

Charity Registration No. 1197205

THE ERNEST KLEINWORT CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



One Bell Lane
Lewes
East Sussex
BN7 1JU

THE ERNEST KLEINWORT CHARITABLE TRUST

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THE ERNEST KLEINWORT CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Kleinwort M Kleinwort R Kleinwort Bt B Mayhew OBE E Limerick C Grieves M Tyndall (Chairman) A Dickman N Glover
Charity number	1197205
Registered office	One Bell Lane Lewes East Sussex BN7 1JU
Director	S Case
Grants Officer	A Murrell
Auditor	TC Group One Bell Lane Lewes East Sussex BN7 1JU
Bankers	Barclays Plc 1 Church Road Burgess Hill West Sussex RH15 9BD
Solicitors	Gaby Hardwicke 33 The Avenue Eastbourne East Sussex BN21 3YD

THE ERNEST KLEINWORT CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Investment advisors

Meridiem Investment Management
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Partners Capital LLP
5th Floor
5 Young Street
London
W8 5EH

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

THE ERNEST KLEINWORT CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report and financial statements for the year ended 31 March 2024. The Trust celebrated its 60th anniversary in March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Settlement Deed dated 12 March 1963, the Charities Act 2011 and "Accounting and Reporting by Charities: 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 2019)".

Objectives and activities

The aim of the Trust is to provide resources for charitable activities. The Trust's objectives are to promote and support such purposes recognised by the law of England and Wales as charitable, as the Trustees shall from time to time select. It is, therefore, exclusively, a grant making Trust, with no direct operating activity of its own.

Public Benefit

The Trustees have ensured that all activities throughout the period have been in the interest of public benefit. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when:

- reviewing the Trust's aims and objectives, and
- in planning future activities, and
- settling the grant making policy for the year.

Grant Making Policy

Support is principally given to charities operating to address the needs of people in the county of Sussex, and charities working in the fields of wildlife and environmental conservation (national and international). A small amount of funding is made available for reproductive health work (international) where there is a connection with conservation. The Trustees' current policy is still in accordance with the original wishes of the founders.

All applications must be made by registered charities or exempt organisations. All applicants must apply on-line via the Trust's website and provide a copy of their most recent financial statements. The Trustees aim to follow the Trust's guidelines carefully; funding will be considered for start-up costs for a new project within an established organisation, core costs or a specific project (capital expenditure or assistance with running costs). In some cases, the Trustees will consider providing unrestricted funding. Trustees will consider one application from an applicant within 12 months.

During the year, Trustees reviewed the number of applications received, the maximum amount available, and an applicant's prospects of success, for each type of grant (Small, Medium & Large). As a result of this review, the maximum amount for a Small Grant was increased from £3,000 to £10,000, and applications for Small Grants were considered by two Trustees (PY one Trustee) to whom power has been delegated by the full board of Trustees. Applications for Medium Grants continued to be considered quarterly, by not less than two Trustees to whom power has been delegated by the Trustees. Maximum donations for Medium Grants were increased to £20,000. The decisions to award Small and Medium Grants continue to be reviewed and ratified at full Trustee board meetings, held twice a year. Applications for Large Grants of £20,001 and above were considered by the full board of Trustees at the twice-yearly board meetings.

THE ERNEST KLEINWÖRT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees keep themselves up to date with charity law, and during the year they received updates specific to their role from specialist advisors. Their involvement in the field of charitable activity supported by the Trust, as well as their experience of other charities, means that they bring an informed eye to their work.

The Trustees ensure that the Trust benefits from high-quality investment, financial and legal advice.

Achievements and performance

The Trustees set the budget for grant giving by reference to a total return investment policy, with an agreed target return of UK CPI plus 4%. If this is achieved this will enable them to make grants at the appropriate level, while preserving the real value of the endowment.

In the year ending March 2023, the Trustees held higher levels of cash in the current account than is usual, extraction from the investment was therefore paused from April 2023 until October 2023. Total extraction from investment in the year was £1,311,645. Extraction levels are reviewed at least annually, unless there is a fall in the value of the portfolio of more than 10%, in which case the extraction levels would be reviewed sooner.

As a result of market volatility in previous years, and to preserve grant making, the Trustees continue to maintain an additional cash buffer equivalent to one year's grant making, held in a non-discretionary account. These funds are held in addition to funds held in a current account for daily transaction purposes and reviewed on an annual basis.

In the 2023 - 2024 financial year the Trustees agreed a budget of £2,000,000 of grant giving and £172,165 in operational costs. In the previous financial year the Trustees also made funds available to help charities meet rising costs of living. During the period the Trustees made donations totalling – £1,954,409 (£1,738,890 in 2023), which included additional cost of living awards of £61,100 (£16,700 in 2023).

Large donations, such as £100,000 to Tusk Trust, £100,000 to the World Wide Fund for Nature and £87,850 to Martlets Hospice are made because of a close and often long-standing relationship between the individual charities and one or more Trustees.

Year Ending	2024	2023
Number of applications received	340	323
Number of applications within guidelines	298	290
Number of applications supported	204 (60%)	184 (57%)

Fundraising Note

The Trust does not fundraise publicly, nevertheless it is mindful of the code issued by the Fundraising Regulator.

THE ERNEST KLEINWORT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Investment Policy

Under the terms of the constitution, there are no restrictions on the Trust's power to invest. The overall investment policy of the Trust is to achieve a total return of UK CPI + 4% per annum, so allowing the target level of grant making while preserving the real value of the Trust's endowment.

The Trust does not have a relationship with any other charity or organisation which might inhibit it from pursuing its own charitable objectives.

The Trustees are satisfied with the financial position of the Trust and confirm that they have adequate assets available to fulfil their obligations. The Trustees review their policy guidelines on a regular basis.

It is the Trustees' policy to reserve a certain level of cash, partly to offset a possible fall in investment income, and partly to enable them to continue their policy of responding without delay to appeals for significant support where appropriate, the timing of which is unpredictable.

The Trustees agreed and signed an updated Investment Policy Statement dated November 2023 to reflect these changes.

Investment Performance

The financial statements show the investments at market value. The gain/(loss) on disposals of investments is based on their opening market value and resulted in a realised loss of £143,808 for the year ended 31 March 2024 (2023 loss: £563,790). At the year end the unrealised net gain amounted to £8,087,845 (2023 loss: £1,294,627). The total return of the investment portfolio during the year was 11%, after all management expenses (2023: -2.4%).

During the year, the Trustees agreed to add an allocation to private credit within their investment structure and increase their allocation to listed private equity.

Financial review

The accounts cover all the activities of the Trust and have been prepared on an accruals basis. They are presented in a format that reflects the split of funds between income (unrestricted) and capital (expendable endowment). £1,261,534 was transferred from the capital account to the income account to reflect the drawdown of the endowment fund during the year. The accounts show a balance of unspent unrestricted funds of £3,170,119 compared with £2,739,653 in 2023.

The majority of the Trust's income was derived from stock market investments and cash deposits, totalling £1,272,740. The Trust committed to charitable donations of £1,954,409, so that, on an income basis there was a net operations deficit of £681,669 (compared with £1,092,571 in 2023) in the period. Support costs totalled £149,399 (compared with £130,540 in 2023). Investment Management fees totalled £390,124 compared with £388,333 in 2023. Net expenditure before investments and exchange gains and losses was £831,068 (compared with £1,223,111 in 2023).

THE ERNEST KLEINWORT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Reserves Policy & Review

Total reserves as at 31 March 2024 were £77,566,916, represented by unrestricted funds of £3,170,119 and expendable endowment funds of £74,396,797.

The Trustees consider that whereas an operational charity would need to consider the need to keep their services active for a period of time in the event of severe financial difficulty, the Trust is a grant making trust. As a minimum of 66% of the Trust's funds were held in investments accessible on short notice, they were satisfied that the Trust had sufficient liquidity and reserves to continue as a going concern for the foreseeable future.

Risk Management

The Trustees are aware of the major strategic, business and operational risks to which the charity is exposed, and these are reviewed regularly. The Trustees are satisfied that adequate procedures are in place to mitigate exposure to these risks, although it is recognised that systems can only provide reasonable, not absolute, assurance. They have identified the following risks:

THE ERNEST KLEINWORT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Risk Identified	Action taken to mitigate the risk
Investments do not deliver sufficient return/drop in value	The Trustees have appointed Asset Risk Consultants (UK) Ltd to report and advise on the performance of the investment managers. Advice is provided to a formally constituted Investment Sub-Committee of Trustees which meets twice per year. Investment managers are provided with an Investment Policy Statement setting out the Investment Objectives of the charity, which is regularly reviewed.
	The Trustees have divided the investment of the endowment equally between three investment managers to provide resilience against poor performance and to optimise the return from the endowment.
	The Trustees have implemented an extraction policy with effect from 30 th September 2018 based on a total returns approach to provide stability in grant making and reflect their general aim of maintaining the real value of the endowment.
	In 2022 the Trustees agreed to maintain the rate of extraction at an absolute value to protect grant making from market volatility; part way through the year extraction was moved from the investment funds to the cash buffer fund held in the non-discretionary account as a result of market conditions.
Applicants do not demonstrate sufficient financial need for the funds applied for. Applicants are financially insecure and donated funds are put at risk.	The Trustees employ a Director to conduct a robust review of all grant applications before passing them on to the relevant Trustees for a decision. The review includes scrutiny of the applicant charity, its role, governance, financial position and operations, and where necessary a meeting or visit often with EKCT Trustees present.
	Applications are divided into categories and Trustees with specific skills, experience and interest in each area review applications before making recommendations to the relevant meeting of Trustees.
Funds are not applied as Trustees intended.	All applicants are required to report back on the expenditure of funds.

THE ERNEST KLEINWORT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Trustee risks are not sufficiently identified/managed.	The Trustees have adopted a conflict-of-interest policy and maintain a Register of Interests both of which are reviewed regularly.
	The Chairman manages any potential conflicts of interest that occur; during the year a review of disclosable interests was undertaken.
	All Trustees have signed Automatic Disqualification Declarations.
Regulatory non-compliance	The Trustees have adopted a comprehensive set of governance, finance and employment policies which are reviewed annually. During the year Trustees adopted a Document Signing Policy to ensure clarity and compliance when executing documents in the name of the Charity.

Going Concern

The Trustees are of the opinion that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Trust's ability to do so.

Plans for the Future

The Trust is managed with a view to it being able to continue its activities for the future.

Structure, governance and management

The Trust is a grant making charitable trust governed by constitution dated 17 December 2021 (as amended 31 January 2024) and has been registered with the Charity Commission since 17 December 2021.

Prior to this, the activities of the Trust were conducted by the Ernest Kleinwort Charitable Trust (registered charity number 229665). The assets of this charity were transferred to the CIO on 1 April 2022, and the charity was removed from the Charity Commission Register of Charities in May 2022.

The Trustees who served during the year and up to the date of signature of the financial statements were:

T Chandos (Chairman)	(Resigned 7 November 2023)
A Kleinwort	
M Kleinwort	
R Kleinwort Bt	
B Mayhew OBE	
E Limerick	
C Grieves	(Appointed 16 May 2024)
M Tyndall (Chairman)	(Appointed 7 November 2023)
A Dickman	(Appointed 7 November 2023)
N Glover	(Appointed 8 October 2024)

THE ERNEST KLEINWORT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Trustees are appointed under the terms of the constitution which was amended on 31 January 2024 to increase the maximum number of Trustees from eight to ten.

The Trust is managed by the Trustees, who are appointed under the terms of the constitution with daily administration being dealt with by the Director and Grants Officer.

During the year, Chairman Tom Chandos offered his resignation as Trustee and Chairman. The Trustees expressed their considerable gratitude for the many years of service Tom Chandos had given to the Trust, and for the significant and positive changes that had been made during his time as Chairman.

Mark Tyndall was appointed Chairman and Trustee; Mark is founder and formally senior partner of Artemis Investment Management LLP and a Trustee of Tusk Trust, and brings significant investment management, leadership and conservation experience to the board.

Professor Amy Dickman was also appointed to the board of Trustees during the year. Professor Dickman is the Kaplan Senior Research Fellow in Field Conservation and Professor of Wildlife Conservation at Oxford University. She brings substantial leadership and conservation experience to the board of Trustees.

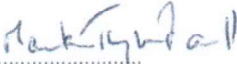
Many of the Trustees serve on the board of unrelated charities, and they bring to the Trust considerable knowledge of the charitable world in general, and the causes which the Trust supports in particular.

The Trustees continued to discuss the structure of the board, future Trustee appointments and related governance matters. These discussions are on-going.

Key Management Personnel

The Trustees consider the board of Trustees comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely. Details of staff expenses and related party transactions are disclosed in notes 8 and 21 to the accounts.

The Trustees' report was approved by the Board of Trustees.


.....
M Tyndall (Chairman)
Trustee
Dated: 29/11/24

THE ERNEST KLEINWORT CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees are responsible for preparing the Trustees' Report and the financial statements 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 which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ERNEST KLEINWORT CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ERNEST KLEINWORT CHARITABLE TRUST

Opinion

We have audited the financial statements of The Ernest Kleinwort Charitable Trust (the 'Trust') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ERNEST KLEINWORT CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ERNEST KLEINWORT CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

THE ERNEST KLEINWORT CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ERNEST KLEINWORT CHARITABLE TRUST

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

THE ERNEST KLEINWORT CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ERNEST KLEINWORT CHARITABLE TRUST

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

David Martin FCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor

Office: Lewes

Date: 16 December 2024

TC Group is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE ERNEST KLEINWORT CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
		2024	2024	2024	2023	2023	2023
	Notes	£	£	£	£	£	£
Income from:							
Investments	2	1,272,740	-	1,272,740	646,319	-	646,319
Total income		<u>1,272,740</u>	<u>-</u>	<u>1,272,740</u>	<u>646,319</u>	<u>-</u>	<u>646,319</u>
Expenditure on:							
Raising funds	3	-	390,124	390,124	-	388,333	388,333
Charitable activities	4	2,103,808	-	2,103,808	1,869,430	-	1,869,430
Total expenditure		<u>2,103,808</u>	<u>390,124</u>	<u>2,493,932</u>	<u>1,869,430</u>	<u>388,333</u>	<u>2,257,763</u>
Net gains/(losses) on investments	9	-	7,944,037	7,944,037	-	(1,858,417)	(1,858,417)
Net income/(expenditure)		<u>(831,068)</u>	<u>7,553,913</u>	<u>6,722,845</u>	<u>(1,223,111)</u>	<u>(2,246,750)</u>	<u>(3,469,861)</u>
Transfers between funds		1,261,534	(1,261,534)	-	2,433,795	(2,433,795)	-
Other recognised gains and losses:							
Other losses	11	-	(157,307)	(157,307)	-	(40,770)	(40,770)
Net movement in funds		<u>430,466</u>	<u>6,135,072</u>	<u>6,565,538</u>	<u>1,210,684</u>	<u>(4,721,315)</u>	<u>(3,510,631)</u>
Reconciliation of funds:							
Fund balances at 1 April 2023		2,739,653	68,261,725	71,001,378	1,528,969	72,983,040	74,512,009
Fund balances at 31 March 2024		<u>3,170,119</u>	<u>74,396,797</u>	<u>77,566,916</u>	<u>2,739,653</u>	<u>68,261,725</u>	<u>71,001,378</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE ERNEST KLEINWORT CHARITABLE TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investments	12		76,050,788		69,702,096
Current assets					
Debtors	13	86,997		72,556	
Cash at bank and in hand		1,472,042		1,448,050	
		1,559,039		1,520,606	
Creditors: amounts falling due within one year	15	(42,911)		(221,324)	
Net current assets			1,516,128		1,299,282
Total assets less current liabilities			77,566,916		71,001,378
The funds of the Trust					
Endowment funds	16		74,396,797		68,261,725
Unrestricted funds	17		3,170,119		2,739,653
			77,566,916		71,001,378

The financial statements were approved by the Trustees on 29/11/24



M Tyndall (Chairman)
Trustee

THE ERNEST KLEINWORT CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	20	(2,672,500)	(2,270,900)
Investing activities			
Purchase of investments		(13,992,765)	(15,783,429)
Proceeds from disposal of investments		15,300,314	14,892,197
Investment income received		1,272,740	646,319
Net cash generated from/(used in) investing activities		2,580,289	(244,913)
Net cash used in financing activities		-	-
Net decrease in cash and cash equivalents		(92,211)	(2,515,813)
Cash and cash equivalents at beginning of year		5,255,872	7,771,685
Cash and cash equivalents at end of year		5,163,661	5,255,872
Relating to:			
Cash at bank and in hand		1,472,042	1,448,050
Short term deposits included in current asset investments		3,691,619	3,979,415
Bank overdrafts included in creditors payable within one year		-	(171,593)

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The Ernest Kleinwort Charitable Trust was a registered charity governed by a constitution dated 17 December 2021 (as amended 31 January 2024). The charity registered as a CIO on 17 December 2021 with funds being transferred from the original Trust on 25 May 2022, at which time the original Trust was removed from the Register.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

1.4 Income

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers of the dividend yield of the investment portfolios.

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

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.8 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from UK listed securities	1,272,733	646,319
Interest receivable	7	-
	<u>1,272,740</u>	<u>646,319</u>

3 Raising funds

	Endowment funds general 2024 £	Endowment funds general 2023 £
Investment management	390,124	388,333
	<u>390,124</u>	<u>388,333</u>

4 Charitable activities

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
Grant funding of activities (see note 5)	1,954,409	1,738,890
Share of support costs (see note 6)	133,197	106,383
Share of governance costs (see note 6)	16,202	24,157
	<u>2,103,808</u>	<u>1,869,430</u>

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Grants payable

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
Grants to institutions	1,954,409	1,738,890

6 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Staff costs	117,741	-	117,741	99,323	-	99,323
Miscellaneous support costs	247	-	247	238	-	238
Payroll costs	496	-	496	633	-	633
IT Project	6,675	-	6,675	3,346	-	3,346
Other	8,038	-	8,038	2,843	-	2,843
Audit fees	-	7,398	7,398	-	13,613	13,613
Legal and professional	-	4,619	4,619	-	4,926	4,926
Bank fees	-	488	488	-	304	304
ACF Membership	-	3,281	3,281	-	3,157	3,157
Trustees indemnity insurance	-	416	416	-	2,157	2,157
	133,197	16,202	149,399	106,383	24,157	130,540
Analysed between						
Charitable activities	133,197	16,202	149,399	106,383	24,157	130,540

Governance costs includes payments to the auditors of £11,760 (2023 - £10,890) for audit fees.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but one Trustee was reimbursed a total of £412 travelling expenses (no amounts for 2023).

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Finance and administration	2	2

Employment costs

	2024	2023
	£	£
Wages and salaries	103,727	87,474
Social security costs	6,804	5,058
Other pension costs	7,210	6,791
	<u>117,741</u>	<u>99,323</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024	2023
	Number	Number
In the band £70,001 - £80,000	1	1

9 Gains and losses on investments

	Endowment	Endowment
	funds	funds
	2024	2023
	£	£
Gains/(losses) arising on:		
Revaluation of investments	8,087,845	(1,294,627)
Sale of investments	(143,808)	(563,790)
	<u>7,944,037</u>	<u>(1,858,417)</u>

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Other gains and losses

	Endowment funds 2024 £	Endowment funds 2023 £
Gains/(losses) upon:		
Foreign exchange	157,307	40,770

12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 April 2023	65,722,681	3,979,415	69,702,096
Additions	13,992,765	-	13,992,765
Valuation changes	7,916,390	-	7,916,390
Transfer to cash	-	(287,795)	(287,795)
Disposals	(15,272,668)	-	(15,272,668)
At 31 March 2024	72,359,168	3,691,620	76,050,788
Carrying amount			
At 31 March 2024	72,359,168	3,691,620	76,050,788
At 31 March 2023	65,722,681	3,979,415	69,702,096

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Prepayments and accrued income	86,997	72,556

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Loans and overdrafts

	2024 £	2023 £
Bank overdrafts	-	171,593
	<u> </u>	<u> </u>
Payable within one year	-	171,593
	<u> </u>	<u> </u>

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank overdrafts	14	-	171,593
Other taxation and social security		55	55
Trade creditors		23,805	30,864
Other creditors		9,251	7,922
Accruals and deferred income		9,800	10,890
		<u> </u>	<u> </u>
		42,911	221,324
		<u> </u>	<u> </u>

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Endowment funds

Endowment funds represent assets which must be held permanently by the Trust. Income arising on the endowment funds can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2023	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£	£	£
Permanent endowments					
	68,261,725	(390,124)	(1,261,534)	7,786,730	74,396,797
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2022	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£	£	£
Permanent endowments					
	72,983,040	(388,333)	(2,433,795)	(1,899,187)	68,261,725
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
General funds					
	2,739,653	1,272,740	(2,103,808)	1,261,534	3,170,119
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
General funds					
	1,528,969	646,319	(1,869,430)	2,433,795	2,739,653
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 Analysis of net assets between funds

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:			
Investments	-	76,050,788	76,050,788
Current assets/(liabilities)	3,170,119	(1,653,991)	1,516,128
	<u>3,170,119</u>	<u>(1,653,991)</u>	<u>1,516,128</u>
	<u>3,170,119</u>	<u>74,396,797</u>	<u>77,566,916</u>
	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 March 2023:			
Investments	-	69,702,096	69,702,096
Current assets/(liabilities)	2,739,653	(1,440,371)	1,299,282
	<u>2,739,653</u>	<u>(1,440,371)</u>	<u>1,299,282</u>
	<u>2,739,653</u>	<u>68,261,725</u>	<u>71,001,378</u>

19 Related party transactions

Two of the Trustees are also Trustees of the Tusk Trust to whom donations totalling £100,000 (2023: £100,000) were made during the financial year. The Trustees were not involved in the decision to make those donations.

One of the Trustees is an Ambassador of WWF UK to whom a donation of £100,000 (2023: £100,000) was made during the financial year. The Trustee was not involved in the decision to make the donation.

THE ERNEST KLEINWORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20	Cash generated from operations	2024 £	2023 £
	Surplus/(deficit) for the year	6,722,845	(3,469,861)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,272,740)	(646,319)
	Foreign exchange differences	(157,307)	(40,770)
	Loss on disposal of investments	143,808	563,790
	Fair value gains and losses on investments	(8,087,845)	1,294,627
	Movements in working capital:		
	(Increase)/decrease in debtors	(14,441)	4,719
	(Decrease)/increase in creditors	(6,820)	22,914
	Cash absorbed by operations	(2,672,500)	(2,270,900)
21	Analysis of changes in net funds		

The Trust had no material debt during the year.