland and have provided funds to Otwarta Rzeczpospolita, a well-established human rights group. Other Polish projects included Red Nose, which sent clowns into children's wards in several of Warsaw's hospitals as well as the restoration of a number of organ pipes in the Franciscan Church of the Holy Trinity in Gdansk.

In the year 2015-16, the Trust saw an increase in the number of grants made. Going forward, the intention is to reverse this trend, and give larger sums to fewer beneficiaries. Whilst the Trustees are interested in all grants being of a meaningful size, the trustees are aware that charities can be destabilised by inflows which are considerably larger than those which they may have been accustomed to. We plan to maintain our focus on strategic giving in the environmental social inclusion/justice and sustainable economic development areas.

Financial review

The Statement of Financial Activities for the year shows net outgoing resources of £107,526, (2015 £246,713).

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 2016 - 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 2016 was £3,017,822, which the Trustees consider to be satisfactory to meet anticipated annual grants and donations.

Plans for future years

Over the next four to five years, the Trust has pledged to divest from fossil fuels and instead invest in solutions such as clean technology and energy efficiency, within the framework of Divest Invest Europe. Although existing investments in oil, gas and coal were already very low, the Trust's exposure to these areas continues to fall, as monitored by our financial advisers. Generally, the way the Trust has and will invest is consistent with its charitable objects.

For the coming year we will continue to support a range of schemes including Client Earth, a non-profit law organisation who work to protect the environment through advocacy, litigation and science. We intend to continue our support for refugees, ex-offenders, the local community and movements working towards sustainable international economic development and fair and free trade.

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 2016 - 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

2017 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 2016, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes 1 to 11.

Respective responsibilities of trustees and examiner

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

It is my responsibility to examine the accounts under section 145 of the 2011 Act, follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5) of the 2011 Act, and 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 Act have 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**

2017

THE KESTRELMAN TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds 2016 £	Unrestricted Funds 2015 £
Income			
Investment income	2	68,695	71,806
Total income		68,695	71,806
Expenditure			
Cost of raising funds:			
Investment management fees		18,443	18,334
Expenditure on charitable activities	4	487,818	362,918
Total expenditure		506,261	391,252
Net income/expenditure and net movement in funds before gains and losses on investments		(437,566)	(309,446)
Gains on investment assets	6	330,040	62,733
Net movement in funds		(107,526)	(246,713)
Fund balances at 1 September 2015		3,125,348	3,372,061
Fund balances at 31 August 2016		3,017,822	3,125,348

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

THE KESTRELMAN TRUST**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016 £	2015 £
Fixed Assets			
Investments	6	2,640,386	2,381,616
Current Assets:			
Debtors		4,111	4,895
Cash held	7	407,983	845,816
		<u>412,094</u>	<u>850,711</u>
Current Liabilities:			
Amounts due within one year	8	34,658	106,979
Net current assets			
		<u>377,436</u>	<u>743,732</u>
Total assets less current liabilities			
		<u>3,017,822</u>	<u>3,125,348</u>
Represented by:			
Unrestricted Trust Fund	9	<u>3,017,822</u>	<u>3,125,348</u>

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

Approved by the Trustees on 2017

R Manser

THE KESTRELMAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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.

These financial statements are the first annual financial statements of the charity prepared in accordance with FRS 102 as applied in the context of the small entities regime. The first date at which FRS 102 was applied was 1 September 2014 and in accordance with FRS 102 the charity has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

The transition to FRS 102 has resulted in no material changes in accounting policies or material adjustments to income and expenditure or equity of the charity as previously reported.

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.

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2016****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.

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

	2016	2015
	£	£
Interest on cash deposits	12,764	12,726
Dividends and other interest receivable	55,931	59,080
	<u>68,695</u>	<u>71,806</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	2016	2015
	£	£
Independent Examination	1,400	1,000
Grants (note 5)	464,941	339,959
Support costs:		
- Administration	18,327	19,628
- Accountancy fees	3,150	2,250
- Bank charges	-	81
	<u>487,818</u>	<u>362,918</u>

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2016****5. GRANTS PAYABLE**

	2016	2015
	£	£
At 1 September 2015, approved grants unpaid	99,400	70,000
Grants approved in the year	464,941	339,959
Grants paid in the year	(544,341)	(310,599)
	<hr/>	<hr/>
At 31 August 2016, approved grants unpaid	20,000	99,400
	<hr/>	<hr/>
Grants falling due for payment within one year	20,000	99,400
Grants falling due for payment after one year	-	-
	<hr/>	<hr/>
	-	99,400
	<hr/>	<hr/>

Analysis of grants payable

	£	£
Grants to institutions	464,941	339,959
	<hr/>	<hr/>

Analysis of grants payable by activity

	£	£
Environment	172,192	48,009
Social Inclusion	120,611	211,500
Education & the Arts	60,319	30,000
Relief for Refugees & those in need	111,819	50,450
	<hr/>	<hr/>
	464,941	339,959
	<hr/>	<hr/>

Included within Social Inclusion are grants of £43,900 made to the Network for Social Change.

6. INVESTMENTS

	2016	2015
	£	£
Listed investments at market value	2,620,386	2,361,616
Unlisted investments at fair value	20,000	20,000
	<hr/>	<hr/>
	2,640,386	2,381,616
	<hr/>	<hr/>

Listed investments at market value

	2016	2015
	£	£
Market value at 1 September 2015	2,361,616	2,285,678
Additions at cost	381,317	393,823
Disposals (including equalisations)	(452,587)	(380,618)
Change in market value in the year	330,040	62,733
	<hr/>	<hr/>
At 31 August 2016	2,620,386	2,361,616
	<hr/>	<hr/>

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2016****6. INVESTMENTS (contd)****Gain on listed investment assets**

	2016	2015
	£	£
Unrealised gains	273,173	26,344
Realised gains / (losses)	56,867	36,389
	<hr/>	<hr/>
	330,040	62,733
	<hr/>	<hr/>

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	133,950
LionTrust Ass Sust Future Corp BD 2 DIS	177,278
Impax Enviro Mkts Ord Gbp 0.1	191,482
IShares EUR Prop YD UCITS ETF EUR	182,895
IShares Ii PLC Dm Property Yld Ucits Gbp	171,510
Legal & General UT L&G Ethical Trust (I)DIS	197,161
Legal & General UT L&G Japan Index Trust (I) DIS	191,656
Rathbone UT Mgt Ethical Bond Instl Inc	189,706
Standard Life Invs Ethical Corp BD Platform 1	198,542
Standard Life Invs UK Ethical Platform 1 RETL	217,367

Analysis of listed investments by category of holding

	£
Open Ended Investment Companies	827,039
Unit Trusts	883,902
Exchange Traded Funds	909,445
	<hr/>
	2,620,386
	<hr/>

Unlisted investments at fair value

	2016	2015
	£	£
Fair value at 1 September 2015 and At 31 August 2016	20,000	20,000
	<hr/>	<hr/>

Analysis of all investments by location

	£
Investments held in the UK	2,640,386
	<hr/>

7. CASH HELD

	2016	2015
	£	£
Nat West plc	133,581	63,612
Cater Allen Private Bank	-	250,543
Scottish Widows Bank plc	9,406	249,208
Raymond James Investment Services Ltd	14,879	31,909
Julian Hodge Bank Ltd	-	250,544
Triodos Bank	250,117	-
	<hr/>	<hr/>
	407,983	845,816
	<hr/>	<hr/>

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2016****8. ANALYSIS OF CURRENT LIABILITIES**

	2016	2015
	£	£
Creditors falling due within one year:		
Grants	20,000	99,400
Investment management fees	2,593	2,381
Accountancy	5,400	2,250
Independent Examination fee	2,400	1,000
Administration fees	4,265	1,948
	<u>34,658</u>	<u>106,979</u>

9. NET ASSETS OF THE FUNDS OF THE CHARITY

	Fixed	Net	Fund
	assets	current	balance
	£	assets	£
Unrestricted funds	2,640,386	377,436	3,017,822
	<u>2,640,386</u>	<u>377,436</u>	<u>3,017,822</u>

10. EMPLOYEE INFORMATION

There were no employees of the Charity in the year ended 31 August 2016 (2015 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

Donations of £43,900 were given to Network for Social Change during the year, a charity in which R Manser (Trustee) provides administrative and management support. No fees have been received either by the Trust or R Manser for this work.

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

The Trustees have not been reimbursed for any individual expenses.

13. TRANSITION TO FRS102

These are the Trust's first accounts that comply with FRS102. The date of transition was 1 September 2014.

The transition to FRS102 has not resulted in any changes between the accounts presented previously under UK GAAP and those presented in compliance with FRS102.