

**The Kathleen Trust**  
(Registered Charity No.1064516)

**Accounts**

**for the year ended 5 April 2023**

Mercer  
&Hole | Trustees

# The Kathleen Trust

## Trustees' Annual Report for the year ended 5 April 2023

The trustees present their annual report and financial statements of the charity for the year ended 5 April 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, 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 published in October 2019.

### Objectives and Grant

#### Making policies:

The trust was established to make grants out of its income and/or expendable endowment at the trustees' absolute discretion who shall pay, apply or appropriate the whole or any part thereon at any time and in any manner for such purposes or objectives which are recognised by law as good charitable purposes, organisations or objects. It has been agreed that the principal policy of the trustees would be to assist young and impecunious musicians. Applications for grants are received by one of the trustees, who examines them and selects a list of appeals for the trustees to consider at their next formal trustees meeting.

The trustees' general policy is to aim to distribute each year the income as it arises but from time to time they may also distribute capital. The trustees receive applications for grants and consider each one of the applications at their

#### Achievements and performance:

During the year ended 5 April 2023 the trustees met the trust's objectives by making grants totalling £105,000 as shown on page 12.

#### Financial review:

Total income was £33,347 (2022: £1,018,471) with expenditure amounting to £143,703 (2022: £144,857). Net assets at the end of the year were £1,527,669 (2022: £1,751,941).

#### Investment Policy:

The trustees have wide powers of investment, including power to invest in the name of nominees. The investment objective is to generate the optimum amount of income for distribution whilst at the same time investing for growth. The trustees' investment portfolio is managed on a discretionary basis by Evelyn Partners. The trustees agree their strategy for asset allocation with the managers.

#### Public Benefit:

The trustees have considered the Charity Commission's guidance on public benefit and in accordance with that guidance they review the activities of the organisations to which they make donations to satisfy themselves that those activities meet the principles of public benefit laid down by the Commission.

#### Reserves:

The trustees make grants in accordance with their policy. They have no power to retain income and routinely distribute this each year. They also distribute expendable endowment as they consider appropriate. They have no requirement to retain reserves for any specific purposes and have not retained any reserves other than the expendable endowment.

#### Risk management:

The trustees have assessed the major risks to which the charity is exposed and are satisfied they are not exposed to any significant risks other than fluctuation in the value of their investment portfolio. They have appointed professional investment managers and review the investment performance on a regular

# The Kathleen Trust

## Trustees' Annual Report for the year ended 5 April 2023

**Plans for the Future:** The trustees plan for the future is to continue their grant making policy. The trustees aim to utilise the unrestricted and endowment funds to achieve this objective.

### **Structure, Governance and Management**

**Settlers:** Lady Phoebe Anne Scott (deceased)

**Name of Charity:** The Kathleen Trust

The principal governing document is the Settlement Deed dated 8 September 1997. The Settlement is a private charitable trust controlled by its trustees.

The power of appointing new trustees is vested in the surviving trustees. If new or additional trustees are appointed they will be encouraged to receive appropriate training depending on their qualifications and experience.

**Charity Registration Number:** 1064516

### **Reference and administrative information**

**Trustees:** Mrs CN Withington  
Edward RH Perks (Retired 8 February 2023)  
Hermione Stanford (Appointed 8 February 2023)  
Felicity Rice (Appointed 8 February 2023)

**Principal Office Address:** Currey & Co LLP  
33 Queen Anne Street  
London, W1G 9HY

**Solicitors:** Currey & Co LLP  
33 Queen Anne Street  
London, W1G 9HY

**Accountants:** Mercer & Hole Trustees Limited  
72 London Road  
St Albans, Herts AL1 1NS

**Independent Examiner:** Steve Robinson FCA  
Mercer & Hole LLP  
72 London Road,  
St Albans, Herts AL1 1NS

**Investment Managers:** Evelyn Partners  
45 Gresham Street  
London, EC2V 7BG

# **The Kathleen Trust**

## **Trustees' Annual Report for the year ended 5 April 2023**

### **Statement of Trustees' responsibility**

The trustees are responsible for preparing the Trustees' Annual 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 & 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 charity and of the incoming resources and application of resources of the charity for that period. 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 2019 (FRS 102);
- 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;
- 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Statement of Recommended Accounting Practice: Accounting and Reporting by Charities (SORP 2019), UK Accounting Standards and the Charities Act 2011 and trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Signed:** .....  
on behalf of the Trustees

**Date:** .....

## **Independent Examiner's Report to the Trustees of The Kathleen Trust**

I report to the trustees on my examination of the accounts of The Kathleen Trust (the Trust) for the year ended 5 April 2023, which are set out on pages 1 to 12.

### **Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Steve Robinson FCA  
Mercer & Hole LLP  
72 London Road  
St Albans  
Herts AL1 1NS

## Statement of Financial Activities

for the year ended 5 April 2023

		Unrestricted Funds Expendable Endowment Funds £	Unrestricted Income Funds £	2023 Total £	2022 Total £
	Note				
<b>Income and endowments</b>					
Donation from the Sir Samuel Scott of Yews Trust		-	-	-	1,001,260
Investment income	3	-	33,449.97	33,449.97	17,314
Exchange rate gain/(loss)		( 102.19)	-	( 102.19)	( 103)
Transfer between funds	1b	( 93,797.59)	93,797.59	-	-
<b>Total income and expenditure</b>		<b>( 93,899.78)</b>	<b>127,247.56</b>	<b>33,347.78</b>	<b>1,018,471</b>
<b>Expenditure on</b>					
Cost of raising funds	4				
Investment management costs		16,455.85	-	16,455.85	7,926
Charitable activities	5	-	127,247.56	127,247.56	136,931
<b>Total expenditure</b>		<b>16,455.85</b>	<b>127,247.56</b>	<b>143,703.41</b>	<b>144,857</b>
		( 110,355.63)	-	( 110,355.63)	873,614
<b>Net gains/(losses) on investments</b>	6	<b>( 113,916.28)</b>	<b>-</b>	<b>( 113,916.28)</b>	<b>10,280</b>
<b>Net income/expenditure</b>		<b>( 224,271.91)</b>	<b>-</b>	<b>( 224,271.91)</b>	<b>883,894</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,751,941.21	-	1,751,941.21	868,047
<b>Total funds carried forward</b>		<b>1,527,669.30</b>	<b>-</b>	<b>1,527,669.30</b>	<b>1,751,941</b>

**The Kathleen Trust**  
**Dated 8 September 1997**

**Balance sheet**  
**5 April 2023**

		2023		2022	
	Note	£	£	£	£
<b>Fixed assets</b>					
Listed investments at market value	6		1,475,937.00		1,701,465
Salomon violin and Victor Fetique bow	10		<u>23,500.00</u>		<u>23,500</u>
<b>Total fixed assets</b>			<u>1,499,437.00</u>		<u>1,724,965</u>
<b>Current assets</b>					
Cash held as part of the investment portfolio		39,766.37		29,676	
Income tax recoverable	7	444.99		445	
Debtor		<u>5.00</u>		<u>5</u>	
		<u>40,216.36</u>		<u>30,126</u>	
<b>Current liabilities</b>					
Amounts falling due within one year	8	<u>11,984.06</u>		<u>3,150</u>	
<b>Net current assets</b>			<u>28,232.30</u>		<u>26,976</u>
<b>Net assets</b>			<u><u>1,527,669.30</u></u>		<u><u>1,751,941</u></u>
<b>Representing</b>					
<b>Expendable endowment funds</b>	9		1,527,669.30		1,751,941
<b>Unrestricted income funds</b>	9		<u>-</u>		<u>-</u>
			<u><u>1,527,669.30</u></u>		<u><u>1,751,941</u></u>

Approved by the trustees on ..... and signed on their behalf by

.....Trustee

**Notes to the accounts**  
**for the year ended 5 April 2023**

**1. Accounting policies**

**a) *Basis of preparation***

The Charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared 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 (FRS102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have therefore necessarily departed from the extant 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: Accounting and Reporting by Charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Statement of Recommended Practice: Accounting and Reporting by Charities effective from 1 April 2005, which has since been withdrawn.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Trust are fluctuation in the value of their investment and a fall in investment income but the trustees have arrangements in place to mitigate those risks by delegating the management of the portfolio to professional managers and regularly review their performance.

**b) *Funds Structure***

The endowment funds represent the original capital gift to the charity, plus subsequent additions to the endowment, less amounts which have been transferred to the unrestricted funds for distribution. The trustees are entitled to use the endowment in furtherance of the general objectives of the charity at their discretion, and they transfer funds from the endowment to the unrestricted funds as required.

The trustees have transferred £93,797.59 from the expendable endowment funds to cover the deficit on the unrestricted income funds.

Unrestricted funds represent the income arising from the endowment, and the trustees aim to expend the income for charitable purposes within a reasonable period of receipt.

**c) *Income recognition***

All income is recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the income can be measured with sufficient reliability.

Dividend income and interest from investment managers is received gross and shown gross.



**Notes to the accounts**  
**for the year ended 5 April 2023**

**1. Accounting policies (cont)**

**d) *Expenditure recognition***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

The trustees do not employ fundraisers and therefore the only cost of generating funds are the fees payable to the fund managers for the management and holding of the investments which produce the bulk of the charity's income.

During the year, the grants were paid in April and October to third parties in the furtherance of the charitable objectives of the Trust and included on a payment basis.

No remuneration has been paid to the trustees and they have not incurred any expenses during the year.

No staff are employed by the charity.

The costs of raising funds consist of investment management costs.

**e) *Charitable activities***

Costs of charitable activities include grants made, governance costs and administration cost in the pursuit of the charitable objects of the Trust.

**f) *Cash at bank***

Cash at bank is held to meet the day to day running costs of the charity as they fall due.

**g) *Creditors***

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

**h) *Fixed asset investments***

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**i) *Realised gains and losses***

Realised gains represent the profit by comparing the net proceeds of sale of investment with the market value of that investment as at 5 April 2022 or subsequent cost.

Unrealised gains represent the difference in market value at 5 April 2023 as compared with the market value at 5 April 2022 or subsequent cost.

**j) *Violin and bow***

The Salomon violin and Victor Fetique bow were transferred into the settlement on 15 October 1997 at market value on that date. No further revaluations have been made.

**Notes to the accounts**  
**for the year ended 5 April 2023**

**2. Related party transactions and trustees' expenses and remuneration**

The charity's trustees give their time freely and receive no remuneration for the work that they undertake as trustees. However, they can claim expenses to reimburse them for costs that they incur in fulfilling their duties. During the year the trustees' remuneration and re-imbursed costs were £nil (2022: £nil).

Edward Perks and Felicity Rice are partners of Currey & Co, Solicitors, who provide the legal services for the charity. Their fees for the year amounted to £7,482 including VAT (2022 : £7,008).

<b>3. Investment income</b>	2023	2022
	£	£
Dividends	33,224.26	17,314
Deposit interest	225.71	-
	<u>33,449.97</u>	<u>17,314</u>

<b>4. Cost of raising funds</b>	2023	2022
	£	£
Investment management charges	<u>16,455.85</u>	<u>7,926</u>

The investment management costs are attributable to the endowment funds.

<b>5. Charitable activities</b>	2023	2022
	£	£
Charitable activities	<u>127,247.56</u>	<u>136,931</u>

**The breakdown of charitable activities is as follow:**

	2023	2022
	£	£
<b>Grants - see page 12</b>	<u>105,000.00</u>	<u>123,000</u>

The charity undertakes its charitable activities through grant making and awarded grants to a number of institutions in furtherance of its charitable activities.

**Analysis of charitable expenditure :**

<b>Governance costs</b>	2023	2022
	£	£
<b>Unrestricted income funds</b>		
Accountant's charges	11,016.00	4,860
Independent examination fees	3,600.00	1,800
Legal fees	7,482.00	7,008
Insurance premium	134.56	203
Bank charges	15.00	60
	<u>22,247.56</u>	<u>13,931</u>
<b>Total Charitable activities</b>	<u>127,247.56</u>	<u>136,931</u>

**The Kathleen Trust**  
**Dated 8 September 1997**

**Notes to the accounts**  
**for the year ended 5 April 2023**

**6. Fixed asset investments**

	2023 £	2022 £
Market value at 5 April 2022	1,701,465.00	834,352
Additions	403,851.57	1,218,912
Disposals	( 515,463.29)	( 362,080)
Net realised investment gains/(losses)	( 56,871.78)	( 3,479)
Net unrealised investment gains/(losses)	( 57,044.50)	13,759
<b>Market value at 5 April 2023</b>	<b>1,475,937.00</b>	<b>1,701,464</b>
Historical cost at 5 April 2023	1,459,908.92	1,619,247

**7. Tax recoverable**

	2023 £	2022 £
UK tax recoverable	444.99	445

**8. Liabilities: Amounts falling due within one year**

	2023 £	2022 £
Accountancy fees	7,656.00	-
Legal fees	1,248.00	3,150
Investment management fees	3,080.06	-
	<b>11,984.06</b>	<b>3,150</b>

**9. Analysis of net assets between funds**

	Fixed Assets £	Net Current Assets £	Total £
<b>2023</b>			
Expendable Endowment Funds	1,499,437.00	28,232.30	1,527,669.30
Unrestricted Funds	-	-	-
	<b>1,499,437.00</b>	<b>28,232.30</b>	<b>1,527,669.30</b>
<b>2022</b>			
Expendable Endowment Funds	1,724,965	26,976	1,751,941
Unrestricted Funds	-	-	-
	<b>1,724,965</b>	<b>26,976</b>	<b>1,751,941</b>

**10. Violin and Bow**

The trustees' Salomon violin and Victor Fetique bow are still on loan to Mr Marius Stravinsky and both the violin and bow are appropriately insured.

**The Kathleen Trust**  
**Dated 8 September 1997**

**Notes to the accounts**  
**for the year ended 5 April 2023**

**11. Comparative fund split (Analysis of 2022 figures)**

	Notes	Expendable Capital Funds £	Unrestricted Income Funds £	2022 Total £
<b>Income and endowments from</b>				
Donation from the Sir Samuel Scott of Yews Trust		1,001,260	-	1,001,260
Investment income	3	-	17,314	17,314
Exchange rate gain		( 103)	-	(103.00)
Transfer between funds		( 119,617)	119,617	-
<b>Total income and endowments</b>		<u>881,540</u>	<u>136,931</u>	<u>1,018,471</u>
<b>Expenditure on</b>				
Costs of raising funds				
Investment management costs	4	7,926	-	7,926
Charitable activities	5	-	136,931	136,931
<b>Total expenditure</b>		<u>7,926</u>	<u>136,931</u>	<u>144,857</u>
		873,614	-	873,614
<b>Net gains/(losses) on investments</b>	6	<u>10,280</u>	<u>-</u>	<u>10,280</u>
<b>Net Income/(expenditure)</b>		883,894	-	883,894
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>868,047</u>	<u>-</u>	<u>868,047</u>
<b>Total funds carried forward</b>		<u>1,751,941</u>	<u>-</u>	<u>1,751,941</u>

**The Kathleen Trust**  
**Dated 8 September 1997**

**Grants**

**for the year ended 5 April 2023**

2023  
£

**Grants to Musical Institutions**

Birmingham City University	1,000.00
Anna Han	4,000.00
Guildhall School of Music & Drama	23,000.00
Mebrakh Houghton-Johnson	2,000.00
Oxford Chamber Music Foundation	3,000.00
Oxford Lieder	2,000.00
Royal Academy of Music	30,000.00
Royal College of Music	12,000.00
Royal Conservatoire of Scotland	5,000.00
Royal Northern College of Music	11,000.00
Ryedale Festival Trust Ltd.	3,000.00
Trinity Laban Conservatoire of Music and Dance	9,000.00
<b>Total grants per accounts</b>	<u>105,000.00</u>