

The Kathleen Trust
(Registered Charity No.1064516)

Accounts

for the year ended 5 April 2025

The Kathleen Trust

Trustees' Annual Report for the year ended 5 April 2025

The trustees present their annual report and financial statements of the charity for the year ended 5 April 2025. 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:	<p>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.</p> <p>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 formal meetings. Grants are awarded in support of impecunious and young musicians. During the year, the trustees formally met twice.</p>
Achievements and performance:	<p>During the year ended 5 April 2025 the trustees met the trust's objectives by making grants totaling £24,000 as shown on page 13.</p>
Financial review:	<p>Total income was £31,165 (2024: £31,344) with expenditure amounting to £55,538 (2024: £73,364). Net assets at the end of the year were £1,471,198 (2024: £1,544,960).</p>
Investment policy:	<p>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.</p>
Public benefit:	<p>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.</p>
Reserves:	<p>The trustees make grants in accordance with their policy. They have no power to retain income and routinely distribute this each year.</p> <p>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.</p>
Risk management:	<p>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 basis.</p>
Plans for the future:	<p>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.</p>

The Kathleen Trust

Trustees' Annual Report for the year ended 5 April 2025

Structure, Governance and Management

Settlers:	Lady Phoebe Anne Scott (deceased)
Name of Charity:	<p>The Kathleen Trust</p> <p>The principal governing document is the Settlement Deed dated 8 September 1997. The Settlement is a private charitable trust controlled by its trustees.</p> <p>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.</p>
Charity registration number:	1064516

Reference and administrative information

Trustees:	Camilla Withington Hermione Stanford Felicity Rice
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 manager:	Evelyn Partners 45 Gresham Street London, EC2V 7BG

The Kathleen Trust

Trustees' Annual Report for the year ended 5 April 2025

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:

.....

The Kathleen Trust

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 2025, which are set out on pages 1 to 13.

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:

Date:

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

The Kathleen Trust
Statement of Financial Activities

for the year ended 5 April 2025

		Expendable Endowment Funds	Unrestricted Income Funds	2025 Total	2024 Total
	Note	£	£	£	£
Income and endowments					
Investment Income	3	-	31,166	31,166	32,227
Tax recoverable write off		-	-	-	(445)
Exchange rate loss		(1)	-	(1)	(438)
Transfer between funds	1c	(11,885)	11,885	-	-
Total income and endowments		(11,886)	43,051	31,165	31,344
Expenditure on:					
Cost of raising funds	4				
Investment management costs		12,487	-	12,487	12,204
Charitable activities	5	-	43,051	43,051	61,160
Total expenditure		12,487	43,051	55,538	73,364
		(24,373)	-	(24,373)	(42,020)
Net gain/(loss) on listed investments	6	(38,189)	-	(38,189)	59,311
Net gain/(loss) on sale of fixed asset		(11,200)	-	(11,200)	-
Net (expenditure)/income		(73,762)	-	(73,762)	17,291
Net movement in funds					
Reconciliation of funds					
Total funds brought forward		1,544,960	-	1,544,960	1,527,669
Total funds carried forward		1,471,198	-	1,471,198	1,544,960

The Kathleen Trust

Balance sheet

5 April 2025

	Note	2025	2024
		£	£
Fixed assets			
Listed investments at market value	6	1,468,401	1,517,465
Salomon violin and Victor Fetique bow		-	23,500
Total fixed assets		1,468,401	1,540,965
Current assets			
Cash held as part of the investment portfolio		15,633	14,289
Debtors		10	5
		15,643	14,294
Current liabilities			
Amounts falling due within one year	8	(12,846)	(10,299)
Net current assets		2,797	3,995
Net assets		1,471,198	1,544,960
Expendable endowment funds	9	1,471,198	1,544,960
Unrestricted income funds	9	-	-
Total funds		1,471,198	1,544,960

Approved by the trustees onand signed on their behalf by

..... Trustee

The Kathleen Trust

Notes to the Accounts for the year ended 5 April 2025

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) Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity 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 accounts.

c) 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 £11,885 (2024: £28,933) 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.

d) 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.

The Kathleen Trust
Notes to the Accounts
for the year ended 5 April 2025

1. Accounting policies (continued)

e) 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 and cost 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 2024 or subsequent cost.

Unrealised gains represent the difference in market value at 5 April 2025 as compared with the market value at 5 April 2024 or subsequent cost.

The Kathleen Trust
Notes to the Accounts
for the year ended 5 April 2025

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 (2024: £nil).

Felicity Rice is a partner of Currey & Co, Solicitors, who provide the legal services for the charity. Their fees for the year amounted to £9,938 including VAT (2024 : £2,064).

3. Investment income

	2025	2024
	£	£
Dividends	30,999	32,024
Deposit interest	167	203
	<u>31,166</u>	<u>32,227</u>

4. Cost of raising funds

	2025	2024
	£	£
Investment management charges	<u>12,487</u>	<u>12,204</u>

The investment management costs are all attributable to the endowment funds.

5. Charitable activities

	2025	2024
	£	£
Charitable activities	<u>43,051</u>	<u>61,160</u>

The breakdown of charitable activities is as follow:

	2025	2024
	£	£
Grants -see page 13	<u>24,000</u>	<u>52,564</u>
	<u>24,000</u>	<u>52,564</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:

Governance costs

	2025	2024
	£	£

Unrestricted income funds

Accountant's charges	5,160	4,098
Independent examination fees	2,381	2,268
Legal fees	9,938	2,064
Professional fees	1,572	-
Insurance premium	-	151
Bank charges	-	15

Total Charitable activities

	<u>19,051</u>	<u>8,596</u>
	<u>43,051</u>	<u>61,160</u>

The Kathleen Trust
Notes to the Accounts
for the year ended 5 April 2025

6. Fixed asset investments	2025	2024
	£	£
Quoted investments (at Market Value)		
Market value at 5 April 2024	1,517,465	1,475,937
Additions	746,104	163,719
Disposals	(756,979)	(181,502)
Net realised investment gains/(losses)	28,794	(3,497)
Net unrealised investment gains/ (losses)	(66,983)	62,808
Market value at 5 April 2025	<u>1,468,401</u>	<u>1,517,465</u>
Historical cost at 5 April 2025	<u>1,449,698</u>	<u>1,449,832</u>

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The charity manages these investment risks by retaining expert advisors.

8. Liabilities: Amounts falling due within one year	2025	2024
	£	£
Accountancy fees	7,541	7,182
Legal fees	2,160	-
Investment manager fees	<u>3,154</u>	<u>3,117</u>
	<u>12,846</u>	<u>10,299</u>

The Kathleen Trust

Notes to the Accounts for the year ended 5 April 2025

9. Analysis of net assets between funds

	Fixed Assets	Net Current Assets	Total
	£	£	£
2025			
Expendable Endowment Funds	1,468,401	2,797	1,471,198
Unrestricted Funds	-	-	-
Total	1,468,401	2,797	1,471,198
2024			
Expendable Endowment Funds	1,540,965	3,995	1,544,960
Unrestricted Funds	-	-	-
Total	1,540,965	3,995	1,544,960

10. Events after the reporting period

Following the year end, the Trust received a donation of £264,104 from another charity. This represented the gain on the sale of an asset of that charity that this Trust assisted with the purchase of in 2001 with the expectation that it would be a gift in perpetuity.

The Kathleen Trust

Notes to the Accounts for the year ended 5 April 2025

11. Comparative fund split (Analysis of 2024 figures)

		Expendable Endowment Funds	Unrestricted Income Funds	2024 Total
Income and endowments	Note	£	£	£
Income and endowments				
Investment Income	3	-	32,227	32,227
Tax recoverable write off		(445)	-	(445)
Exchange rate gain		(438)	-	(438)
Transfer between funds	1b	(28,933)	28,933	-
Total income and endowments		(29,816)	61,160	31,344
Expenditure on:				
Cost of raising funds	4			
Investment management costs		12,204	-	12,204
Charitable activities		-	61,160	61,160
Total expenditure		12,204	61,160	73,364
		(42,020)	-	(42,020)
Net gain/(loss) on listed investments	6	59,311	-	59,311
Net (expenditure)/income		17,291	-	17,291
Reconciliation of funds				
Total funds brought forward		1,527,669	-	1,527,669
Total funds carried forward		1,544,960	-	1,544,960

The Kathleen Trust
Notes to the Accounts
for the year ended 5 April 2025

12. Grants	2025
	£
Grants to individuals	3,000
Grants to institutions	
Royal Academy Of Music	21,000
	<u>24,000</u>
Total grants per accounts	<u><u>24,000</u></u>

All grants paid during the year are to institutions for the benefit of assisting young and impecunious musicians.