

The Kestrelman Trust



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2018

Registered Charity No 1150057

THE KESTRELMAN TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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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 Womersley 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 2018

The Trustees present their report along with the financial statements of the Charity for the year ended 31 August 2018. 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 2018 - 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 2018, the Trust made grants of just under £415,000. This was slightly lower than in the previous year but still in line with the desired range.

Grants continue to be classified into four main areas; environmental, social inclusion, relief for refugees and those in need and education and the arts. Environmental remains the largest area, making up 56% of the total granted in the 2017-18 year. Relief for refugees and those in need made up 21%, social inclusion 18% and the remainder to education and the arts.

The number of different organisations granted to this year was just 19, down from 35 in 2015-16 and 31 in 2016-17, although some of these beneficiaries received multiple grants, often for different projects. Most of these organisations are previous beneficiaries of the trust, with only a few first time beneficiaries. Despite this, the Trustees are keen to avoid a situation whereby an organisation becomes dependent on them, given the finite supply of funds.

Two-thirds of the total granted in 2017-18 was to 'strategic' projects where the aim is to make a fundamental change to how something is done, with a clear long-term focus. The remainder went to 'sticking plaster' causes, providing a short-term fix to what is often a much larger issue.

Protecting the environment and mitigating climate change remains a key area for the Trustees, as evidenced by the amount granted to such causes in 2017-18.

THE KESTRELMAN TRUST

Report of the Trustees for the year ended 31 August 2018 - continued

Achievements and performance (continued)

With six of the ten most polluted cities in the EU and a personal connection to the country, Poland, via Client Earth, was again a major beneficiary of Kestrelman Trust. Projects granted included Client Earth's Biodiversity Programme and in particular its work against illegal logging of the Bialowieza Forest; and with 90% of Poland's electricity being generated from coal, the other was Client Earth's local Air Pollution and climate change work.

The Trust also sponsored a photographic climate change awareness exhibition based around Siberia's melting permafrost at COP24 (Katowice) in December 2018. Whilst northern Russia is home to two-thirds of the world's permafrost, few reports have covered Siberia (much of the focus has been on Alaska and Canada). As the permafrost melts, dead, carbon-rich vegetation and frozen animals decompose, releasing greenhouse gases methane and carbon dioxide into the atmosphere. The thawing soil, and the release of the gases, in turn contribute to the rate of global warming, meaning a vicious cycle is at play. Experts say we have not reached a "tipping point" yet, but time is running out.

Kestrelman Trust again supported Global Justice Now and Trade Justice Movement, who are both campaigning to stop international trade deals being agreed without public scrutiny. The environmental concern is that overseas governments use such deals to allow overseas companies trading with Britain greater freedom to emit greenhouse gases than those active in Britain.

Wildlife and Countryside Link are another beneficiary to have received several grants from the Trust and this year Kestrelman part-funded a survey designed to better understand the opinions – of English farmers – on current and future agriculture policy.

The Trustees contributed towards the ongoing footpath restoration work on the Isle of Skye. This, in association with The John Muir Trust's Wild Ways Path appeal, involved repairing damaged walkways, meaning that hikers can both safely admire the nearby hills and prevent further destruction of the local biodiversity.

Other beneficiaries in the environmental category included Global Greengrants Fund and their river cleansing biodiversity work in China. Also supported was CHEM Trust's campaign for man-made – particularly hormone disrupting – chemicals to be replaced by safer alternatives, to prevent long term damage to humans and the wider environment.

Under the social inclusion category, grants were made to YMCA Cornwall; new beneficiary Trailblazers, which is trying to reduce re-offending rates among young people through mentoring and specialist support; and NEON (New Economy Organisers Network)'s program of training marginalised members of society to participate in civil society debate.

Other beneficiaries were Crisis and its Skylight Centre in Croydon and Medicine Sans Frontieres's (MSF) vital work in areas subject to conflict, natural disasters and epidemics – both in the relief for refugees and those in need category.

Financial review

The Statement of Financial Activities for the year shows net outgoing resources of £372,559 (2017 £247,743).

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 2018 - 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 2018 was £2,397,520, which the Trustees consider to be satisfactory to meet anticipated annual grants and donations.

Plans for future years

The Trustees intend to continue making grants with a particular focus on environmental and green initiatives.

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 2018 - 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

2019 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 2018, 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 2018

	Notes	Unrestricted Funds 2018 £	Unrestricted Funds 2017 £
Income			
Investment income	2	47,161	52,924
Total income		<u>47,161</u>	<u>52,924</u>
Expenditure			
Cost of raising funds:			
Investment management fees		16,114	18,056
Expenditure on charitable activities	4	461,105	497,510
Total expenditure		<u>477,219</u>	<u>515,566</u>
Net income/expenditure and net movement in funds before gains and losses on investments		(430,058)	(462,642)
Gains on investment assets	6	57,499	214,899
Net movement in funds		(372,559)	(247,743)
Fund balances at 1 September 2017		<u>2,770,079</u>	<u>3,017,822</u>
Fund balances at 31 August 2018		<u><u>2,397,520</u></u>	<u><u>2,770,079</u></u>

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

THE KESTRELMAN TRUST**BALANCE SHEET****AS AT 31 AUGUST 2018**

	Notes	2018 £	2017 £
Fixed Assets			
Investments	6	1,796,282	2,311,779
Current Assets:			
Debtors		-	4,148
Cash held	7	642,393	464,920
		642,392	469,068
Current Liabilities:			
Amounts due within one year	8	41,155	10,768
Net current assets		601,238	458,300
Total assets less current liabilities		2,397,520	2,770,079
Represented by:			
Unrestricted Trust Fund	9	2,397,520	2,770,079

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

Approved by the Trustees on 2019

R Manser

THE KESTRELMAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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") 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 2018****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

	2018	2017
	£	£
Interest on cash deposits	670	600
Dividends and other interest receivable	46,491	52,324
	<u>47,161</u>	<u>52,924</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	2018	2017
	£	£
Independent Examination	1,260	1,200
Grants (note 5)	443,018	469,877
Support costs:		
- Administration	13,815	23,473
- Accountancy fees	2,640	2,700
- Bank charges	372	260
	<u>461,105</u>	<u>497,510</u>

5. GRANTS PAYABLE

	2018	2017
	£	£
At 1 September 2017, approved grants unpaid	-	20,000
Grants approved in the year	443,018	469,877
Grants paid in the year	<u>(414,518)</u>	<u>(489,877)</u>
At 31 August 2018, approved grants unpaid	<u>28,500</u>	<u>-</u>
Grants falling due for payment within one year	28,500	-
Grants falling due for payment after one year	<u>-</u>	<u>-</u>
Analysis of grants payable		
	£	£
Grants to institutions	428,018	464,877
Grants to individuals	<u>15,000</u>	<u>5,000</u>

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2018****5. GRANTS PAYABLE (contd)**

	2018	2017
	£	£
Analysis of grants payable by activity		
	£	£
Environment	246,500	239,750
Social Inclusion	129,739	124,627
Education & the Arts	55,929	500
Relief for Refugees & those in need	10,850	105,000
	<hr/> 443,018	<hr/> 469,877

6. INVESTMENTS

	2018	2017
	£	£
Listed investments at market value	1,776,282	2,291,776
Unlisted investments at fair value	20,000	20,000
	<hr/> 1,796,282	<hr/> 2,311,776

Listed investments at market value

	2018	2017
	£	£
Market value at 1 September 2017	2,291,779	2,620,386
Additions at cost	-	253,387
Disposals (including equalisations)	(572,996)	(796,893)
Change in market value in the year	57,499	214,899
At 31 August 2018	<hr/> 1,776,282	<hr/> 2,291,779

Gain on listed investment assets

	2018	2017
	£	£
Unrealised gains	43,750	183,612
Realised gains / (losses)	13,749	31,287
	<hr/> 57,499	<hr/> 214,899

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	105,530
LionTrust Inv Ltd Sust Future Corp BD	198,750
Impax Enviro Mkts Ord Gbp 0.1	105,646
Legal & General UT L&G Ethical Trust (I)DIS	91,410
Rathbone UT Mgt Ethical Bond Instl Inc	201,152
Standard Life Invs Ethical Corp BD Platform 1	125,256
Standard Life Invs UK Ethical Platform 1 RETL	171,219

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2018****6. INVESTMENTS (contd)****Analysis of listed investments by category of holding**

	£
Open Ended Investment Companies	721,636
Unit Trusts	445,985
Investment Trusts	154,383
Exchange Traded Funds	454,278
European Investment Companies	-
	<hr/> 1,776,282 <hr/>

Unlisted investments at fair value

	2018	2017
	£	£
Fair value at 1 September 2017 and At 31 August 2018	20,000	20,000

Analysis of all investments by location

	£
Investments held in the UK	1,201,124
Investments held outside the UK	575,158

7. CASH HELD

	2018	2017
	£	£
Nat West plc	265,443	84,000
Scottish Widows Bank plc	109,428	9,421
Raymond James Investment Services Ltd	16,155	120,796
Triodos Bank	251,367	250,703
	<hr/> 642,393 <hr/>	<hr/> 464,920 <hr/>

8. ANALYSIS OF CURRENT LIABILITIES

	2018	2017
	£	£
Creditors falling due within one year:		
Grants	28,500	-
Investment management fees	5,272	2,286
Accountancy	2,400	2,700
Independent Examination fee	1,260	1,200
Administration fees	3,723	4,582
	<hr/> 41,155 <hr/>	<hr/> 10,768 <hr/>

9. NET ASSETS OF THE FUNDS OF THE CHARITY

	Fixed assets £	Net current assets £	Fund balance £
Unrestricted funds	1,796,282	601,238	2,397,520
	<hr/> 1,796,282 <hr/>	<hr/> 601,238 <hr/>	<hr/> 2,397,520 <hr/>

THE KESTRELMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 AUGUST 2018

10. EMPLOYEE INFORMATION

There were no employees of the Charity in the year ended 31 August 2018 (2017 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.