

The Kestrelman Trust



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2019

Registered Charity No 1150057

THE KESTRELMAN TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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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

Susan Kumar ACA, Holden Granat LLP, Springfield House, 23 Oatlands Drive, Weybridge, KT13 9LZ

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 2019

The Trustees present their report along with the financial statements of the Charity for the year ended 31 August 2019. 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'.

THE KESTRELMAN TRUST

Report of the Trustees for the year ended 31 August 2019 - continued

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 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 ending August 2019, the Trust committed grants of £466,000, around 12% more than the year before. Over half of these were made to environmental causes, a third under the social inclusion category and the rest mainly to relief for refugees and those in need, with a small amount to education and arts.

Most of the 31 different organisations given to this year were previous beneficiaries of the Trust. The average amount granted to the nine new beneficiaries was under half of those given to organisations supported in previous years. Four-fifths of the total granted went to 'strategic' causes with the rest to 'sticking plaster' areas.

THE KESTRELMAN TRUST**Report of the Trustees for the year ended 31 August 2019 - continued****Achievements and performance (continued)**

Previous beneficiaries granted to again this year include Client Earth, John Muir Trust, Global Justice Now, Global Witness, Trade Justice Movement, Crisis, Temwa, St. Mungo's, The Climate Coalition, City of Sanctuary, Medicine Sans Frontieres, Network for Social Change, Trailblazers and Warsaw-based Otwarta Rzeczpospolita.

Some examples of new initiatives supported in 2018/19 are as follows.

Feedback Global – a charity focussing on food waste and the impact that current food production methods (deforestation, draining freshwater reserves and exhausting soils) are having on our planet. Their vision is for a more sustainable 'circular' food system whereby less is produced and wasted and what is left is put to better use.

Other beneficiaries under the environmental theme were Hope for the Future which trains constituents in more effective lobbying on climate change, London Wildlife Trust's London Wildlife Festival, the Scottish Wildlife Trust, the RSPB's recent work in the North Kent marshes, independent think tank E3G and the WWF's work in creating an experimental seagrass meadow (as an effective absorber of carbon) off the Welsh coast.

Under the 'relief for those in need' category this year was Asylum Matters "Lift the Ban", a campaign for the UK Government to grant asylum seekers the right to work. Related but also within the social inclusion and arts space, was The Irene Taylor Trust's Lullaby Project, whose aim is to inspire positive change in ex-offenders and marginalised refugees through the creation of music

Financial review

The Statement of Financial Activities for the year shows net outgoing resources of £434,866 (2018 £372,559).

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.

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 2019 was £1,962,654 which the Trustees consider to be satisfactory to meet anticipated annual grants and donations.

THE KESTRELMAN TRUST

Report of the Trustees for the year ended 31 August 2019 - continued

Plans for future years

The Trustees will continue making grants with a focus on climate change and the environment.

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 2019 - 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 17 January 2020 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 2019, 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.

Susan Kumar ACA
Holden Granat LLP
Chartered Accountants
Springfield House, 23 Oatlands Drive, Weybridge, Surrey, KT13 9LZ

THE KESTRELMAN TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Income			
Investment income	2	35,558	47,161
Total income		<u>35,558</u>	<u>47,161</u>
Expenditure			
Cost of raising funds: Investment management fees		13,169	16,114
Expenditure on charitable activities	4	488,747	461,105
Total expenditure		<u>501,916</u>	<u>477,219</u>
Net income/expenditure and net movement in funds before gains and losses on investments		(466,358)	(430,058)
Gains on investment assets	6	31,492	57,499
Net movement in funds		(434,866)	(372,559)
Fund balances at 1 September 2018		<u>2,397,520</u>	<u>2,770,079</u>
Fund balances at 31 August 2019		<u><u>1,962,654</u></u>	<u><u>2,397,520</u></u>

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

THE KESTRELMAN TRUST**BALANCE SHEET****AS AT 31 AUGUST 2019**

	Notes	2019 £	2018 £
Fixed Assets			
Investments	6	<u>1,375,385</u>	<u>1,796,282</u>
Current Assets:			
Cash held	7	609,443	642,393
		<u>609,443</u>	<u>642,393</u>
Current Liabilities:			
Amounts due within one year	8	<u>22,174</u>	<u>41,155</u>
Net current assets		<u>587,269</u>	<u>601,238</u>
Total assets less current liabilities		<u><u>1,962,654</u></u>	<u><u>2,397,520</u></u>
Represented by:			
Unrestricted Trust Fund	9	<u><u>1,962,654</u></u>	<u><u>2,397,520</u></u>

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

Approved by the Trustees on 17 January 2020

R Manser

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2019****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 2019****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

	2019	2018
	£	£
Interest on cash deposits	2,197	670
Dividends and other interest receivable	33,361	46,491
	<u>35,558</u>	<u>47,161</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	2019	2018
	£	£
Independent Examination	1,115	1,260
Grants (note 5)	466,077	443,018
Support costs:		
- Administration	18,898	13,815
- Accountancy fees	2,335	2,640
- Bank charges	322	372
	<u>488,747</u>	<u>461,105</u>

5. GRANTS PAYABLE

	2019	2018
	£	£
At 1 September 2018, approved grants unpaid	28,500	-
Grants approved in the year	466,077	443,018
Grants paid in the year	(482,017)	(414,518)
	<u>12,560</u>	<u>28,500</u>
At 31 August 2019, approved grants unpaid	12,560	28,500
Grants falling due for payment within one year	12,560	28,500
Grants falling due for payment after one year	-	-

Analysis of grants payable

	£	£
Grants to institutions	467,873	428,018
Grants to individuals	(1,796)	15,000

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2019****5. GRANTS PAYABLE (contd)**

	2019	2018
	£	£
Analysis of grants payable by activity		
	£	£
Environment	261,000	246,500
Social Inclusion	156,873	129,739
Education & the Arts	0	55,929
Relief for Refugees & those in need	48,204	10,850
	<u>466,077</u>	<u>443,018</u>

6. INVESTMENTS

	2019	2018
	£	£
Listed investments at market value	1,375,385	1,776,282
Unlisted investments at fair value	-	20,000
	<u>1,375,385</u>	<u>2,311,776</u>

Listed investments at market value

	2019	2018
	£	£
Market value at 1 September 2018	1,776,282	2,291,779
Additions at cost	-	-
Disposals (including equalisations)	(432,388)	(572,996)
Change in market value in the year	31,492	57,499
	<u>1,375,386</u>	<u>1,776,282</u>

Gain on listed investment assets

	2019	2018
	£	£
Unrealised gains	46,162	43,750
Realised gains / (losses)	(14,670)	13,749
	<u>31,492</u>	<u>57,499</u>

All investments are held to provide an investment return.

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

	£
LionTrust Inv Ltd Sust Future Corp BD	150,866
Rathbone UT Mgt Ethical Bond Instl Inc	146,057
Aberdeen Std Fd Mg Asi Ethical Corp Ptform	118,946
Aberdeen Std Fd Mg Asi UK Ethical Eqty Ptform	100,126
Aberdeen Std FD Mg Asi UK resp Eqty I Dis	87,573
Impax Enviro Mkts Ord Gbp0.10	70,680
Jupiter Ut Mngrs Jupiter Ecolgy I Acc	69,399
Legal & General Ut L&g Ethical Trust (1) dis	88,014

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2019****6. INVESTMENTS (contd)****Analysis of listed investments by category of holding**

	£
Open Ended Investment Companies	575,915
Unit Trusts	349,850
Investment Trusts	100,202
Exchange Traded Funds	349,418
	<hr/> 1,375,385 <hr/>

Unlisted investments at fair value

	2019 £	2018 £
Fair value at 1 September 2018 and At 31 August 2019	-	20,000
	<hr/>	<hr/>

Analysis of all investments by location

	£
Investments held in the UK	907,564
Investments held outside the UK	467,821

7. CASH HELD

	2019 £	2018 £
Nat West plc	231,466	265,443
Scottish Widows Bank plc	109,536	109,428
Raymond James Investment Services Ltd	15,986	16,155
Triodos Bank	252,455	251,367
	<hr/> 609,443 <hr/>	<hr/> 642,393 <hr/>

8. ANALYSIS OF CURRENT LIABILITIES

	2019 £	2018 £
Creditors falling due within one year:		
Grants	12,560	28,500
Investment management fees	2,522	5,272
Accountancy	2,335	2,400
Independent Examination fee	1,115	1,260
Administration fees	3,642	3,723
	<hr/> 22,174 <hr/>	<hr/> 41,155 <hr/>

THE KESTRELMAN TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 AUGUST 2019****9. NET ASSETS OF THE FUNDS OF THE CHARITY**

	Fixed assets £	Net current assets £	Fund balance £
Unrestricted funds	1,375,385	587,269	1,962,654

10. EMPLOYEE INFORMATION

There were no employees of the Charity in the year ended 31 August 2019 (2018 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.