

THE KATHERINE MARTIN CHARITABLE TRUST

England & Wales · Charity number 261887

Details

Other names MRS KATHERINE MARTIN RESIDUARY ESTATE TRUST

Status Registered

Legal form Other

Registered 1970-12-07

Register [View on the Charity Commission register](#)

Contact

Address PO Box 352
Beverley
HU17 6HS

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Activities

Objects: UPON TRUST TO APPLY BOTH THE INCOME AND CAPITAL OF THE TRUST FUND IN SUCH PROPORTIONS AND MANNER AS THE TRUSTEE SHALL IN ITS ABSOLUTE DISCRETION THINK FIT TO BE APPLIED TO FURTHER THE CHARITABLE PURPOSES (OR ANY OF THE CHARITABLE PURPOSES) OF ANY OF THE FOLLOWING CHARITIES: BARNARDO'S, REGISTERED CHARITY NUMBER 216250; NATIONAL SOCIETY FOR THE PREVENTION OF CRUELTY TO CHILDREN, REGISTERED CHARITY NUMBER 216401; ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, REGISTERED CHARITY NUMBER 219099

Activities: Provision of grants to nominated charities as directed by the will of Katherine Martin. The Structure, Governance & Management of the Trust is set out in the Trust Annual Report & Financial Statements, which also disclose its financial performance and position. Trust activities are funded from investment income derived from pooled investment portfolios and its shareholding in unlisted investments.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£101,000	£39,430,000	£18,232,000	0
2024-03-31	£153,000	£1,186,000	£55,146,000	0
2023-03-31	£729,000	£520,000	£53,837,000	0
2022-03-31	£627,000	£599,000	£2,007,000	0
2021-03-31	£49,171,000	£46,647,000	£32,709,000	0

Trustees

Name	Role	Appointed
KMCT Trustee Limited		2021-06-10

THE KATHERINE MARTIN CHARITABLE TRUST

England & Wales - Charity number 261887

Accounts

The Katherine Martin Charitable Trust

Trustee Annual Report and Financial Statements

31 March 2025

The Katherine Martin Charitable Trust

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The Katherine Martin Charitable Trust

Reference and Administrative Details

for the year ended 31 March 2025

Registered Charity number

261887 (England and Wales)

Principal address

PO Box 352
Beverley
East Yorkshire
HU17 6HS

Trustee

KMCT Trustee Limited ("KMCT")

KMCT is the sole Trustee of the Trust. KMCT is a company limited by guarantee without share capital, its registered office address is the same as listed above and its company registered number is 13435296. Directors of the Board act on behalf of the Trustee, as a body, under that company's Articles of Association and the Trust's Governance documents. The names of those who were in office during the year, up to the date of signing the financial statements, were as follows:

J P Richards (Chairman)
P Bell
S R Counsell
J Leeson
S J Lucas
R R Mott
D J Sandbrook
M C Wright

A key purpose of the sole corporate Trustee structure is to provide a layer of protection to directors of the Board acting on behalf of the Trustee, so that it can reduce their personal liability under normal circumstances to attract the very best directors with the widest range of professional skills and experience.

Clerk to the Trustee

M J Piper

Auditors

Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

The Katherine Martin Charitable Trust

Reference and Administrative Details

for the year ended 31 March 2025

Investment Managers

HSBC UK Bank Plc
Private Banking
8 Cork Street
London
W1S 3LJ

Bankers

HSBC UK Bank Plc
Carmel House
49-63 Fargate
Sheffield
S1 2HD

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2025

The Board of Directors ('the Board') of the sole corporate Trustee, KMCT Trustee Limited ('Trustee' or 'KMCT'), presents its report and the audited financial statements of The Katherine Martin Charitable Trust ('the Trust') for the year ended 31 March 2025. The Board has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The governing documents are the Will of the late Katherine Martin ('the Settlor') proved in the Principal Registry on 8 September 1959, as amended by Scheme of the Charity Commissioners dated 6 July 1995, the Trustees' meeting of 14 May 1996, the Order of the Charity Commissioners dated 20 December 2004 and 19 September 2006, as amended by resolution dated 14 July 2015, as amended by resolution dated 16 November 2016, as amended by resolution dated 10 June 2021, as amended by resolution dated 30 July 2024.

The resolution authorised by the Charity Commission on 30 July 2024 authorised the board to pursue a strategy of dissolving the Trust. The sale of the Trust's major investment in September 2022 generated substantial liquid funds and it was felt by the Trust that the needs of the beneficiary charities would be best served by distributing these funds to them by way of an orderly wind up. This strategy was discussed and approved by the Charity Commission and is discussed further in the Going Concern and Future Development sections of this report.

Throughout the period and up to the date of this report, the Board, acting on behalf of KMCT, as a Body, was responsible for the management and administration of the Trust. The full Board met five times during the year to make grants to the beneficiaries and administer the Trust. The Board does not employ any staff but is aided in the administration of the Trust by Mr Piper, who acts as Clerk to the Trustee.

The Board has a duty to identify and review the major risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Board follows the guidance in the Charity Commission publication CC26 '*Charities and Risk Management*' and regularly identifies and assesses the governance, operational, financial, external and compliance risks faced by the Trust. It maintains a register of those risks and, wherever possible, takes steps to mitigate them.

When appointing new directors to act on behalf of KMCT, the Board has regard to the skills and experience needed to govern the Trust and the skills and experience of the existing directors. New directors are given a copy of each of the governing documents, a copy of the latest Trustee Annual Report and Accounts, policy documents, a copy of the risk register and the Charity Commission publications, CC3 '*The essential trustee: what you need to know*' and CC3a '*Charity trustee: what's involved*', and the Charity Governance Code. They attend an induction session to learn about the Trust and their roles and responsibilities as directors acting on behalf of KMCT.

Conflicts of interest

The Trust has a Conflict of Interest Policy and the Clerk maintains an up to date and complete Register of Interests. Conflicts of interest are discussed regularly and are a standing agenda item at all relevant meetings with an opportunity at the start of each meeting to declare any interests. Any transactions or perceived transactions with a related party must be approved by the Board before the transaction can take place. Conflicts of interest among professional and other advisors are also monitored.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2025

OBJECTIVES AND ACTIVITIES

In her Will Mrs Katherine Martin directed that the income of the Trust should be divided in such proportions as the Trustee shall in its absolute discretion think fit among the following charities:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children (NSPCC)
- The Royal Society for the Prevention of Cruelty to Animals (RSPCA)

As recently amended by the resolution authorised by the Charity Commission on 30 July 2024, the objectives of the Trust are to apply both income and capital funds in such proportions and manner as the Trustee shall in its absolute discretion think fit, to be applied to further the charitable purposes of the beneficiary charities listed above.

The objectives of the Trust for the year ended 31 March 2025 were to:

- Make grants to the beneficiary charities
- Monitor the return on the Trust's investments
- Implement the Trust's dissolution strategy

All of the objectives were achieved. During the reporting period, the Trust made grants to Barnardo's, the NSPCC and the RSPCA totalling £39,263K (2024 £1,078k).

The activities of the Trust in the year under review and up to the date of this report comprise the following:

- Making grants to the Trust's designated beneficiaries
- Investing funds for the purpose of income returns and capital growth
- The receipt of interest and dividends from its investments
- The review and scrutiny of financial performance and monitoring of investment portfolios
- To pursue an orderly dissolution of the Trust

The objectives for the year ending 31 March 2026 are to:

- Make grants to the beneficiary charities
- Monitor the return on the Trust's investments
- Implement the Trust's dissolution strategy

Public benefit

All the beneficiary charities provide public benefit, therefore in making grants to them the Board confirms that the Trust is abiding by the Charity Commission's general guidance on public benefit.

FINANCIAL REVIEW

The Trust's principal sources of income were in the form of interest, dividends and gains arising from its short term liquid deposits and its managed investment portfolio.

Investment policy and objectives

In anticipation of the dissolution of the Trust, the Board approved and implemented a low risk investment strategy in recognition of challenging equity markets and the availability of attractive rates from short term liquid deposits. As a result, the Trust liquidated its managed investment portfolio during the year and consolidated this into the HSBC short term liquid deposits as part of the dissolution strategy. The net return on the investments within the portfolio for the period up to and including disposal was a gain of £39k (2024 £149k). This included dividends and interest received of £21k (2024 £48k) together with capital appreciation of £18.5k (2024 £99k).

Consequently, the Trust's portfolio is invested in HSBC short term liquid deposits

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2025

FINANCIAL REVIEW - *continued*

Short Term Liquid Deposits

The total return on short term liquid deposits amounted to £2,396k, made up entirely of gains within an accumulating liquidity fund (2024 £2,256k).

The Trust also received £2k of interest on the release of escrow monies shown within debtors and accrued a further £78k of interest receivable on escrow monies released post year end (2024 £92k).

The Board considers that the performance of the Trust has been satisfactory.

Reserves policy

In total, the Trust reserves at 31 March 2025 amounted to £18,232k (2024 £55,146k), made up entirely of restricted income reserves following a transfer from the capital endowment fund during the year. Total reserves are largely represented by current assets, with the vast majority being cash or cash equivalents invested in short term liquid deposits.

Subsequent to the year end, the Board approved grant awards to beneficiaries totalling £15m as part of the planned dissolution strategy for the orderly winding up of the Trust. The Trust has also committed to make further grants to beneficiaries totalling £250k by way of grant agreement, subject to certain performance criteria being met, as disclosed in note 15. The total restricted reserves after making allowance for committed funds amount to £2,982k.

It has always been the policy of the Trust to maintain sufficient liquidity to meet the Trust's minimum estimated administrative and governance costs for the forthcoming year. Following the resolution approved by the Charity Commission on 30 July 2024, as detailed within the Future Developments section of this report, it is also the policy of the Trust to maintain sufficient reserves to discharge all debts and liabilities of the Trust prior to any proposed distribution of the remaining income and capital funds by way of orderly wind up. The Trust will also maintain sufficient liquidity in order to make grants to beneficiaries in the ordinary course of operations, and in line with the Trust's objectives and dissolution strategy.

Going Concern and Viability

The Trust's financial statements have been prepared on an alternative basis to the going concern basis. In making this assessment, the Board has considered the Trust's future plans in light of the resolutions approved on 30 July 2024 allowing the Board to pursue a strategy of dissolving the Trust by orderly wind up. The Board made the decision to begin the process of winding up and closing the Trust as it was felt that the needs of the beneficiary charities would be best served by distributing the remaining income and capital reserves to them (including the endowment funds).

The final distribution of reserves and orderly wind up remain at the complete discretion of the Trustee, but it is anticipated that this will take place over a period of approximately two years to ensure the dissolution strategy is appropriately managed. The Trust will continue to operate in line with the revised objectives and activities noted above as the Board implements the Trusts dissolution strategy and continues to review options for the allocation and distribution of capital funds.

Although the planned date of closure is not within the next 12 months, the Board considers it is no longer appropriate to prepare the financial statements on a going concern basis, given that this decision to wind up has been made. The Board considers it appropriate to keep all stakeholders informed about the planned closure, and the financial statements departure from accounting standards and the Charities SORP (FRS102), to the extent necessary to give a true and fair view.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2025

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has a responsibility for ensuring that there are adequate and effective risk management procedures in place to manage the Trust's ability to achieve its objectives.

Investment portfolio risk has been substantially reduced through liquidation of the managed investment portfolio and consolidation of invested funds into short term liquid deposits. Improved financial controls and reporting are also in place to strengthen informed decision making by the Board.

The merits of grant requests from beneficiary charities are carefully assessed by nominated directors and then finally approved by the Board.

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

On 10 June 2024 the Board passed resolutions under Sections 280A and 282 of the Charities ACT 2011 to amend the Trust's administrative regulations and governing documents. The amendments included a change to the charitable objectives and dissolution clause of the Trust such that the Trustee may in its absolute discretion apply both the income and capital of the Trust to further the charitable purposes of its beneficiaries and enable the possible wind up of the Trust. Consent of the Charity Commission was sought under Section 280A(7) of the Charities ACT 2011 and the resolution was authorised on 30 July 2024. Subsequently, the Board has implemented a dissolution strategy for the orderly winding up of the Trust and will continue to review options for the allocation and distribution of both income and capital funds.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2025

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Board is responsible for preparing the Report of the Trustee and the financial statements of the Trust 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 Trustee 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 period. In preparing these financial statements, the Trustee is 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 Trust will continue in operation.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it 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's governing documents. The Board is 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.

Audit information

The Directors appointed to KMCT, as set out on page 1, who held office at the date of approval of the financial statements, each confirm, so far as they are aware, that:

- There is no relevant audit information of which the Trust's auditors are not aware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Charities SORP 2019 (FRS102).

The Report of the Trustee has been approved by the Board on 1 December 2025 and signed on its behalf by:

jp richards

.....
J P Richards - Chairman

On behalf of the Trustee KMCT Trustee Limited

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

Opinion

We have audited the financial statements of The Katherine Martin Charitable Trust (the "Trust") for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, Notes to the Statement of Cash Flows and Notes to the Financial Statements, including a summary of 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 Trust's affairs as at 31 March 2025, and of the Trust's incoming resources and application of resources, including its income and expenditure, 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.

Emphasis of matter - Financial Statements prepared other than as a going concern

We draw attention to the Report of the Trustee and note 1 to the financial statements which explains that the Trustee intends to wind up the Trust and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Independent Auditor's Report to the Trustee of The Katherine Martin 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 trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the Trust's 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 Trustee

As explained more fully in the Statement of Trustee Responsibilities set out in the Report of the Trustee, the Trustee (who is also the directors of the charitable company for the purposes of company law) is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the Trust or 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 145 of the Charities Act 2011 and report in accordance with this 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Charities Act 2011, data protection and anti-bribery legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Use of our report

This report is made solely to the Board acting on behalf of the Trustee, 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 Trustee 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 Trust and the Trust's Trustee as a Body, for our audit work, for this report, or for the opinions we have formed.



Smailes Goldie Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

1 December 2025

The Katherine Martin Charitable Trust

Statement of Financial Activities

for the year ended 31 March 2025

	Notes	Restricted fund £'000	Endowment fund £'000	2025 Total funds £'000	2024 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	21	-	21	61
Other interest received	2	80		80	92
Total incoming resources		<u>101</u>	<u>-</u>	<u>101</u>	<u>153</u>
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	3	(46)	-	(46)	(33)
Charitable activities					
Grants to beneficiaries	5	(39,263)	-	(39,263)	(1,078)
Support costs	6	(121)	-	(121)	(75)
Total resources expended		<u>(39,430)</u>	<u>-</u>	<u>(39,430)</u>	<u>(1,186)</u>
Gains on investment assets	7	2,396	-	2,396	2,342
Gain on disposal of listed investments	7	19	-	19	-
Net (expenditure)/income before transfers		<u>(36,914)</u>	<u>-</u>	<u>(36,914)</u>	<u>1,309</u>
Transfers between funds		51,799	(51,799)	-	-
Net (expenditure)/income		<u>14,885</u>	<u>(51,799)</u>	<u>(36,914)</u>	<u>1,309</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	13	<u>3,347</u>	<u>51,799</u>	<u>55,146</u>	<u>53,837</u>
TOTAL FUNDS CARRIED FORWARD	13	<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Balance Sheet

for the year ended 31 March 2025

	Notes	Restricted fund £'000	Endowment fund £'000	2025 Total funds £'000	2024 Total funds £'000
CURRENT ASSETS					
Current asset investments	10	-	-	-	1,717
Debtors	11	1,270	-	1,270	1,265
Debtors due over one year	11	1,000	-	1,000	1,000
Cash and cash equivalents	12	33,997	-	33,997	51,188
		<u>36,267</u>	<u>-</u>	<u>36,267</u>	<u>55,170</u>
CREDITORS					
Amounts falling due within one year	13	(18,035)	-	(18,035)	(24)
		<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>
NET CURRENT ASSETS					
		<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>
NET ASSETS					
		<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>
FUNDS					
Restricted funds	14			18,232	3,347
Endowment funds	14			-	51,799
				<u>18,232</u>	<u>55,146</u>
TOTAL FUNDS					
				<u>18,232</u>	<u>55,146</u>

The financial statements on pages 11 to 24 were approved by the Board of the Corporate Trustee on 1 December 2025 and were signed on its behalf by:

j p richards

.....
J P Richards - Chairman
On behalf of the Trustee KMCT Trustee Limited

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flow from operating activities			
Net cash outflow from operating activities	1	(21,424)	(955)
Net cash outflow from operating activities		<u>(21,424)</u>	<u>(955)</u>
Cash flow from investing activities			
Returns on investments	2	4,233	12,825
Net cash inflow from investing activities		<u>4,233</u>	<u>12,825</u>
Net (decrease)/increase in cash and cash equivalents		(17,191)	11,870
Cash and cash equivalents at beginning of period		<u>51,188</u>	<u>39,318</u>
Cash and cash equivalents at end of period	3	<u>33,997</u>	<u>51,188</u>

The Katherine Martin Charitable Trust

Notes to the Statement of Cash Flows

for the year ended 31 March 2025

1. Reconciliation of net (expenditure)/income to net cash outflow from operating activities

	2025	2024
	£'000	£'000
Net (expenditure)/income	(36,914)	1,309
Adjustments for:		
(Gains) on investment in short term liquid deposits	(2,396)	(2,342)
(Gains) on disposal of listed investments	(19)	-
Gain on disposal of unlisted investments	-	-
Interest and dividends received	(101)	(153)
Decrease/(increase) in trade and other debtors	(5)	226
Increase in trade and other creditors	18,011	5
Net cash outflow from operating activities	(21,424)	(955)

2. Cashflow from investing activities

	2025	2024
	£'000	£'000
Dividends and interest received	101	153
Gains on investment in short term liquid deposits	2,396	2,243
Payments to acquire investments	(246)	(477)
Receipts from sales of listed investments	1,982	428
Receipts from sales of unlisted investments	-	10,478
Net cash inflow from investing activities	4,233	12,825

3. Cash and cash equivalents

	2025	2024
	£'000	£'000
Cash at bank	38	35
Cash on deposit (short term liquid deposits)	33,959	51,518
Cash held within investment portfolio	-	25
Net cash inflow from investing activities	33,997	51,188

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

1. ACCOUNTING POLICIES

General information and basis of preparation

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The address of the registered office is given in the information on page 1 of these financial statements. The nature of the Trust's operations and principal activities is to make donations to beneficiaries from the receipt of interest, dividends and capital appreciation from its short term liquid investments and managed investment portfolio.

The Katherine Martin Charitable Trust meets the definition of a public benefit entity under FRS 102.

Except for the departures detailed in the going concern section of this note 1, 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling and rounded to the nearest £1,000 (£'000).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

As detailed in the Report of the Trustee, the Trust's financial statements have not been prepared on a going concern basis. In making this assessment, the Board has considered the future plans in light of the recent amendments to the Trust's governing documents (effective from 30 July 2024) and implementation of a strategy to pursue an orderly dissolution and wind up of the Trust. Although the planned date of closure is not within the next 12 months, the Board considers it no longer appropriate to prepare the financial statements on a going concern basis, given that this decision to commence an orderly wind up has been made. The Board considers it appropriate to keep all stakeholders informed about the planned closure, and the financial statements departure from accounting standards and the Charities SORP (FRS102), to the extent necessary to give a true and fair view.

Given the nature of the Trust's activities and respective assets and liabilities there has been no material departure from applicable accounting standards in preparing the financial statements other than the going concern basis. The main change relating to the planned closure is the removal of certain restrictions in relation to the endowment fund, effective from 30 July 2024. This is reflected in the year by the transfer from the endowment fund to the restricted fund.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and other liquid investments and includes dividends and interest received or receivable. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Dividend income is recognised as the Trust's right to receive payment is established.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

1. ACCOUNTING POLICIES – *continued*

Resources expended

Expenditure is accounted for on an accruals basis and irrecoverable VAT has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment management costs;
- Expenditure on charitable activities includes grants and donations to beneficiaries and administrative support costs.

Grants payable to beneficiary charities are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

The Trust will continue to operate in line with its normal charitable objectives and activities as the Board implements the Trust's dissolution strategy and continues to review options for the allocation and distribution of capital funds. Grants and donations to beneficiaries remain at the complete discretion of the Trustee and as such, no such grants or donations shall be recognised as expenditure until the criteria above has been met.

Governance and support costs

Governance and support costs are those that assist the work of the Trust but do not directly represent charitable activities and include administrative support expenses, costs of the preparation and audit of statutory accounts, the costs of Trustee meetings and the cost of any legal advice on governance or constitutional matters. They are incurred directly in support of expenditure on the objects of the Trust.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The Trust is exempt from tax on its charitable activities.

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. The cost of raising and administering such funds are charged against the specific fund.

The Endowment fund comprises permanent capital of the Trust.

Further explanation of the nature and purpose of each fund is included in note 15 to the financial statements.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

1. ACCOUNTING POLICIES – *continued*

Investments

Quoted investments, including managed investment portfolios, are valued in the balance sheet at their mid-market value at the balance sheet date. Investments that are expected to be held for more than 12 months or held for long term growth are classified as fixed asset investments and included within fixed assets on the balance sheet. Investments which are held for short term gains, or which are expected to be disposed of or realised within 12 months are shown as current asset investments. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based.

Liquid investments which are readily convertible into cash are included within cash and cash equivalents and are recorded at market value at the balance sheet date.

Investment management costs are charged as expenditure out of the relevant income fund.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase cost if acquired during the year). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase cost if acquired during the year). Capital appreciation on sterling liquidity funds which are automatically reinvested (“accumulation funds”) are treated as realised gains. Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Debtors and creditors receivable/payable in more than one year

Debt instruments such as loans, borrowings, deferred consideration and other accounts receivable and payable over more than one year are initially measured at the transaction price including transaction cost. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

2. INVESTMENT INCOME

	Restricted fund £'000	Endowment fund £'000	2025 Total £'000	2024 Total £'000
Dividends and interest – listed investments	21	-	21	48
Dividends and interest - short term deposits	-	-	-	13
Other interest received	80	-	80	92
	<u>101</u>	<u>-</u>	<u>101</u>	<u>153</u>

3. INVESTMENT MANAGEMENT COSTS

	Restricted fund £'000	Endowment fund £'000	2025 Total £'000	2024 Total £'000
Portfolio management	46	-	46	33
	<u>46</u>	<u>-</u>	<u>46</u>	<u>33</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs £'000	Grant funding activities (see note 5) £'000	Support costs (See note 6) £'000	2025 Total £'000	2024 Total £'000
Charitable activities	-	39,263	121	39,384	1,153
	<u>-</u>	<u>39,263</u>	<u>121</u>	<u>39,384</u>	<u>1,153</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

5. GRANTS PAYABLE

	2025 £'000	2024 £'000
Donations and grants to beneficiaries	39,263	1,078

The total grants paid to institutions during the year was as follows:

	2025 £'000	2024 £'000
Barnardo's	18,000	335
NSPCC	2,950	450
RSPCA	18,313	293
	<u>39,263</u>	<u>1,078</u>

6. SUPPORT COSTS

	Management £'000	Finance £'000	Governance costs £'000	2025 Total £'000	2024 Total £'000
Resources expended	11	10	100	121	75

7. NET (INCOME)/EXPENDITURE

Net (income)/expenditure is stated after (crediting)/charging:

	2025 Total £'000	2024 Total £'000
(Gains) on short term liquid deposits	(2,396)	(2,342)
(Gains) on disposal of listed investment portfolio	(19)	-
Auditors' remuneration - audit	4	4
Auditors' remuneration – other services	6	5
Legal fees	53	30

Gains recognised on investments include realised and unrealised gains on listed investments and short term liquid deposits where gains are automatically re-invested in accumulation funds.

8. TRUSTEE REMUNERATION AND BENEFITS

None of the directors of the Board of KCMT, holding office during the year, have been remunerated for their services to the Trust.

Six directors of the Board of KCMT (2024 - six) have received reimbursement for expenses in attending meetings, totalling £1,546 (2024 - £1,006). The Trust paid a total of £Nil directly to third parties in respect of travel, subsistence and accommodation expenses on behalf of KCMT directors in attending meetings throughout the year (2024 - £1,643).

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

9. STAFF COSTS

No staff were directly employed by the Trust for the current or prior year, as such there are no staff costs and no employees who received total employee benefits (excluding employer pension costs) of more than £60,000. Fees payable to the Clerk to the Trustee for services rendered during the year amounted to £29,227 (2024: £19,066).

10. CURRENT ASSET INVESTMENTS

	Restricted fund £'000	2025 Endowment fund £'000	Restricted fund £'000	2024 Endowment fund £'000
Listed investment portfolio	-	-	1,717	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Movement in listed investment portfolio		Listed investments £'000	Unlisted investments £'000	Totals £'000
MARKET VALUE				
At 1 April 2024		1,717	-	1,717
Additions		246	-	246
Disposals		(1,982)	-	(1,982)
Revaluation gains		19	-	19
Transfers		-	-	-
At 31 March 2025		<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 March 2025		<u> </u>	<u> </u>	<u> </u>
At 31 March 2024		<u> </u>	<u> </u>	<u> </u>
		<u> </u>	<u> </u>	<u> </u>

The entire portfolio of listed investments has been liquidated during the year, realising additional net gains of £19k.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

11. DEBTORS

	2025		2024	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Other debtors due within one year	1,270	-	3	1,262
Other debtors due in more than one year	1,000	-	-	1,000

Debtors relate to proceeds due from the sale of unlisted investments. Amounts due are held in escrow accounts and are expected to be released over a period through to September 2026. Interest is accruing on amounts held in escrow accounts.

12. CASH AND CASH EQUIVALENTS

	2025		2024	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Liquid resources readily convertible to cash	33,959	-	1,591	49,537
Cash at bank	38	-	60	-
	33,997	-	1,651	49,537

Liquid resources readily convertible to cash includes amounts invested in short term liquid deposits.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025		2024	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Trade creditors	5	-	3	-
Other creditors	18,000	-	-	-
Accruals and deferred income	30	-	21	-
	18,035	-	24	-

Included within other creditors are grants payable to a beneficiary totalling £18m, awarded by deed of gift executed on 27 March 2025. The grant monies were subsequently paid in April 2025.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

14. MOVEMENT IN FUNDS

	At 01.04.24 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31.03.25 £'000
Restricted funds				
Income fund	3,347	(36,914)	51,799	18,232
Endowment funds				
Capital fund	51,799	-	(51,799)	-
	<u>55,146</u>	<u>(36,914)</u>	<u>-</u>	<u>18,232</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movements in funds £'000
Restricted funds				
Income fund	101	(39,430)	2,415	(36,914)
Endowment funds				
Capital fund	-	-	-	-
TOTAL FUNDS	<u>101</u>	<u>(39,430)</u>	<u>2,415</u>	<u>(36,901)</u>

Comparative information in respect of the preceding period is as follows:

	At 01.04.23 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31.03.24 £'000
Restricted funds					
Income fund	2,038	153	(1,186)	2,342	3,347
Endowment funds					
Capital fund	51,799	-	-	-	51,799
TOTAL FUNDS	<u>53,837</u>	<u>153</u>	<u>(1,186)</u>	<u>2,342</u>	<u>55,146</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

14. MOVEMENT IN FUNDS – *continued*

Fund balances at 31 March 2025 are represented by:

	Restricted fund £'000	Endowment fund £'000	2025 Total £'000	2024 Total £'000
Fixed asset investments	-	-	-	-
Current asset investments	-	-	-	1,717
Debtors due within one year	1,270	-	1,270	1,265
Debtors due in more than one year	1,000	-	1,000	1,000
Cash and cash equivalents	33,997	-	33,997	51,188
Creditors	(18,035)	-	(18,035)	(24)
TOTAL FUNDS	18,232	-	18,232	55,146

The specific purposes for which the funds are to be applied are as follows:

Restricted fund

The restricted fund comprises the managed investment portfolio and other assets and liabilities arising from the charitable activity of the Trust at 31 March 2025. Income arising from the managed investment portfolio is recognised in the restricted fund and is to be used in accordance with the objects of the Trust.

The movements within the fund represent the charitable expenditure, including support costs, and the distribution of income to the following charities in such proportion as the Trustee in its absolute discretion thinks fit:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children
- The Royal Society for the Prevention of Cruelty to Animals

Endowment fund

The endowment fund comprised capital proceeds from the sale of shares in Singleton Birch which were bequeathed to the Trust in the Will of the late Mrs Katherine Martin.

Income arising on the endowment fund can be used in accordance with the objects of the Trust and is included in restricted income funds. Gains arising on sterling liquidity funds which are automatically reinvested ("accumulation funds") are treated as realised gains and included in restricted income funds. Any other capital gains or losses arising within the endowment fund form part of that fund.

On 30 July 2024, the Charity Commission approved a resolution which included amendments to the charitable objects and allowed for the release of all permanent endowment restrictions, giving the Trustee the absolute discretion to distribute endowment funds between the above named charities. As such, a transfer from the permanent endowment fund to the restricted fund of £51,799k has been recognised in the year. The Trustee can apply both the income and capital of the Trust's restricted and endowment funds in such proportions and manner as the Trustee shall in its absolute discretion think fit, to be applied to further the charitable purposes of any of the above named charities.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2025

15. COMMITMENTS

At 31 March 2025, the Trust had committed by way of grant agreement to make further grants to beneficiaries totalling £250,000, subject to certain performance criteria being met. The performance conditions had not been met as at 31 March 2025 hence the committed funds have not been recognised as a liability in these financial statements.

16. RELATED PARTY DISCLOSURES

Trustee and director remuneration and benefits are disclosed at note 8. There were no other related party transactions in the year.

17. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Board approved grant awards to beneficiaries totalling £15m as part of the planned dissolution strategy for the orderly winding up of the Trust.

THE KATHERINE MARTIN CHARITABLE TRUST

England & Wales - Charity number 261887

Accounts

The Katherine Martin Charitable Trust

Trustee Annual Report and Financial Statements

31 March 2024

The Katherine Martin Charitable Trust

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The Katherine Martin Charitable Trust

Reference and Administrative Details

for the year ended 31 March 2024

Registered Charity number

261887 (England and Wales)

Principal address

3 Elm Close
Molescroft
Beverley
East Yorkshire
HU17 7DZ

Trustee

KMCT Trustee Limited

KMCT is the sole Trustee of the Trust. KMCT is a company limited by guarantee without share capital, its registered office address is the same as listed above and its company registered number is 13435296. Directors of the Board act on behalf of the Trustee, as a body, under that company's Articles of Association and the Trust's Governance documents. The names of those who were in office during the year, up to the date of signing the financial statements, were as follows:

J P Richards (Chairman)
P Bell
S R Counsell
J Leeson
S J Lucas
R R Mott
D J Sandbrook
M C Wright

A key purpose of the sole corporate Trustee structure is to provide a layer of protection to directors of the Board acting on behalf of the Trustee, so that it can reduce their personal liability under normal circumstances to attract the very best directors with the widest range of professional skills and experience.

Clerk to the Trustee

M J Piper

Auditors

Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

The Katherine Martin Charitable Trust

Reference and Administrative Details

for the year ended 31 March 2024

Investment Managers

Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD

HSBC UK Bank Plc
Private Banking
8 Cork Street
London
W1S 3LJ

Bankers

HSBC UK Bank Plc
Carmel House
49-63 Fargate
Sheffield
S1 2HD

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2024

The Board of Directors ('the Board') of the sole corporate Trustee, KMCT Trustee Limited ('Trustee' or 'KMCT'), presents its report and the audited financial statements of The Katherine Martin Charitable Trust ('the Trust') for the year ended 31 March 2024. The Board has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The governing documents are the Will of the late Katherine Martin ('the Settlor') proved in the Principal Registry on 8 September 1959, as amended by Scheme of the Charity Commissioners dated 6 July 1995, the Trustees' meeting of 14 May 1996, the Order of the Charity Commissioners dated 20 December 2004 and 19 September 2006, as amended by resolution dated 14 July 2015, as amended by resolution dated 16 November 2016, as amended by resolution dated 10 June 2021, as amended by resolution dated 30 July 2024.

The resolution authorised by the Charity Commission on 30 July 2024 authorised the board to pursue a strategy of dissolving the Trust. The sale of the Trust's major investment in September 2022 generated substantial liquid funds and it was felt by the Trust that the needs of the beneficiary charities would be best served by distributing these funds to them by way of an orderly wind up. This strategy was discussed and approved by the Charity Commission and is discussed further in the Going Concern and Future Development sections of this report.

Throughout the period and up to the date of this report, the Board, acting on behalf of KMCT, as a Body, was responsible for the management and administration of the Trust. The Board met at least three times during the year to make grants to the beneficiaries and administer the Trust. The Board does not employ any staff but is aided in the administration of the Trust by Mr Piper, who acts as Clerk to the Trustee.

The Board has a duty to identify and review the major risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Board follow the guidance in the Charity Commission publication CC26 '*Charities and Risk Management*' and regularly identify and assess the governance, operational, financial, external and compliance risks faced by the Trust. It maintains a register of those risks and, wherever possible, takes steps to mitigate them.

When appointing new directors to act on behalf of KMCT, the Board has regard to the skills and experience needed to govern the Trust and the skills and experience of the existing directors. New directors are given a copy of each of the governing documents, a copy of the latest Trustee Annual Report and Accounts, policy documents, a copy of the risk register and the Charity Commission publications, CC3 '*The essential trustee: what you need to know*' and CC3a '*Charity trustee: what's involved*', and the Charity Governance Code. They attend an induction session to learn about the Trust and their roles and responsibilities as directors acting on behalf of KMCT.

Conflicts of interest

The Trust has a Conflict of Interest Policy and the Clerk maintains an up to date and complete Register of Interests. Conflicts of interest are discussed regularly and are a standing agenda item at all relevant meetings with an opportunity at the start of each meeting to declare any interests. Any transactions or perceived transactions with a related party must be approved by the Board before the transaction can take place. Conflicts of interest among professional and other advisors are also monitored.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2024

OBJECTIVES AND ACTIVITIES

The activities of the Trust in the year under review and up to the date of this report comprise the following:

- The receipt of interest and dividends from its investments
- Making grants to the Trust's designated beneficiaries
- Investing funds for the purpose of income returns and capital growth
- The review and scrutiny of financial performance and monitoring of investment portfolios
- To pursue an orderly dissolution of the Trust

In her Will Mrs Katherine Martin directed that the income of the Trust should be divided in such proportions as the Trustee shall in its absolute discretion think fit among the following charities:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children (NSPCC)
- The Royal Society for the Prevention of Cruelty to Animals (RSPCA)

The objectives of the Trust for the year ended 31 March 2024 were to:

- Make grants to the beneficiary charities
- Continue to review options for the capital allocation of the Trust
- Monitor the return on the Trust's investments

All of the objectives were achieved. During the reporting period, the Trust made grants to Barnardo's, the NSPCC and the RSPCA totalling £1,078k (2023 £442k).

As most recently amended by the resolution authorised by the Charity Commission on 30 July 2024, the objectives of the Trust are to apply both income and capital funds in such proportions and manner as the Trustee shall in its absolute discretion think fit, to be applied to further the charitable purposes of the beneficiary charities listed above.

The objectives for the year ending 31 March 2025 are to:

- Make grants to the beneficiary charities
- Monitor the return on the Trust's investments
- Implement the Trust's dissolution strategy

Public benefit

All the beneficiary charities provide public benefit, therefore in making grants to them the Board confirms that the Trust is abiding by the Charity Commission's general guidance on public benefit.

FINANCIAL REVIEW

The Trust's principal sources of income were in the form of interest, dividends and gains arising from its short term liquid deposits and its managed investment portfolio.

Investment policy and objectives

The investment policy of the Trust in the year under review was to seek a balance between income and growth through investment in collective, direct equity and fixed interest securities managed on a discretionary basis by suitably regulated investment firms. The policy required that any such assets should not include significant exposure to illiquid, non-realizable assets and suitable asset allocation should reflect the Trust's appetite to risk as determined by the Board and as advised by regulated investment firms

In anticipation of the dissolution of the Trust, the Board approved and implemented a low risk investment strategy in recognition of challenging equity markets and the availability of attractive rates from short term liquid deposits. Consequently, the Trust's portfolio is invested in HSBC short term liquid deposits.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2024

FINANCIAL REVIEW - *continued*

Managed Investment Portfolio

The performance of the Trust's managed investment portfolio throughout the period under review remained satisfactory. The net return on the investments within the portfolio for the year was a gain of £149k (2023 £98k net loss). This includes dividends received of £50k (2023 £60k) together with capital appreciation of £99k (2023 £158k capital losses). However, subsequent to the year end, in line with the current investment strategy, the portfolio was liquidated and consolidated into the HSBC short term liquid deposits.

Short Term Liquid Deposits

The total return on short term liquid deposits amounted to £2,256k (2023 £646k) and included £13k of dividend and interest receipts from Money Market investments (2023 £646k) and £2,243k of gains within an accumulating liquidity fund.

The Trust also received £93k of interest on the release of escrow monies shown within debtors (2023 £23k).

The Board considers that the performance of the Trust has been satisfactory.

Reserves policy

In total, the Trust reserves at 31 March 2024 amounted to £55,146k (2023 £53,837k), made up of £3,347k restricted income reserves (2023 £2,038) and £51,799k capital endowment funds. Total reserves are largely represented by current assets, with the vast majority being cash or cash equivalents invested in short term liquid deposits. It has always been the policy of the Trust to maintain sufficient liquidity to meet the Trust's minimum estimated administrative and governance costs for the forthcoming year which are anticipated to be in the region of £70k. Following the resolution approved by the Charity Commission on 30 July 2024, as detailed within the Future Developments section of this report, it is also the policy of the Trust to maintain sufficient reserves to discharge all debts and liabilities of the Trust prior to any proposed distribution of the remaining income and capital funds by way of orderly wind up. The Trust will also maintain sufficient liquidity in order to make grants to beneficiaries in the ordinary course of business, and in line with the Trust's objectives and dissolution strategy.

Going Concern and Viability

The Trust's financial statements have been prepared on an alternative basis to the going concern basis. In making this assessment, the Board has considered the Trust's future plans in light of the resolutions approved on 30 July 2024 allowing the Board to pursue a strategy of dissolving the Trust by orderly wind up. The Board made the decision to begin the process of winding up and closing the Trust as it was felt that the needs of the beneficiary charities would be best served by distributing the remaining income and capital reserves to them (including the endowment funds).

The final distribution of reserves and orderly wind up remain at the complete discretion of the Trustee, but it is anticipated that this will take place over a period of two to three years to ensure the dissolution strategy is appropriately managed. The Trust will continue to operate in line with the revised objectives and activities noted above as the Board implements the Trusts dissolution strategy and continues to review options for the allocation and distribution of capital funds.

Although the planned date of closure is not within the next 12 months, the Board considers it no longer appropriate to prepare the financial statements on a going concern basis, given that this decision to wind up has been made. The Board considers it appropriate to keep all stakeholders informed about the planned closure, and the financial statements departure from accounting standards and the Charities SORP (FRS102), to the extent necessary to give a true and fair view.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2024

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has a responsibility for ensuring that there are adequate and effective risk management procedures in place to manage the Trust's ability to achieve its objectives.

Investment portfolio risk has been substantially reduced through liquidation of the managed investment portfolio and consolidation of invested funds into short term liquid deposits. Improved financial controls and reporting are also in place to strengthen informed decision making by the Board.

The merits of grant requests from beneficiary charities are carefully assessed by nominated directors and then finally approved by the Board.

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

On 10 June 2024 the Board passed resolutions under Sections 280A and 282 of the Charities ACT 2011 to amend the Trust's administrative regulations and governing documents. The amendments included a change to the charitable objectives and dissolution clause of the Trust such that the Trustee may in its absolute discretion apply both the income and capital of the Trust to further the charitable purposes of its beneficiaries and enable the possible wind up of the Trust. Consent of the Charity Commission was sought under Section 280A(7) of the Charities ACT 2011 and the resolution was authorised on 30 July 2024. Subsequently, the Board has implemented a dissolution strategy for the orderly winding up of the Trust and will continue to review options for the allocation and distribution of both income and capital funds.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2024

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Board is responsible for preparing the Report of the Trustee and the financial statements of the Trust 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 Trustee 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 period. In preparing these financial statements, the Trustee is 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 Trust will continue in operation.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it 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's governing documents. The Board is 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.

Audit information

The Directors appointed to KMCT, as set out on page 1, who held office at the date of approval of the financial statements, each confirm, so far as they are aware, that:

- There is no relevant audit information of which the Trust's auditors are not aware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Charities SORP 2019 (FRS102).

The Report of the Trustee has been approved by the Board on 10 December 2024 and signed on its behalf by:



.....
J P Richards - Chairman

On behalf of the Trustee KMCT Trustee Limited

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

Opinion

We have audited the financial statements of The Katherine Martin 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, Notes to the Statement of Cash Flows and Notes to the Financial Statements, including a summary of 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 Trust's affairs as at 31 March 2024, and of the Trust's 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.

Emphasis of matter - Financial Statements prepared other than as a going concern

We draw attention to the Report of the Trustee and note 1 to the financial statements which explains that the Trustee intends to wind up the Trust and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Independent Auditor's Report to the Trustee of The Katherine Martin 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 Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the Trust's 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 Trustee

As explained more fully in the Statement of Trustee Responsibilities set out in the Report of the Trustee, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the Trust or 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 145 of the Charities Act 2011 and report in accordance with this Act.

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Charities Act 2011, data protection and anti-bribery legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Use of our report

This report is made solely to the Board acting on behalf of the Trustee, 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 Trustee 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 Trust and the Trust's Trustee as a Body, for our audit work, for this report, or for the opinions we have formed.



Smailes Goldie Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

11 December 2024

The Katherine Martin Charitable Trust

Statement of Financial Activities

for the year ended 31 March 2024

	Notes	Restricted fund £'000	Endowment fund £'000	2024 Total funds £'000	2023 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	153	-	153	729
Total incoming resources		<u>153</u>	<u>-</u>	<u>153</u>	<u>729</u>
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	3	33	-	33	18
Charitable activities					
Donations to beneficiaries	5	1,078	-	1,078	442
Support costs	6	75	-	75	60
Total resources expended		<u>1,186</u>	<u>-</u>	<u>1,186</u>	<u>520</u>
Gains/(losses) on investment assets	7	2,342	-	2,342	(158)
Gain on disposal of unlisted investments	7	-	-	-	51,779
Net income		<u>1,309</u>	<u>-</u>	<u>1,309</u>	<u>51,830</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	14	<u>2,038</u>	<u>51,799</u>	<u>53,837</u>	<u>2,007</u>
TOTAL FUNDS CARRIED FORWARD	14	<u>3,347</u>	<u>51,799</u>	<u>55,146</u>	<u>53,837</u>

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Balance Sheet

for the year ended 31 March 2024

	Notes	Restricted fund £'000	Endowment fund £'000	2024 Total funds £'000	2023 Total funds £'000
FIXED ASSETS					
Investments	10	-	-	-	1,569
CURRENT ASSETS					
Current asset investments	11	1,717	-	1,717	-
Debtors	12	3	1,262	1,265	11,898
Debtors due over one year	12	-	1,000	1,000	1,071
Cash and cash equivalents	13	1,651	49,537	51,188	39,318
		<u>3,371</u>	<u>51,799</u>	<u>55,170</u>	<u>52,287</u>
CREDITORS					
Amounts falling due within one year	14	(24)	-	-	(19)
		<u>3,347</u>	<u>51,799</u>	<u>55,146</u>	<u>52,268</u>
NET CURRENT ASSETS					
		<u>3,347</u>	<u>51,799</u>	<u>55,146</u>	<u>53,837</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>3,347</u>	<u>51,799</u>	<u>55,146</u>	<u>53,837</u>
NET ASSETS					
		<u>3,347</u>	<u>51,799</u>	<u>55,146</u>	<u>53,837</u>
FUNDS					
Restricted funds	15			3,347	2,038
Endowment funds	15			51,799	51,799
				<u>55,146</u>	<u>53,837</u>
TOTAL FUNDS					
				<u>55,146</u>	<u>53,837</u>

The financial statements on pages 11 to 12 were approved by the Board of the Corporate Trustee on 10 December 2024 and were signed on its behalf by:



.....
J P Richards - Chairman
On behalf of the Trustee KMCT Trustee Limited

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Statement of Cash Flows

for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flow from operating activities			
Net cash outflow from operating activities	1	(955)	(731)
Net cash outflow from operating activities		<u>(955)</u>	<u>(731)</u>
Cash flow from investing activities			
Returns on investments and servicing of finance	2	12,825	39,946
Net cash inflow from investing activities		<u>12,825</u>	<u>39,946</u>
Net increase/(decrease) in cash and cash equivalents		11,870	39,215
Cash and cash equivalents at beginning of period		<u>39,318</u>	<u>103</u>
Cash and cash equivalents at end of period	3	<u>51,188</u>	<u>39,318</u>

The Katherine Martin Charitable Trust

Notes to the Statement of Cash Flows

for the year ended 31 March 2024

1. Reconciliation of net income to net cash outflow from operating activities

	2024	2023
	£'000	£'000
Net income	1,309	51,830
Adjustments for:		
(Gains)/losses on listed investment assets	(2,342)	158
Gain on disposal of unlisted investments	-	(51,779)
Interest and dividends received	(153)	(729)
Decrease/(increase) in trade and other debtors	226	(221)
Increase/(decrease) in trade and other creditors	5	10
Net cash outflow from operating activities	(955)	731

2. Cashflow from investing activities

	2024	2023
	£'000	£'000
Dividends and interest received	153	729
Payments to acquire investments	(477)	(578)
Receipts from sales of listed investments	428	756
Receipts from sales of unlisted investments	10,478	39,039
Net cash inflow from investing activities	12,825	39,946

3. Cash and cash equivalents

	2024	2023
	£'000	£'000
Cash at bank	35	86
Cash on deposit (short term liquid deposits)	51,518	39,197
Cash held within investment portfolio	25	35
Net cash inflow from investing activities	51,188	39,318

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

1. ACCOUNTING POLICIES

General information and basis of preparation

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The address of the registered office is given in the information on page 1 of these financial statements. The nature of the Trust's operations and principal activities is to make donations to beneficiaries from the receipt of interest and dividends from its short term liquid investments and managed investment portfolio.

The Katherine Martin Charitable Trust meets the definition of a public benefit entity under FRS 102.

Except for the departures detailed in the going concern section of this note 1, 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling and rounded to the nearest £'000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

As detailed in the Report of the Trustee, the Trust's financial statements have not been prepared on a going concern basis. In making this assessment, the Board has considered the future plans in light of the recent amendments to the Trust's governing documents (effective from 30 July 2024) and implementation of a strategy to pursue an orderly dissolution and wind up of the Trust. Although the planned date of closure is not within the next 12 months, the Board considers it no longer appropriate to prepare the financial statements on a going concern basis, given that this decision to commence an orderly wind up has been made. The Board considers it appropriate to keep all stakeholders informed about the planned closure, and the financial statements departure from accounting standards and the Charities SORP (FRS102), to the extent necessary to give a true and fair view.

Given the nature of the Trust's activities and respective assets and liabilities there has been no material departure from applicable accounting standards in preparing the financial statements other than the going concern basis. The main changes relating to the planned closure are the treatment of investments, which have been recategorised as current asset investments as detailed further in this note 1 and note 11, and the removal of certain restrictions in relation to the endowment fund, effective from 30 July 2024.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and other liquid investments and includes dividends and interest received or receivable. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Dividend income is recognised as the Trust's right to receive payment is established.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

1. ACCOUNTING POLICIES – *continued*

Resources expended

Expenditure is accounted for on an accruals basis and irrecoverable VAT has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment management costs;
- Expenditure on charitable activities includes grants and donations to beneficiaries and administrative support costs.

Grants payable to beneficiary charities are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

The Trust will continue to operate in line with its normal charitable objectives and activities as the Board implements the Trust's dissolution strategy and continues to review options for the allocation and distribution of capital funds. Grants and donations to beneficiaries remain at the complete discretion of the Trustee and as such, no such grants or donations shall be recognised as expenditure until the criteria above has been met.

Governance and support costs

Governance and support costs are those that assist the work of the Trust but do not directly represent charitable activities and include administrative support expenses, costs of the preparation and audit of statutory accounts, the costs of Trustee meetings and the cost of any legal advice on governance or constitutional matters. They are incurred directly in support of expenditure on the objects of the Trust.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The Trust is exempt from tax on its charitable activities.

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. The cost of raising and administering such funds are charged against the specific fund.

The Endowment fund comprises permanent capital of the Trust.

Further explanation of the nature and purpose of each fund is included in note 15 to the financial statements.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

1. ACCOUNTING POLICIES – *continued*

Investments

Quoted investments, including managed investment portfolios, are valued in the balance sheet at their mid-market value at the balance sheet date. Investments that are expected to be held for more than 12 months or held for long term growth are classified as fixed asset investments and included within fixed assets on the balance sheet. Investments which are held for short term gains, or which are expected to be disposed of or realised within 12 months are shown as current asset investments. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based.

Liquid investments which are readily convertible into cash are included within cash and cash equivalents and are recorded at market value at the balance sheet date.

Investment management costs are charged as expenditure out of the relevant income fund.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase cost if acquired during the year). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase cost if acquired during the year). Capital appreciation on sterling liquidity funds which are automatically reinvested (“accumulation funds”) are treated as realised gains. Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Debtors and creditors receivable/payable in more than one year

Debt instruments such as loans, borrowings, deferred consideration and other accounts receivable and payable over more than one year are initially measured at the transaction price including transaction cost. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

2. INVESTMENT INCOME

	Restricted fund £'000	Endowment fund £'000	2024 Total £'000	2023 Total £'000
Dividends and interest – listed investments	48	-	48	60
Dividends and interest - short term deposits	13	-	13	669
Other interest received	92		92	23
	<u>153</u>	<u>-</u>	<u>153</u>	<u>729</u>

3. INVESTMENT MANAGEMENT COSTS

	Restricted fund £'000	Endowment fund £'000	2024 Total £'000	2023 Total £'000
Portfolio management	33	-	33	18
	<u>33</u>	<u>-</u>	<u>33</u>	<u>18</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs £'000	Grant funding activities (see note 6) £'000	Support costs (See note 7) £'000	2024 Total £'000	2023 Total £'000
Charitable activities	-	1,078	75	1,153	502
	<u>-</u>	<u>1,078</u>	<u>75</u>	<u>1,153</u>	<u>502</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

5. GRANTS PAYABLE

	2024 £'000	2023 £'000
Donations to beneficiaries	1,078	442

The total donations paid to institutions during the year was as follows:

	2024 £'000	2023 £'000
Barnardo's	335	200
NSPCC	450	97
RSPCA	293	145
	<u>1,078</u>	<u>442</u>

6. SUPPORT COSTS

	Management £'000	Finance £'000	Governance costs £'000	2024 Total £'000	2023 Total £'000
Resources expended	11	1	63	75	60

Included within governance costs are exceptional restructuring costs of £29,679 (2023: £14,973).

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after (crediting)/charging:

	2024 Total £'000	2023 Total £'000
(Gains)/losses on investment assets and accumulation funds	(2,342)	158
Gain on disposal of unlisted investments	-	(51,779)
Auditors' remuneration	8	7
Legal fees	30	15

The gains recognised on investments include realised and unrealised gains on listed investments and short term liquid deposits where gains are automatically re-invested in accumulation funds.

8. TRUSTEE REMUNERATION AND BENEFITS

None of the directors of the Board of KCMT, holding office during the year, have been remunerated for their services to the Trust. Details of remuneration paid to directors of the Board of KCMT for services rendered as non-executive directors of Singleton Birch for the period of ownership are disclosed at note 14.

Six directors of the Board of KCMT (2023 - five) have received reimbursement for expenses in attending meetings, totalling £1,006 (2023 - £3,792). The Trust paid a total of £1,643 directly to third parties in respect of travel, subsistence and accommodation expenses on behalf of eight directors of the Board of KCMT in attending meetings throughout the year (2023 - £3,650).

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

9. STAFF COSTS

No staff were directly employed by the Trust for the current or prior year, as such there are no staff costs and no employees who received total employee benefits (excluding employer pension costs) of more than £60,000. Fees payable to the Clerk to the Trustee for services rendered during the year amounted to £19,066 (2023: £17,100).

10. FIXED ASSET INVESTMENTS

	Listed investments £'000	Unlisted investments £'000	Totals £'000
MARKET VALUE			
At 1 April 2023	1,569	-	1,569
Additions	477	-	477
Disposals	(428)	-	(428)
Revaluation gains	99	-	99
Transfers	(1,717)	-	(1,717)
	<hr/>	<hr/>	<hr/>
At 31 March 2024	-	-	-
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2024	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2023	1,569	-	1,569
	<hr/>	<hr/>	<hr/>

Asset sales and purchases have been recognised at the date of trade at cost (that is their transaction value).

The entire portfolio of listed investments has been liquidated post year end and consolidated with other short term liquid deposits. The entire portfolio has therefore been revalued to market value at the balance sheet date and transferred to current asset investments.

11. CURRENT ASSET INVESTMENTS

	Restricted fund £'000	2024 Endowment fund £'000	Restricted fund £'000	2023 Endowment fund £'000
Listed investment portfolio	1,717	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Listed investments transferred from fixed asset investments were held in a portfolio managed by Brewin Dolphin at 31 March 2024. All listed investments are carried at their market value at the balance sheet date. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at bid price. The entire portfolio of listed investments has been liquidated post year end realising additional net gains of £39k.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

12. DEBTORS

	2024		2023	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Other debtors due within one year	3	1,262	229	11,669
Other debtors due in more than one year	-	1,000	-	1,071

Debtors owed to the endowment fund relate to proceeds due from the sale of unlisted investments. Amounts due are held in escrow accounts and are expected to be released over a period of two to three years to September 2026. Interest is accruing on amounts held in escrow accounts.

13. CASH AND CASH EQUIVILANTS

	2024		2023	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Liquid resources readily convertible to cash	1,591	49,537	138	39,059
Cash at bank	60	-	121	-
	1,651	49,537	259	39,059

Liquid resources readily convertible to cash includes amounts invested in short term liquid deposits.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024		2023	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Trade creditors	3	-	3	-
Accruals and deferred income	21	-	16	-
	24	-	19	-

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

15. MOVEMENT IN FUNDS

	At 01.04.23 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31.03.24 £'000
Restricted funds				
Income fund	2,038	1,309	-	3,347
Endowment funds				
Capital fund	51,799	-	-	51,799
	<u>53,837</u>	<u>1,309</u>	<u>-</u>	<u>55,146</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movements in funds £'000
Restricted funds				
Income fund	153	(1,186)	2,342	1,309
Endowment funds				
Capital fund	-	-	-	-
TOTAL FUNDS	<u>153</u>	<u>(1,186)</u>	<u>2,342</u>	<u>1,309</u>

Comparative information in respect of the preceding period is as follows:

	At 01.04.22 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31.03.23 £'000
Restricted funds					
Income fund	1,987	729	(520)	(158)	2,038
Endowment funds					
Capital fund	20	-	-	51,779	51,799
TOTAL FUNDS	<u>2,007</u>	<u>729</u>	<u>(520)</u>	<u>51,621</u>	<u>53,837</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

15. MOVEMENT IN FUNDS – *continued*

Fund balances at 31 March 2024 are represented by:

	Restricted fund £'000	Endowment fund £'000	2024 Total £'000	2023 Total £'000
Fixed asset investments	-	-	-	1,569
Current asset investments	1,717	-	1,717	-
Debtors due within one year	3	1,262	1,265	11,898
Debtors due in more than one year	-	1,000	1,000	1,071
Cash and cash equivalents	1,651	49,537	51,188	39,318
Creditors	(24)	-	(24)	(19)
TOTAL FUNDS	3,347	51,799	55,146	53,837

The specific purposes for which the funds are to be applied are as follows:

Restricted fund

The restricted fund comprises the managed investment portfolio and other assets and liabilities arising from the charitable activity of the Trust at 31 March 2024. Income arising from the managed investment portfolio is recognised in the restricted fund and is to be used in accordance with the objects of the Trust.

The movements within the fund represent the charitable expenditure, including support costs, and the distribution of income to the following charities in such proportion as the Trustee in its absolute discretion thinks fit:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children
- The Royal Society for the Prevention of Cruelty to Animals

Endowment fund

The endowment fund comprises capital proceeds from the sale of shares in Singleton Birch which were bequeathed to the Trust in the Will of the late Mrs Katherine Martin.

Income arising on the endowment fund can be used in accordance with the objects of the Trust and is included in restricted income funds. Gains arising on sterling liquidity funds which are automatically reinvested ("accumulation funds") are treated as realised gains and included in restricted income funds. Any other capital gains or losses arising within the endowment fund form part of that fund.

As amended by the resolutions approved by the Charity Commission on 30 July 2024, the Trustee can apply both the income and capital of the Trust's restricted and endowment funds in such proportions and manner as the Trustee shall in its absolute discretion think fit, to be applied to further the charitable purposes of any of the above named charities.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2024

16. COMMITMENTS

At 31 March 2024, the Board had confirmed its intention and commitment to make further grants to beneficiaries totalling £250,000, subject to certain performance criteria being met and the signing of a Grant Agreement. The performance conditions had not been met as at 31 March 2024 hence the committed funds have not been recognised as a liability in these financial statements.

17. RELATED PARTY DISCLOSURES

On 7 September 2022, the Trust disposed of its entire shareholding in Singleton Birch. From this date, Singleton Birch ceased to be an associate and related party of the Trust.

During the prior year, up until the date of disposal by the Trust of its entire shareholding in Singleton Birch, the following directors of the Board of KMCT were remunerated by Singleton Birch for undertaking their role as Non-Executive Directors of that company, in accordance with the governing documents of the Trust. Details of this remuneration is as follows:

	2024 £'000	2023 £'000
S R Counsell	-	97
J P Richards	-	15

The amounts disclosed above for 2023 include £40,000 of completion bonuses paid by Singleton Birch to a Non-Executive Director for services rendered in relation to the sale of the entire issued share capital of that company.

18. POST BALANCE SHEET EVENTS

On 10 June 2024 the Board passed resolutions under Sections 280A and 282 of the Charities ACT 2011 to amend the Trust's administrative regulations and governing documents. The amendments included a change to the charitable objectives and dissolution clause of the Trust such that the Trustee may in its absolute discretion apply both the income and capital of the Trust to further the charitable purposes of its beneficiaries and enable the possible wind up of the Trust. Consent of the Charity Commission was sought under Section 280A(7) of the Charities ACT 2011 and the resolution was authorised on 30 July 2024. Subsequently, the Board has implemented a dissolution strategy for the orderly winding up of the Trust and will continue to review options for the allocation and distribution of both income and capital funds.

On 21 August 2024, following amendment to the Trust's governing documents and charity objectives, the Trust liquidated its entire investment portfolio with Brewin Dolphin, realising proceeds of £1,756k and a net gain of £39k. The proceeds have been consolidated within the Trust's other short term liquid deposits.

Subsequent to the year end, the Board has approved grant awards totalling £18m as part of the planned dissolution strategy for the orderly winding up of the Trust. Although committed, the grant awards remain subject to legal formalities at the time of approving the financial statements.

THE KATHERINE MARTIN CHARITABLE TRUST

England & Wales - Charity number 261887

Accounts



Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED CHARITY NUMBER: 261887 (England and Wales)

Charities
Commission

The Katherine Martin Charitable Trust

Trustee Annual Report and Financial Statements

31 March 2023

The Katherine Martin Charitable Trust

Contents of the Trustee Annual Report and Financial Statements *for the year ended 31 March 2023*

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The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2023

The Board of Directors ('the Board') of the sole corporate Trustee, KMCT Trustee Limited ('Trustee' or 'KMCT'), presents its report and the audited financial statements of The Katherine Martin Charitable Trust ('the Trust') for the year ended 31 March 2023. The Board has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

261887 (England and Wales)

Principal address

3 Elm Close
Molescroft
Beverley
East Yorkshire
HU17 7DZ

Trustee

KMCT Trustee Limited (Appointed 10 June 2021)

KMCT is the sole Trustee of the Trust. KMCT is a company limited by guarantee without share capital, its registered office address is the same as listed above and its company registered number is 13435296. Directors of the Board act on behalf of the Trustee, as a body, under that company's Articles of Association and the Trust's Governance documents. The names of those who were in office during the year, up to the date of signing the financial statements, were as follows:

J P Richards (Chairman)
P Bell
S R Counsell
J Leeson
S J Lucas
R R Mott
D J Sandbrook
M C Wright

A key purpose of the sole corporate Trustee structure is to provide a layer of protection to directors of the Board acting on behalf of the Trustee, so that it can reduce their personal liability under normal circumstances to attract the very best directors with the widest range of professional skills and experience.

Clerk to the Trustee

M J Piper

Auditors

Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2023

REFERENCE AND ADMINISTRATIVE DETAILS - *continued*

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Investment Manager

Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD

Bankers

HSBC UK Bank Plc
Carmel House
49-63 Fargate
Sheffield
S1 2HD

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The governing documents are the Will of the late Katherine Martin ('the Settlor') proved in the Principal Registry on 8 September 1959, as amended by Scheme of the Charity Commissioners dated 6 July 1995, the Trustees' meeting of 14 May 1996, the Order of the Charity Commissioners dated 20 December 2004 and 19 September 2006, as amended by resolution dated 14 July 2015, as amended by resolution dated 16 November 2016, as amended by resolution dated 10 June 2021.

Mrs Martin bequeathed shares in Singleton Birch Limited ('Singleton Birch') to the Trust. Up until 7 September 2022, the Trust held 49.99% of the entire issued share capital of Singleton Birch. On 7 September 2022 the entire issued share capital of Singleton Birch was sold to Mississippi Lime UK Limited with the proceeds from sale forming part of the Trust's permanent endowment fund. Further details are provided in notes 13 and 14 to the financial statements.

The Will of the late Mrs Martin, as amended by the Charity Commission Scheme dated 6 July 1995, declares Mrs Martin's wish that the Trustee should, so far as practicable, procure that at least two directors shall also be directors of Singleton Birch. For this reason, and as a matter of good practice, the Trust has a Conflict of Interest Policy and the Clerk maintains a Register of Trustee Interests. During the reporting period, Messrs Counsell and Richards were Non-Executive Directors of Singleton Birch up until the date of disposal of shares held in the company on 7 September 2022, at which point both Messrs Counsell and Richards resigned as Non-Executive Directors.

When appointing new directors to act on behalf of KMCT, the Board has regard to the skills and experience needed to govern the Trust and the skills and experience of the existing directors. New directors are given a copy of each of the governing documents, a copy of the latest Trustee Annual Report and Accounts, policy documents, a copy of the risk register and the Charity Commission publications, CC3 'The essential trustee: what you need to know' and CC3a 'Charity trustee: what's involved', and the Charity Governance Code. They attend an induction session to learn about the Trust and their roles and responsibilities as directors acting on behalf of KMCT.

Throughout the period and up to the date of this report, the Board, acting on behalf of KMCT, as a Body, was responsible for the management and administration of the Trust. The Board met at least three times during the year to make grants to the beneficiaries and administer the Trust. The Board does not employ any staff but is aided in the administration of the Trust by Mr Piper, who acts as Clerk to the Trustee.

The Board has a duty to identify and review the major risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Board follow the guidance in the Charity Commission publication CC26 'Charities and Risk Management' and regularly identify and assess the governance, operational, financial, external and compliance risks faced by the Trust. They maintain a register of those risks and, wherever possible, take steps to mitigate them.

OBJECTIVES AND ACTIVITIES

The activities of the Trustee comprise the following:

- Regular review and scrutiny of financial performance
- The receipt of interest and dividends from its investments
- Monitoring the Trust's managed investment portfolio
- Grants to the Trust's designated beneficiaries

In her Will Mrs Katherine Martin directed that the income of the Trust should be divided in such proportions as the Trustee shall in its absolute discretion think fit among the following charities:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children (NSPCC)
- The Royal Society for the Prevention of Cruelty to Animals (RSPCA)

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2023

OBJECTIVES AND ACTIVITIES – *continued*

During the reporting period the Trust made grants to Barnardo's, the NSPCC and the RSPCA totalling £442k (2022 £525k).

The objectives of the Trust for the year ended 31 March 2023 were to:

- Make grants to the beneficiary charities
- Continue to review options for the capital allocation and capital funding of the Trust and Singleton Birch
- Monitor the return on the Trust's investments

All of the objectives were achieved.

The objectives for the year ending 31 March 2024 are to:

- Make grants to the beneficiary charities
- Continue to review options for the capital allocation of the Trust
- Monitor the return on the Trust's investments

Public benefit

All the beneficiary charities provide public benefit, therefore in making grants to them the Board confirms that the Trust is abiding by the Charity Commission's general guidance on public benefit.

FINANCIAL REVIEW

The Trust's principal sources of income were in the form of interest and dividends arising from its short term liquid deposits, its managed investment portfolio and the proceeds from the sale of its shareholding in Singleton Birch.

Managed Investment Portfolio

The performance of the Trust's managed investment portfolio remained satisfactory, despite challenging markets. The net return on the investments within the portfolio for the year was a net loss of £98k (2022 £141k gain). This includes dividends received of £60k (2022 £51k) offset by market value losses within the portfolio of £158k (2022 £90k gains).

Economic outlook

COVID-19 has impacted a significant number of countries globally since late 2020 and has caused disruption to economic activity, which has been reflected in recent fluctuations in global stock markets. The Trust's managed investment portfolio recovered well from the initial downturn at the outset of the pandemic with overall value back up to pre-pandemic levels by 31 March 2022. Russia's invasion of Ukraine in late February 2022 then sent natural gas prices soaring across Europe, a trend that continued throughout 2022 with inflation and interest rates increasing to a 15-year high at 31 March 2023, which in turn had a consequent effect on monetary policy and economic activity resulting in a decline in overall investment value within the portfolio.

Short Term Liquid Deposits

These reflect the proceeds from the Singleton Birch share disposal and generated interest of £669k (2022 £nil). The Board approved a low risk investment strategy for these resources in recognition of challenging equity markets and the availability of attractive rates from short term liquid deposits.

Investment policy and objectives

The investment policy of the Trust is to seek a balance between income and growth through investment in collective, direct equity and fixed interest securities managed on a discretionary basis by suitably regulated investment firms. The policy requires that any such assets should not include significant exposure to illiquid, non-realizable assets and suitable asset allocation should reflect the Trust's appetite to risk as determined by the Board and as advised by regulated investment firms.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2023

Reserves policy

In total, the Trust reserves at 31 March 2023 amounted to £53,837k (2022 £2,007k). Excluding fixed asset investments and investment permanent endowment funds, current asset reserves at 31 March 2023 amounted to £469k (2022 £102k). It is the policy of the Trust to maintain sufficient liquidity to meet the Trust's estimated administrative and governance costs for the forthcoming year which are anticipated to be in the region of £60k.

Going Concern and Viability

The Trust's financial statements have been prepared on the going concern basis. In making this assessment, the Board has reviewed the Trust's financial position and current asset reserves and is satisfied that the Trust has adequate resources to continue operating successfully for the foreseeable future and so should continue to adopt the going concern basis in preparing the annual report and financial statements.

The Board considers that the performance of the Trust has been satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has a responsibility for ensuring that there are adequate and effective risk management procedures in place to manage the Trust's ability to achieve its objectives.

Following the receipt of substantial funds from the disposal of shares in Singleton Birch in September 2022 the Trust's risk profile has narrowed and now consists primarily of increased financial and investment risks.

In response, the Board has strengthened its banking and investment arrangements through the appointment of HSBC UK Bank Plc. Improved financial controls and reporting are also in place to strengthen informed decision making by the Board.

The merits of grant requests from beneficiary charities are carefully assessed by nominated directors and then finally approved by the Board.

Within its investment portfolio, the Trust is exposed to fluctuations in capital markets, which it has mitigated through an appropriate assessment of financial risk, under the guidance of regulated investment firms.

FUTURE DEVELOPMENTS

Following the Singleton Birch share sale the Board's 2023/24 objectives include:

- Reassessment of the Trust's strategic direction.
- Reconsideration of the nature and size of grants to beneficiary charities.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2023

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Board is responsible for preparing the Report of the Trustee and the financial statements of the Trust 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 Trustee 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 Trustee is 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 Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it 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's governing documents. The Board is 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.

Audit information

The Directors appointed to KMCT, as set out on page 1, who held office at the date of approval of the financial statements, each confirm, so far as they are aware, that:

- **There is no relevant audit information of which the Trust's auditors are not aware; and**
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Charities SORP 2019 (FRS102).

The Report of the Trustee has been approved by the Board on 31 October 2023 and signed on its behalf by:



.....
J P Richards - Chairman

On behalf of the Trustee KMCT Trustee Limited

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

Opinion

We have audited the financial statements of The Katherine Martin Charitable Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, Notes to the Statement of Cash Flows and Notes to the Financial Statements, including a summary of 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 2023, and of the Charity's 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 Charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in annual Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Independent Auditor's Report to the Trustee of The Katherine Martin 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 Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the Charity's 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 Trustee

As explained more fully in the Statement of Trustee Responsibilities set out in the Report of the Trustee, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the Charity'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 Trustee either intends to liquidate the Charity or 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 151 of the Charities Act 2011 and report in accordance with this Act.

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011, data protection and anti-bribery legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Use of our report

This report is made solely to the Board acting on behalf of the Trustee, 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 Trustee 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 Trust and the Trust's Trustee as a Body, for our audit work, for this report, or for the opinions we have formed.



Nicola Shipley FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date: 31 OCTOBER 2023

The Katherine Martin Charitable Trust

Statement of Financial Activities

for the year ended 31 March 2023

	Notes	Restricted fund £'000	Endowment fund £'000	2023 Total funds £'000	2022 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	729	-	729	627
Total incoming resources		<u>729</u>	<u>-</u>	<u>729</u>	<u>627</u>
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	3	18	-	18	13
Charitable activities					
Donations to beneficiaries	5	442	-	442	525
Support costs	6	60	-	60	61
Total resources expended		<u>520</u>	<u>-</u>	<u>520</u>	<u>599</u>
(Losses)/gains on listed investment assets	10	(158)		(158)	90
Gain on disposal of unlisted investments	10	-	51,779	51,779	13
Net income		<u>51</u>	<u>51,779</u>	<u>51,830</u>	<u>131</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	13	<u>1,987</u>	<u>20</u>	<u>2,007</u>	<u>1,876</u>
TOTAL FUNDS CARRIED FORWARD	13	<u><u>2,038</u></u>	<u><u>51,799</u></u>	<u><u>53,837</u></u>	<u><u>2,007</u></u>

The notes form part of these financial statements

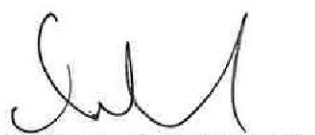
The Katherine Martin Charitable Trust

Balance Sheet

for the year ended 31 March 2023

	Notes	Restricted fund £'000	Endowment fund £'000	2023 Total funds £'000	2022 Total funds £'000
FIXED ASSETS					
Investments	10	1,569	-	1,569	1,905
CURRENT ASSETS					
Debtors	11	229	11,669	11,898	8
Debtors due over one year	11	-	1,071	1,071	-
Cash and cash equivalents		259	39,059	39,318	103
		<u>488</u>	<u>51,799</u>	<u>52,287</u>	<u>111</u>
CREDITORS					
Amounts falling due within one year	12	(19)	-	(19)	(9)
		<u>469</u>	<u>51,799</u>	<u>52,268</u>	<u>102</u>
NET CURRENT ASSETS					
		<u>469</u>	<u>51,799</u>	<u>52,268</u>	<u>102</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>2,038</u>	<u>51,799</u>	<u>53,837</u>	<u>2,007</u>
		<u>2,038</u>	<u>51,799</u>	<u>53,837</u>	<u>2,007</u>
FUNDS					
Restricted funds	13			2,038	1,987
Endowment funds				51,799	20
				<u>53,837</u>	<u>2,007</u>
TOTAL FUNDS					
				<u>53,837</u>	<u>2,007</u>

The financial statements on pages 10 to 11 were approved by the Board of the Corporate Trustee on 31 October 2023 and were signed on its behalf by:



J P Richards - Chairman
On behalf of the Trustee KMCT Trustee Limited

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Statement of Cash Flows

for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flow from operating activities			
Net cash outflow from operating activities	1	(731)	(611)
		<u>(731)</u>	<u>(611)</u>
Net cash outflow from operating activities			
		<u>(731)</u>	<u>(611)</u>
Cash flow from investing activities			
Returns on investments and servicing of finance	2	39,945	580
		<u>39,945</u>	<u>580</u>
Net cash inflow from investing activities			
		<u>39,945</u>	<u>580</u>
Net increase/(decrease) in cash and cash equivalents		39,214	(31)
Cash and cash equivalents at beginning of period		103	134
		<u>103</u>	<u>134</u>
Cash and cash equivalents at end of period		39,318	103
		<u><u>39,318</u></u>	<u><u>103</u></u>

The Katherine Martin Charitable Trust

Notes to the Statement of Cash Flows

for the year ended 31 March 2023

1. Reconciliation of net income to net cash outflow from operating activities

	2023 £'000	2022 £'000
Net income	51,830	131
Adjustments for:		
Losses/(gains) on listed investment assets	158	(90)
Gain on disposal of unlisted investments	(51,779)	(13)
Interest and dividends received	(729)	(627)
(Increase) in trade and other debtors	(221)	(5)
Increase/(decrease) in trade and other creditors	10	(7)
Net cash outflow from operating activities	731	(611)

2. Cashflow from investing activities

	2023 £'000	2022 £'000
Dividends and interest received	729	627
Payments to acquire investments	(578)	(425)
Receipts from sales of listed investments	756	359
Receipts from sales of unlisted investments	39,039	19
Net cash inflow from investing activities	39,946	580

3. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank	86	46
Cash on deposit (short term liquid investments)	39,197	-
Cash held within investment portfolio	35	57
Net cash inflow from investing activities	39,318	580

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

1. ACCOUNTING POLICIES

General information and basis of preparation

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the Trust's operations and principal activities is to make donations to beneficiaries from the receipt of interest and dividends from its short term liquid investments and managed investment portfolio.

The Katherine Martin Charitable Trust meets the definition of a public benefit entity under FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The financial statements are presented in sterling and rounded to the nearest £'000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and cash. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Dividend income is recognised as the charity's right to receive payment is established.

Resources expended

Expenditure is accounted for on an accruals basis and irrecoverable VAT has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment management costs;
- Expenditure on charitable activities includes grants and donations to beneficiaries and administrative support costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

1. ACCOUNTING POLICIES – *continued*

Governance and support costs

Governance and support costs are those that assist the work of the Trust but do not directly represent charitable activities and include administrative support expenses, costs of the preparation and audit of statutory accounts, the costs of Trustee meetings and the cost of any legal advice on governance or constitutional matters. They are incurred directly in support of expenditure on the objects of the Trust.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The Trust is exempt from tax on its charitable activities.

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. The cost of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Quoted investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based. Investments in associates are stated at cost less impairment.

Investment management costs are charged as expenditure out of the relevant income fund.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase cost if acquired during the year). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase cost if acquired during the year). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Debtors and creditors receivable/payable in more than one year

Debt instruments such as loans, borrowings, deferred consideration and other accounts receivable and payable over more than one year are initially measured at the transaction price including transaction cost. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

2. INVESTMENT INCOME

	Restricted fund £'000	Endowment fund £'000	2023 Total £'000	2022 Total £'000
Dividends – unlisted investments	-	-	-	576
Dividends and interest – listed investments	60	-	60	51
Interest received from short term deposits	669	-	669	-
	<u>729</u>	<u>-</u>	<u>729</u>	<u>627</u>

3. INVESTMENT MANAGEMENT COSTS

	Restricted fund £'000	Endowment fund £'000	2023 Total £'000	2022 Total £'000
Portfolio management	18	-	18	13
	<u>18</u>	<u>-</u>	<u>18</u>	<u>13</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs £'000	Grant funding activities (see note 6) £'000	Support costs (See note 7) £'000	2023 Total £'000	2022 Total £'000
Charitable activities	-	442	60	502	586
	<u>-</u>	<u>442</u>	<u>60</u>	<u>502</u>	<u>586</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

5. GRANTS PAYABLE

	2023 £'000	2022 £'000
Donations to beneficiaries	442	525
The total donations paid to institutions during the year was as follows:		
	2023 £'000	2022 £'000
Barnardo's	200	175
NSPCC	97	175
RSPCA	145	175
	<u>442</u>	<u>525</u>

6. SUPPORT COSTS

	Management £'000	Finance £'000	Governance costs £'000	2023 Total £'000	2022 Total £'000
Resources expended	12	-	48	60	61

Included within governance costs are exceptional restructuring costs of £14,973 (2022: £34,484).

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after (crediting)/charging:

	2023 Total £'000	2022 Total £'000
Loss/(gain) recognised on listed investments	158	(90)
Gain on disposal of unlisted investments	(51,779)	(13)
Auditors' remuneration	7	6
Legal fee's	15	23

The gain recognised on disposal of unlisted investments is stated after deduction of the Trust's share of advisor fees totalling £307,788, which were deducted from proceeds received. Of the total advisor fees deducted from proceeds, £106,796 was payable to a separate division of the Trust's audit firm (inclusive of VAT).

8. TRUSTEES' REMUNERATION AND BENEFITS

None of the directors of the Board of KCMT, holding office during the year, have been remunerated for their services to the Trust. Details of remuneration paid to directors of the Board of KCMT by Singleton Birch for services rendered as non-executive directors of that company for the period of ownership are disclosed at note 14.

Five directors of the Board of KCMT (2022 - five) have received reimbursement for expenses in attending meetings, totalling £3,792 (2022 - £871). The Trust paid a total of £3,650 directly to third parties in respect of travel, subsistence and accommodation expenses on behalf of eight directors of the Board of KCMT in attending meetings (2022 - £1,674).

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

9. STAFF COSTS

No staff were directly employed by the Trust for the current or prior year, as such there are no staff costs and no employees who received total employee benefits (excluding employer pension costs) of more than £60,000. Fees payable to the Clerk to the Trustee for services rendered during the year amounted to £17,100 (2022: £18,100). The Clerk to the Trustee is considered to be key to the management of the Trust.

10. FIXED ASSET INVESTMENTS

	Listed investments £'000	Unlisted investments £'000	Totals £'000
MARKET VALUE			
At 1 April 2022	1,905	-	1,905
Additions	578	-	578
Disposals	(756)	-	(756)
Revaluation gains	(158)	-	(158)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	1,569	-	1,569
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2023	1,569	-	1,569
	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,905	-	1,905
	<hr/>	<hr/>	<hr/>

All listed investments are carried at their market value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

No value was attributed to the original 281,261 ordinary shares held in Singleton Birch bequeathed to the Trust as the shares of that company are not quoted on a recognised stock exchange and the Trustee considered that the cost of obtaining a valuation each year could not be justified. The entire issued share capital of Singleton Birch was sold on 7 September 2022 and the Trust recognised a gain on disposal of £51,779,232.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

11. DEBTORS

	2023		2022	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Other debtors due within one year	229	11,669	8	-
Other debtors due in more than one year	-	1,071	-	-

Debtors due within and in more than one year relate to proceeds and interest thereon from the sale of unlisted investments held in escrow accounts expected to be released over a period of one to four years up until September 2026. Interest is accruing on amounts held in escrow accounts.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023		2022	
	Restricted fund £'000	Endowment fund £'000	Restricted fund £'000	Endowment fund £'000
Trade creditors	3	-	-	-
Accruals and deferred income	16	-	9	-
	19	-	9	-

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

13. MOVEMENT IN FUNDS

	At 01.04.22 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31.03.23 £'000
Restricted funds				
Income fund	1,987	51	-	2,038
Endowment funds				
Capital fund	20	51,779	-	51,799
	<u>2,007</u>	<u>51,830</u>	<u>-</u>	<u>53,837</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movements in funds £'000
Restricted funds				
Income fund	729	(520)	(158)	51
Endowment funds				
Capital fund	-	-	51,779	51,779
TOTAL FUNDS	<u>729</u>	<u>(520)</u>	<u>51,621</u>	<u>51,830</u>

Comparative information in respect of the preceding period is as follows:

	At 01.04.21 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31.03.22 £'000
Restricted funds					
Income fund	1,869	627	(599)	90	1,987
Endowment funds					
Capital fund	7	-	-	13	20
TOTAL FUNDS	<u>1,876</u>	<u>627</u>	<u>(599)</u>	<u>103</u>	<u>2,007</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

13. MOVEMENT IN FUNDS – *continued*

Fund balances at 31 March 2023 are represented by:

	Restricted fund £'000	Endowment fund £'000	2023 Total £'000	2022 Total £'000
Fixed asset investments	1,569	-	1,569	1,905
Debtors due within one year	229	11,669	11,898	8
Debtors due in more than one year	-	1,071	1,071	-
Cash and cash equivalents	259	39,059	39,318	103
Creditors	(19)	-	(19)	(9)
TOTAL FUNDS	2,038	51,799	53,837	2,007

The specific purposes for which the funds are to be applied are as follows:

Restricted fund

The restricted fund comprises the managed investment portfolio and other assets and liabilities arising from the charitable activity of the Trust. Income arising from the managed investment portfolio is recognised in the restricted fund and is to be used in accordance with the objects of the Trust.

The movements within the fund represents the charitable expenditure, including support costs, and the distribution of income to the following charities in such proportion as the Trustee in its absolute discretion thinks fit:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children
- The Royal Society for the Prevention of Cruelty to Animals

Endowment fund

The endowment fund of the Trust comprises proceeds from the sale of shares in Singleton Birch.

Income arising on the endowment fund can be used in accordance with the objects of the Trust and is included in restricted funds. Any capital gains or losses arising within the endowment fund form part of that fund.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2023

14. RELATED PARTY DISCLOSURES

On 7 September 2022, the Trust disposed of its entire shareholding in Singleton Birch. From this date, Singleton Birch ceased to be a related party of the Trust.

During the year to 31 March 2023 the Trust received dividends of £Nil (2022 £576,330) from Singleton Birch.

During the year, up until the date of disposal by the Trust of its entire shareholding in Singleton Birch, the following directors of the Board of KMCT were remunerated by Singleton Birch for undertaking their role as Non-Executive Directors of that company, in accordance with the governing documents. Details of this remuneration is as follows:

	2023 £'000	2022 £'000
M J Gardiner	-	8
S R Counsell	97	80
J P Richards	15	21

The amounts disclosed above for 2023 include a £40,000 completion bonus paid by Singleton Birch, relating to completion of the sale of the entire issued share capital of that company (2022 £nil).

THE KATHERINE MARTIN CHARITABLE TRUST

England & Wales - Charity number 261887

Accounts



Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED CHARITY NUMBER: 261887 (England and Wales)

The Katherine Martin Charitable Trust

Trustee Annual Report and Financial Statements

31 March 2022

The Katherine Martin Charitable Trust

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The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2022

The Board of Directors ('the Board') of the sole corporate Trustee, KMCT Trustee Limited ('Trustee' or 'KMCT'), presents its report and the audited financial statements of The Katherine Martin Charitable Trust ('the Trust') for the year ended 31 March 2022. The Board has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

261887 (England and Wales)

Principal address

3 Elm Close
Molescroft
Beverley
East Yorkshire
HU17 7DZ

Trustee(s)

M J Gardiner (Chairman) (Resigned 10 June 2021)
S H Kay (Resigned 10 June 2021)
S R Counsell (Resigned 10 June 2021)
M L Edmonds (Resigned 10 June 2021)
J P Richards (Resigned 10 June 2021)
P Bell (Resigned 10 June 2021)
J Leeson (Resigned 10 June 2021)
KMCT Trustee Limited (Appointed 10 June 2021)

As of 10 June 2021, KMCT is the sole Trustee of the Trust. KMCT is a company limited by guarantee without share capital, its registered office address is the same as listed above and its company registered number is 13435296. Directors of the Board act on behalf of the Trustee, as a Body, under that company's Articles of Association and the Trust's Governance documents. The names of those who were in office during the year, up to the date of signing the financial statements, were as follows:

J P Richards (Chairman) (Appointed 2 June 2021)
P Bell (Appointed 2 June 2021)
S R Counsell (Appointed 2 June 2021)
J Leeson (Appointed 2 June 2021)
S J Lucas (Appointed 7 July 2021)
R R Mott (Appointed 7 July 2021)
D J Sandbrook (Appointed 7 July 2021)
M C Wright (Appointed 7 July 2021)

A key purpose of the sole corporate Trustee structure is to provide a layer of protection to directors of the Board acting on behalf of the Trustee, so that it can reduce their personal liability under normal circumstances to attract the very best directors with the widest range of professional skills and experience.

Clerk to the Trustee

M J Piper

Auditors

Smailes Goldie
Regent's Court
Princess Street
Hull, HU2 8BA

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2022

REFERENCE AND ADMINISTRATIVE DETAILS - *continued*

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Investment Manager

Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4TA

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The governing documents are the Will of the late Katherine Martin ('the Settlor') proved in the Principal Registry on 8 September 1959, as amended by Scheme of the Charity Commissioners dated 6 July 1995, the Trustees' meeting of 14 May 1996, the Order of the Charity Commissioners dated 20 December 2004, as amended on 14 July 2015, as amended by resolution dated 16 November 2016.

Mrs Martin bequeathed shares in Singleton Birch Limited ('Singleton Birch') to the Trust. Up until 9 June 2021, the Trust held a majority shareholding (50.17%) in Singleton Birch, requiring the activities of the Trust and Singleton Birch to be consolidated. On 9 June 2021, the Trust disposed of 720 £1 Ordinary shares held in Singleton Birch, reducing its overall shareholding in that company to 49.99%. From this date, Singleton Birch ceased to be a subsidiary of the Trust. Further details are provided in note 14 to the financial statements.

The Will of the late Mrs Martin, as amended by the Charity Commission Scheme dated 6 July 1995, declares Mrs Martin's wish that the Trustee should, so far as practicable, procure that at least two directors shall also be directors of Singleton Birch. For this reason, and as a matter of good practice, the Trust has a Conflict of Interest Policy and the Clerk maintains a Register of Trustee Interests. During the reporting period Messrs Counsell, Gardiner and Richards were Non-Executive Directors of Singleton Birch.

When appointing new directors to act on behalf of KMCT, the Board has regard to the skills and experience needed to govern the Trust and the skills and experience of the existing directors. New directors are given a copy of each of the governing documents, a copy of the latest Trustee Annual Report and Accounts, policy documents, a copy of the risk register and the Charity Commission publications, CC3 '*The essential trustee: what you need to know*' and CC3a '*Charity trustee: what's involved*', and the Charity Governance Code. They attend an induction session to learn about the Trust and their roles and responsibilities as directors acting on behalf of KMCT.

Throughout the period up to and including 9 June 2021, the former Trustees, as listed on page 1, were responsible for the management and administration of the Trust. From 10 June 2021, and up to the date of this report, the Board, acting on behalf of KMCT, as a Body, has taken on this responsibility. The Trustees and/or the Board met at least three times during the year to make grants to the beneficiaries and administer the Trust. The Board does not employ any staff but is aided in the administration of the Trust by Mr Piper, who acts as Clerk the Trustee.

The Board has a duty to identify and review the major risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Board follow the guidance in the Charity Commission publication CC26 '*Charities and Risk Management*' and regularly identify and assess the governance, operational, financial, external and compliance risks faced by the Trust. They maintain a register of those risks and, wherever possible, take steps to mitigate them.

The Will of the late Mrs Katherine Martin, as amended by the Charity Commission Scheme dated 6 July 1995, declares Mrs Martin's wish that so far as possible the Trustee should retain the shares in Singleton Birch which she bequeathed to the Trust. These shares now form part of the Trust's Endowment Fund. The Board holds annual reviews at which it considers the performance and retention of the investment in Singleton Birch based on the requirements of the Trust. The Board regularly considers independent advice on the performance of the investment and uses this advice to determine its investment policy.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2022

OBJECTIVES AND ACTIVITIES

The activities of the Trust comprise the following:

The Trust

- Regular review and scrutiny of financial performance
- The receipt and investment of dividends from its investment in Singleton Birch
- Monitoring the Trust's managed investment portfolio
- Grants to the Trust's designated beneficiaries

In her Will Mrs Katherine Martin directed that the income of the Trust should be divided in such proportions as the Trustee shall in its absolute discretion think fit among the following charities:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children (NSPCC)
- The Royal Society for the Prevention of Cruelty to Animals (RSPCA)

During the reporting period the Trust made grants to Barnardo's, the NSPCC and the RSPCA totalling £525k (2021 £585k).

The objectives of the Trust for the year ended 31 March 2022 were to:

- Make grants to the beneficiary charities
- Continue to review options for the capital allocation and capital funding of the Trust and Singleton Birch
- Monitor the return on the Trust's investments

All of the objectives were achieved.

The objectives for the year ending 31 March 2023 are to:

- Make grants to the beneficiary charities
- Continue to review options for the capital allocation and capital funding of the Trust and Singleton Birch
- Monitor the return on the Trust's investments

Public benefit

All the beneficiary charities provide public benefit, therefore in making grants to them the Board confirms that the Trust is abiding by the Charity Commission's general guidance on public benefit.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2022

FINANCIAL REVIEW

The Trust's principal sources of funding are dividend income from its shareholding in Singleton Birch and income from its managed investment portfolio.

Singleton Birch

The consolidated accounts of Singleton Birch for the year ended 31 March 2022 reported increased turnover of £73.4m versus £48.9m in 2021 and profit before tax of £6.3m versus £4.2m in 2021. Dividends paid to the Trust amounted to £576.3k (2021 £450.9k).

The Company is confident that the continuing programme of capital investment, customer and product diversification, the expansion of the business into energy generation, waste management and the development of new markets should provide a successful platform for profitable growth over the coming years.

Managed Investment Portfolio

The performance of the Trust's managed investment portfolio remained satisfactory, despite challenging markets. The net return on the investments within the portfolio for the year was a gain of £141k (2021 £418k). This includes dividends received of £51k (2021 £49k) and portfolio growth of £90k (2021 £368k).

Investment policy and objectives

The investment policy of the Trust is to seek a balance between income and growth through investment in collective, direct equity and fixed interest securities, commercial property and alternative investments that shall be managed on a discretionary basis by a suitably regulated investment firm. The policy requires that any such assets should not include significant exposure to illiquid, non-realizable assets and suitable asset allocation should reflect the Trust's appetite to risk as determined by the managing investment firm.

Impact of Coronavirus Pandemic

COVID-19 has impacted a significant number of countries globally since late 2020 and has caused disruption to economic activity, which has been reflected in recent fluctuations in global stock markets. In the final quarter to 31 March 2020, the valuation of the Trust's managed investment portfolio decreased in value by 16.2% but has since significantly recovered in the two years following to 31 March 2022, with the portfolio value up 37.4% to 31 March 2021 and a further 8.9% to 31 March 2022.

Reserves policy

In total, the Trust reserves at 31 March 2022 amounted to £2,007k (2021 £1,876k). Excluding fixed asset investments, current asset reserves at 31 March 2022 amounted to £102k (2021 £120k). It is the policy of the Trust to maintain sufficient liquidity to meet the Trust's estimated administrative and governance costs for the forthcoming year.

Going Concern and Viability

The Trust's financial statements have been prepared on the going concern basis. In making this assessment, the Board has reviewed the Trust's financial position and current asset reserves and is satisfied that the Trust has adequate resources to continue operating successfully for the foreseeable future and so should continue to adopt the going concern basis in preparing the annual report and financial statements.

The Board considers that the performance of the Trust has been satisfactory.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has a responsibility for ensuring that there are adequate and effective risk management procedures in place to manage the Trust's major risks. Specific risks and uncertainties include:

Singleton Birch

The acquisition of British Steel by Jingye is an important aspect of the Company's future success although the Board's diversification strategy in recent years continues to moderate the reliance on British Steel.

Quarrying and lime production are high risk activities in relation to health and safety and environmental impact and the directors of Singleton Birch have established robust risk management systems to mitigate these risks and ensure legal compliance. The Company has obtained the Occupational Health and Safety Standard BS OHSAS 45001 and the Environmental Management Standard ISO 14001 which require audit by external accredited bodies. The Company has won a number of major awards over recent years from its trade body, the Mineral Products Association, for continued excellence in health and safety performance.

The Company operates in an energy intensive industry and the current state of the energy markets in the UK poses a significant risk. The UK Emission Trading Scheme (UK ETS), which commenced on the 1st January 2021, remains volatile and relatively illiquid. To mitigate against significant fluctuations the Company is purchasing carbon on a monthly basis to fulfil annual requirements and adjusting customer prices at regular intervals accordingly.

Managed Investment Portfolio

Within its investment portfolio, the Trust is exposed to fluctuations in capital markets, but has mitigated this risk through the guidance of professional investment advisors.

Covid-19 has given rise to unprecedented circumstances, but the Board is committed to do its best for the Trust's beneficiaries and to ensure the impact of Covid-19 is mitigated wherever possible.

FUTURE DEVELOPMENTS

A key objective in 2022/23 is to assess the appropriateness of the Trusts' shareholding in Singleton Birch given its increasing value and the need for greater diversification within the investment portfolio.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2022

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Board is responsible for preparing the Report of the Trustee and the financial statements of the Trust 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 Trustee 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 Trustee is 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.

Up to and including 9 June 2021, the former Trustees, as listed on page 1, were responsible for keeping proper accounting records that disclosed with reasonable accuracy at any time the financial position of the Trust and enabled them to ensure that the financial statements complied with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust's governing documents. They were 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.

From 10 June 2021, the Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it 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's governing documents. The Board is 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.

Audit information

The Directors appointed to KMCT, as set out on page 1, who held office at the date of approval of the financial statements, each confirm, so far as they are aware, that:

- There is no relevant audit information of which the Trust's auditors are not aware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Charities SORP 2019 (FRS102).

The Report of the Trustee has been approved by the Board on 24th August 2022 and signed on its behalf by:



.....
J P Richards - Chairman
On behalf of the Trustee KMCT Trustee Limited

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

Opinion

We have audited the financial statements of The Katherine Martin Charitable Trust for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, Notes to the Statement of Cash Flows and Notes to the Financial Statements, including a summary of 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 2022, and of the Charity's 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 Charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in annual Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Independent Auditor's Report to the Trustee of The Katherine Martin 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 Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the Charity's 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 Trustee

As explained more fully in the Statement of Trustee Responsibilities set out in the Report of the Trustee, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the Charity'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 Trustee either intends to liquidate the Charity or 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 151 of the Charities Act 2011 and report in accordance with this Act.

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Use of our report

This report is made solely to the Board acting on behalf of the Trustee, 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 Trustee 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 Trust and the Trust's Trustee as a Body, for our audit work, for this report, or for the opinions we have formed.

Nicola Shipley FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date:

The Katherine Martin Charitable Trust

Statement of Financial Activities

for the year ended 31 March 2022

	Notes	Restricted fund £'000	Endowment fund £'000	2022 Total funds £'000	2021 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	627	-	627	500
Total incoming resources		<u>627</u>	<u>-</u>	<u>627</u>	<u>500</u>
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	3	13	-	13	11
Charitable activities					
Donations to beneficiaries	5	525	-	525	585
Support costs	6	61	-	61	28
Total resources expended		<u>599</u>	<u>-</u>	<u>599</u>	<u>624</u>
Gains on listed investment assets	10	90	-	90	368
Gain on disposal of unlisted investments	10	-	13	13	-
Net income/(expenditure)		<u>118</u>	<u>13</u>	<u>131</u>	<u>244</u>
Transfers between funds		-	-	-	-
Other recognised gains/(losses)		-	-	-	-
Net movement in funds		<u>118</u>	<u>13</u>	<u>131</u>	<u>244</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	13	1,869	7	1,876	1,632
TOTAL FUNDS CARRIED FORWARD	13	<u>1,987</u>	<u>20</u>	<u>2,007</u>	<u>1,876</u>

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Balance Sheet

for the year ended 31 March 2022

	Notes	Restricted fund £'000	Endowment fund £'000	2022 Total funds £'000	2021 Total funds £'000
FIXED ASSETS					
Investments	10	1,905	-	1,905	1,756
CURRENT ASSETS					
Debtors	11	8	-	8	3
Cash at bank		83	20	103	134
		<u>91</u>	<u>20</u>	<u>111</u>	<u>137</u>
CREDITORS					
Amounts falling due within one year	12	(9)	-	(9)	(17)
		<u>82</u>	<u>20</u>	<u>102</u>	<u>120</u>
NET CURRENT ASSETS					
		<u>82</u>	<u>20</u>	<u>102</u>	<u>120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,987</u>	<u>20</u>	<u>2,007</u>	<u>1,876</u>
		<u>1,987</u>	<u>20</u>	<u>2,007</u>	<u>1,876</u>
FUNDS					
	13				
Restricted funds				1,987	1,869
Endowment funds				20	7
				<u>2,007</u>	<u>1,876</u>
TOTAL FUNDS					
				<u>2,007</u>	<u>1,876</u>

The financial statements on pages 11 to 12 were approved by the Board of the Corporate Trustee on 24th August 2022 and were signed on its behalf by:



.....
J P Richards - Chairman
On behalf of the Trustee KMCT Trustee Limited

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Statement of Cash Flows

for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Cash flow from operating activities			
Net cash outflow from operating activities	1	(611)	(617)
Net cash outflow from operating activities		<u>(611)</u>	<u>(617)</u>
Cash flow from investing activities			
Returns on investments and servicing of finance	2	580	637
Net cash inflow from investing activities		<u>580</u>	<u>637</u>
Net (decrease)/increase in cash and cash equivalents		(31)	20
Cash and cash equivalents at beginning of period		<u>134</u>	<u>114</u>
Cash and cash equivalents at end of period		<u>103</u>	<u>134</u>

The Katherine Martin Charitable Trust

Notes to the Statement of Cash Flows

for the year ended 31 March 2022

1. Reconciliation of incoming resources to net cash outflow from operating activities

	2022	2021
	£'000	£'000
Net incoming resources	131	244
Adjustments for:		
Gains on listed investment assets	(90)	(368)
Gain on disposal of unlisted investments	(13)	-
Interest and dividends received	(627)	(500)
Decrease/(increase) in trade and other debtors	(5)	1
(Decrease)/increase in trade and other creditors	(7)	6
	<hr/>	<hr/>
Net cash outflow from operating activities	(611)	(617)
	<hr/> <hr/>	<hr/> <hr/>

2. Cashflow from investing activities

	2022	2021
	£'000	£'000
Dividends and interest received	627	500
Payments to acquire investments	(425)	(316)
Receipts from sales of investments	378	453
	<hr/>	<hr/>
Net cash inflow from investing activities	580	637
	<hr/> <hr/>	<hr/> <hr/>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

1. ACCOUNTING POLICIES

General information and basis of preparation

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the Trust's operations and principal activities is to make donations to beneficiaries from the receipt and investment of dividends from its unlisted investments and managed investment portfolios.

The Katherine Martin Charitable Trust meets the definition of a public benefit entity under FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The financial statements are presented in sterling and rounded to the nearest £'000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Dividend income is recognised as the charity's right to receive payment is established.

Resources expended

Expenditure is accounted for on an accruals basis and irrecoverable VAT has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment management costs;
- Expenditure on charitable activities includes grants and donations to beneficiaries

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

1. ACCOUNTING POLICIES – *continued*

Governance and support costs

Governance and support costs are those that assist the work of the Trust but do not directly represent charitable activities and include costs of the preparation and examination of statutory accounts, the costs of Trustee meetings and the cost of any legal advice on governance or constitutional matters. They are incurred directly in support of expenditure on the objects of the Trust.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The Trust is exempt from tax on its charitable activities.

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Quoted investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based. Unquoted investments are valued at cost as the cost of obtaining a valuation outweighs the benefit to the users of the accounts.

Investment management costs are charged as expenditure out of the relevant income fund.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

2. INVESTMENT INCOME

	Restricted fund £'000	Endowment fund £'000	2022 Total £'000	2021 Total £'000
Dividends - Singleton Birch	576	-	576	451
Dividends and interest - other UK securities	51	-	51	49
	<u>627</u>	<u>-</u>	<u>627</u>	<u>500</u>

3. INVESTMENT MANAGEMENT COSTS

	Restricted fund £'000	Endowment fund £'000	2022 Total £'000	2021 Total £'000
Portfolio management	13	-	13	11
	<u>13</u>	<u>-</u>	<u>13</u>	<u>11</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs £'000	Grant funding activities (see note 6) £'000	Support costs (See note 7) £'000	2022 Total £'000	2021 Total £'000
Charitable activities	-	525	61	586	613
	<u>-</u>	<u>525</u>	<u>61</u>	<u>586</u>	<u>613</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

5. GRANTS PAYABLE

	2022 £'000	2021 £'000
Donations to beneficiaries	525	585

The total donations paid to institutions during the year was as follows:

	2022 £'000	2021 £'000
Barnado's	175	195
NSPCC	175	195
RSPCA	175	195
	<u>525</u>	<u>585</u>

6. SUPPORT COSTS

	Management £'000	Finance £'000	Governance costs £'000	2022 Total £'000	2021 Total £'000
Resources expended	11	-	50	61	28

Included within governance costs are exceptional restructuring costs of £34,484 (2021: £6,600).

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after (crediting)/charging:

	2022 Total £'000	2021 Total £'000
Gain recognised on listed investments	(90)	(368)
Gain on disposal of unlisted investments	(13)	-
Auditors' remuneration for the audit of these accounts	3	3
Auditors' remuneration – other services	3	3
Legal fee's	23	7

8. TRUSTEES' REMUNERATION AND BENEFITS

None of the Trustees' or directors of the Board of KCMT, holding office during the year, have been remunerated for their services to the Trust. Details of remuneration paid to Trustees' and/or directors of the Board of KCMT by Singleton Birch are disclosed at note 14.

Five Trustees' and/or directors of the Board of KCMT (2021- one) have received reimbursement for expenses in attending meetings, totalling £871 (2021 - £85). The Trust paid a total of £1,674 directly to third parties in respect of travel, subsistence and accommodation expenses on behalf of Eight Trustees' and/or directors of the Board of KCMT in attending meetings (2021 - £nil).

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

9. STAFF COSTS

No staff were directly employed by the Trust for the current or prior year, as such there are no staff costs and no employees who received total employee benefits (excluding employer pension costs) of more than £60,000. Fees payable to the Clerk to the Trustee for services rendered during the year amounted to £19,223 (2021: £6,347). This includes £11,600 of exceptional costs for additional services to the Trust during the year (2021: £nil). The Clerk to the Trustee is considered to be key management of the Trust.

10. FIXED ASSET INVESTMENTS

	Listed investments £'000	Unlisted investments £'000	Totals £'000
MARKET VALUE			
At 1 April 2021	1,749	7	1,756
Additions	425	-	425
Disposals	(359)	(7)	(366)
Revaluation gains	90	-	90
	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,905	-	1,905
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2022	1,905	-	1,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2021	1,749	7	1,756
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All listed investments are carried at their market value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

No value is attributed to the original 281,261 ordinary shares held in Singleton Birch as the shares of that company are not quoted on a recognised stock exchange and the Trustee considers that the cost of obtaining a valuation each year cannot be justified.

In 2012 the Trust acquired an additional 226 ordinary shares in Singleton Birch having exercised its right to acquire the shares from an existing shareholder. The shares have been included in the financial statements at a cost of £2,570 up until the date of disposal.

On 21 September 2015, the Trust acquired an additional 370 ordinary shares in Singleton Birch having exercised its right to acquire the shares under a share offer. The shares have been included in the financial statements at cost of £3,890 up until the date of disposal.

On 9 June 2021, the Trust disposed of 720 ordinary £1 shares in Singleton Birch with a total cost of £6,460.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

11. DEBTORS

	2022	2021
	£'000	£'000
Other debtors	8	3
	<u>8</u>	<u>3</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	-	7
Accruals and deferred income	9	10
	<u>9</u>	<u>17</u>
	<u>9</u>	<u>17</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

13. MOVEMENT IN FUNDS

	At 01.04.21 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31.03.22 £'000
Restricted funds				
Income fund	1,869	118	-	1,987
Endowment funds				
Capital fund	7	13	-	20
	<u>1,876</u>	<u>131</u>	<u>-</u>	<u>2,007</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movements in funds £'000
Restricted funds				
Income fund	627	(599)	90	118
Endowment funds				
Capital fund	-	-	13	13
TOTAL FUNDS	<u>627</u>	<u>(599)</u>	<u>103</u>	<u>131</u>

Comparative information in respect of the preceding period is as follows:

	At 01.04.20 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31.03.21 £'000
Restricted funds					
Income fund	1,625	500	(624)	368	1,869
Endowment funds					
Capital fund	7	-	-	-	7
TOTAL FUNDS	<u>1,632</u>	<u>500</u>	<u>(624)</u>	<u>368</u>	<u>1,876</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

13. MOVEMENT IN FUNDS – *continued*

The specific purposes for which the funds are to be applied are as follows:

Restricted fund

The restricted fund comprises the managed investment portfolio and other assets and liabilities arising from the charitable activity of the Trust. Income arising from the managed investment portfolio is recognised in the restricted fund and is to be used in accordance with the objects of the Trust.

The movements within the fund represents the charitable expenditure, including support costs, and the distribution of income to the following charities in such proportion as the Trustee in its absolute discretion thinks fit:

- Barnado's
- The National Society for the Prevention of Cruelty to Children
- The Royal Society for the Prevention of Cruelty to Animals

Endowment fund

The endowment fund of the Trust comprises shares in Singleton Birch.

No value is attributed to the original 281,261 ordinary shares held in Singleton Birch as the shares of that company are not quoted on a recognised stock exchange and the Trustee considers that the cost of obtaining a valuation each year cannot be justified.

In 2012 the Trust acquired an additional 226 ordinary shares in Singleton Birch having exercised its right to acquire the shares from an existing shareholder. The shares have been included in the financial statements at a cost of £2,570 up until the date of disposal.

On 21 September 2015, the Trust acquired an additional 370 ordinary shares in Singleton Birch having exercised its right to acquire the shares under a share offer. The shares have been included in the financial statements at cost of £3,890 up until the date of disposal.

On 9 June 2021, the Trust disposed of 720 ordinary £1 shares in Singleton Birch with a total cost of £6,460.

The issued share capital of Singleton Birch Limited comprised 562,300 ordinary shares of £1 each. The Company is registered in the United Kingdom.

Income arising on the endowment fund can be used in accordance with the objects of the Trust and is included as restricted income. Any capital gains or losses form part of the fund.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2022

14. RELATED PARTY DISCLOSURES

On 9 June 2021, the Trust disposed of 720 ordinary £1 shares in Singleton Birch for total consideration of £19,368, reducing its overall shareholding to 49.99%. From this date, Singleton Birch ceased to be a subsidiary of the Trust.

During the year to 31 March 2022 the Trust received dividends of £576,330 (2021 £450,971) from Singleton Birch.

During the year, the following former Trustees of the Trust and/or directors of the Board of KMCT were remunerated by Singleton Birch for undertaking their role as Non-Executive Directors of that company, in accordance with the governing documents. Details of this remuneration is as follows:

	2022 £'000	2021 £'000
M J Gardiner	8	29
S R Counsell	80	78
J P Richards	21	-

15. ULTIMATE PARENT ENTITY

The Katherine Martin Charitable Trust was jointly controlled by its Trustees with no individual controlling party up to 9 June 2021. On 10 June 2021, all of the Trustees listed on page 1 resigned as Trustees and KMCT Trustee Limited became the sole corporate trustee of the Trust. From this date, the Board of KMCT act on behalf of the Trustee, as a Body, under that company's Articles of Association and the Trust's Governance document. KMCT Trustee Limited is a company limited by guarantee without share capital and is registered in the United Kingdom.

THE KATHERINE MARTIN CHARITABLE TRUST

England & Wales - Charity number 261887

Accounts



Smailes Goldie Group
CREATING ADVANTAGE



**Charities
Commission**

REGISTERED CHARITY NUMBER: 261687

The Katherine Martin Charitable Trust

Trustee Annual Report and Consolidated Financial Statements

31 March 2021

The Katherine Martin Charitable Trust

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The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

The Board of Directors ('the Board') of the sole corporate Trustee, KMCT Trustee Limited ('Trustee' or 'KMCT'), presents its report and the audited consolidated financial statements of The Katherine Martin Charitable Trust ('the Trust') for the year ended 31 March 2021. The Board has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and consolidated financial statements of the Trust.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

261887

Principal address

3 Elm Close
Molescroft
Beverley
East Yorkshire
HU17 7DZ

Trustee(s)

M J Gardiner (Chairman) (Resigned 10 June 2021)
S H Kay (Resigned 10 June 2021)
S R Counsell (Resigned 10 June 2021)
M L Edmonds (Resigned 10 June 2021)
J P Richards (Resigned 10 June 2021)
P Bell (Resigned 10 June 2021)
J Leeson (Resigned 10 June 2021)
KMCT Trustee Limited (Appointed 10 June 2021)

As of 10 June 2021, KMCT is the sole Trustee of the Trust. KMCT is a company limited by guarantee without share capital, its registered office address is the same as listed above and its company registered number is 13435296. Directors of the Board act on behalf of the Trustee, as a Body, under that company's Articles of Association and the Trust's Governance documents. The names of those who were in office, appointed after 31 March 2021 up to the date of signing the financial statements, were as follows:

J P Richards (Chairman) (Appointed 2 June 2021)
P Bell (Appointed 2 June 2021)
S R Counsell (Appointed 2 June 2021)
J Leeson (Appointed 2 June 2021)
S J Lucas (Appointed 7 July 2021)
R R Mott (Appointed 7 July 2021)
D J Sandbrook (Appointed 7 July 2021)
M C Wright (Appointed 7 July 2021)

A key purpose of the sole corporate Trustee structure is to provide a layer of protection to directors of the Board acting on behalf of the Trustee, so that it can reduce their personal liability under normal circumstances to attract the very best directors with the widest range of professional skills and experience.

Clerk to the Trustee

M J Piper

Auditors

Smailes Goldie
Regent's Court
Princess Street
Hull, HU2 8BA

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

REFERENCE AND ADMINISTRATIVE DETAILS - *continued*

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Investment Manager

Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4TA

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The governing documents are the Will of the late Katherine Martin ('the Settlor') proved in the Principal Registry on 8 September 1959, as amended by Scheme of the Charity Commissioners dated 6 July 1995, the Trustees' meeting of 14 May 1996, the Order of the Charity Commissioners dated 20 December 2004, as amended on 14 July 2015, as amended by resolution dated 16 November 2016.

All former Trustees as listed on page 1 held office for the whole period to 31 March 2021. Changes to the Board of Trustees after 31 March 2021 but prior to the date of this report are detailed on page 1.

Mrs Martin bequeathed shares in Singleton Birch Limited ('Singleton Birch') to the Trust. At 31 March 2021 the Trust held a majority shareholding (50.17%) in Singleton Birch, requiring the activities of the Trust and Singleton Birch to be consolidated. On 9 June 2021, the Trust disposed of 720 £1 Ordinary shares held in Singleton Birch, reducing its overall shareholding in that company to 49.99%. Further details are provided in note 31 to the financial statements. The Board has considered whether the Trust should retain its remaining holding in Singleton Birch and have concluded that this would be in the best interests of the beneficiaries of the Trust and in accordance with the Settlor's expressed wishes.

The Will of the late Mrs Martin, as amended by the Charity Commission Scheme dated 6 July 1995, declares Mrs Martin's wish that the Trustee should, so far as practicable, procure that at least two directors shall also be directors of Singleton Birch. For this reason, and as a matter of good practice, the Trust has a Conflict of Interest Policy and the Clerk maintains a Register of Trustee Interests. During the reporting period Messrs Counsell and Gardiner were Non-Executive Directors of Singleton Birch.

When appointing new directors to act on behalf of KMCT, the Board has regard to the skills and experience needed to govern the Trust and the skills and experience of the existing directors. New directors are given a copy of each of the governing documents, a copy of the latest Trustee Annual Report and Accounts, policy documents, a copy of the risk register and the Charity Commission publications, CC3 'The essential trustee: what you need to know' and CC3a 'Charity trustee: what's involved', and the Charity Governance Code. They attend an induction session to learn about the Trust and their roles and responsibilities as directors acting on behalf of KMCT.

Throughout the year to 31 March 2021, the former Trustees, as listed on page 1, were responsible for the management and administration of the Trust. The Trustees met at least three times during the year to make grants to the beneficiaries and administer the Trust. From 10 June 2021, and up to the date of this report, the Board, acting on behalf of KMCT, as a Body, has taken on this responsibility. The Board does not employ any staff but is aided in the administration of the Trust by Mr Piper, who acts as Clerk to the Trustee.

The Board has a duty to identify and review the major risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Board follows the guidance in the Charity Commission publication CC26 'Charities and Risk Management' and regularly identify and assess the governance, operational, financial, external and compliance risks faced by the Trust. They maintain a register of those risks and, wherever possible, take steps to mitigate them.

The Will of the late Mrs Katherine Martin, as amended by the Charity Commission Scheme dated 6 July 1995, declares Mrs Martin's wish that so far as possible the Trustee should retain the shares in Singleton Birch which she bequeathed to the Trust. These shares now form part of the Trust's Endowment Fund. The Board holds annual reviews at which it considers the performance and retention of the investment in Singleton Birch based on the requirements of the Trust. The Board regularly considers independent advice on the performance of the investment and uses this advice to determine its investment policy.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

OBJECTIVES AND ACTIVITIES

The consolidated activities of the Group comprise the following:

The Trust

- Regular review and scrutiny of Group financial performance
- The receipt and investment of dividends from its subsidiary, Singleton Birch
- Monitoring the Trust's managed investment portfolio
- Grants to the Trust's designated beneficiaries

Singleton Birch

- The principal activities of the Company in the year under review were those of quarrying, the manufacture, sale and distribution of lime products and other related chemicals, landfill operations, energy generation, maintenance of biogas, biosolids and other plants, the sale and maintenance of electronic weighing equipment and remote monitoring website technology.

In her Will Mrs Katherine Martin directed that the income of the Trust should be divided in such proportions as the Trustee shall in its absolute discretion think fit among the following charities:

- Barnardo's
- The National Society for the Prevention of Cruelty to Children (NSPCC)
- The Royal Society for the Prevention of Cruelty to Animals (RSPCA)

During the reporting period the former Trustees made grants to Barnardo's, the NSPCC and the RSPCA totalling £585k (2020 £525k).

The Trustees' objectives for the year ended 31 March 2021 were to:

- Make grants to the beneficiary charities
- Continue to review options for the capital allocation and capital funding of the Trust and Singleton Birch
- Monitor the return on the Trust's investments
- Initiate the process of selecting a successor as Chair to the Trustees, to be appointed on retirement of the present incumbent in June 2021, in accordance with the Trust's Administrative Regulations.

All of the objectives were achieved.

The objectives for the year ending 31 March 2022 are to:

- Make grants to the beneficiary charities
- Continue to review options for the capital allocation and capital funding of the Trust and Singleton Birch
- Monitor the return on the Trust's investments

Public benefit

All the beneficiary charities provide public benefit, therefore in making grants to them the Board confirms that the Trust is abiding by the Charity Commission's general guidance on public benefit.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

FINANCIAL REVIEW

The Trust's principal sources of funding are dividend income from its shareholding in Singleton Birch and income from its managed investment portfolio.

Singleton Birch

The consolidated accounts of Singleton Birch for the year ended 31 March 2021 reported decreased turnover of £48.9m versus £49.7m in 2020 and profit before tax of £4.2m versus £5.3m in 2020. Dividends paid to the Trust amounted to £450.9k (2020 £591.9k).

The Company is confident that the continuing programme of capital investment, customer and product diversification, the expansion of the business into energy generation, waste management and the development of new markets should provide a successful platform for profitable growth over the coming years.

Managed Investment Portfolio

The performance of the Trust's managed investment portfolio remained satisfactory. The net return on the investments within the portfolio for the year was a gain of £418k (2020 loss £119.2k), primarily reflecting the recovery from short term market adjustments experienced at 31 March 2020 as a direct result of the COVID-19 pandemic. This includes dividends received of £49k (2020 £49k).

Investment policy and objectives

The investment policy of the Trust is to seek a balance between income and growth through investment in collective, direct equity and fixed interest securities, commercial property and alternative investments that shall be managed on a discretionary basis by a suitably regulated investment firm. The policy requires that any such assets should not include significant exposure to illiquid, non-realisable assets and suitable asset allocation should reflect the Trust's appetite to risk as determined by the managing investment firm.

Impact of Coronavirus Pandemic

COVID-19 has impacted a significant number of countries globally since late 2020 and has caused disruption to economic activity, which has been reflected in recent fluctuations in global stock markets. In the final quarter to 31 March 2020, the valuation of the Trust's managed investment portfolio decreased in value by 16.2% but has since significantly recovered in the year to 31 March 2021, with the portfolio value up 37.4%.

The Directors of Singleton Birch responded to the challenges presented by Covid, including taking a series of actions to reduce costs, preserve cash flow and ensure the wellbeing of staff. Fortunately, most of the Group's activity was deemed to be essential services and activity levels for the core business were reasonable - albeit reduced at the start of the crisis, particularly due to the Covid Impact on the construction sector. Consequently, only a small proportion of staff were furloughed for a period at the start of the pandemic. Business activity has now returned to normal levels.

The pandemic has significantly affected the trading operations in the past financial year but, despite these difficulties, the Board is pleased with the financial outcome. This was made possible by the tremendous support of customers and suppliers, for which the Board is profoundly grateful. The Board also owe heartfelt thanks and appreciation to the Group's staff for their unstinting efforts and loyalty during a period that posed challenges not only for the business but in their own lives.

Reserves policy

In total, the Trust reserves at 31 March 2021 amounted to £1,876k (2020 £1,631k). Excluding fixed asset investments, current asset reserves at 31 March 2021 amounted to £120k (2020 £107k). It is the policy of the Trust to maintain sufficient liquidity to meet the Trust's estimated administrative and governance costs for the forthcoming year.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

Going Concern and Viability

The Trust's consolidated financial statements have been prepared on the going concern basis. In making this assessment, the Board has reviewed the Trust's consolidated financial position and current asset reserves and is satisfied that the Trust has adequate resources to continue operating successfully for the foreseeable future and so should continue to adopt the going concern basis in preparing the annual report and consolidated financial statements.

The Board considers that the performance of the Trust and the Group has been satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has a responsibility for ensuring that there are adequate and effective risk management procedures in place to manage the Trust's major risks. Specific risks and uncertainties include:

Singleton Birch

The acquisition of British Steel by Jingye is an important aspect of the Group's future success although the Board's diversification strategy in recent years continues to moderate the Group's reliance on British Steel.

Quarrying and lime production are high risk activities in relation to health and safety and environmental impact and the directors of Singleton Birch have established robust risk management systems to mitigate these risks and ensure legal compliance. The Company has obtained the Occupational Health and Safety Standard BS OHSAS 45001 and the Environmental Management Standard ISO 14001 which require audit by external accredited bodies. The Company has won a number of major awards over recent years from its trade body, the Mineral Products Association, for continued excellence in health and safety performance.

The transition of membership from the European Emission Trading Scheme (EUETS) to the UK Emission Trading (UK ETS) Scheme on the 1 January 2021 created uncertainty as the UK scheme was not functional by the end of March 2021 and the cost of carbon purchases to fulfil annual settlement obligations was unknown - though it is expected to track the EUETS prices.

Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk, interest rate and foreign currency risk and liquidity risk:

i. Market Risk

Market rate risk arises from fluctuations in the price of carbon emission allowances and gas rate prices. The Group manages such risk by having either variable pass-through costs in customer contracts or buying gas forward on fixed price agreements for the length of the contract.

ii. Credit Risk

Credit risk arises from cash and cash deposits, derivative financial instruments and exposure to customers, including outstanding trade receivables. The Board has agreed a policy for managing such risk which is controlled through credit limits, customer and counterparty approvals, and rigorous monitoring procedures. Credit checks are undertaken on all customers on an annual basis and credit insurance is obtained for all major customers where possible. Where credit insurance is not available for certain customers, credit terms are reduced, and the accounts are monitored closely to ensure exposure to credit risk is minimised.

iii. Foreign Exchange Risk

Foreign currency risk occurs at transactional and translation level from trade balances and transactions in foreign currencies. The vast majority of sales and purchases made across the Group are in GBP, so the Group runs minimal risk in this area. For the limited amount of transaction incurred in foreign currencies, the Group operates foreign currency bank accounts in order to naturally minimise exposure to sudden fluctuations.

The Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

PRINCIPAL RISKS AND UNCERTAINTIES - *continued*

iv. Cash Flow/ Liquidity Risk

Cash flow and liquidity are monitored regularly against forecasts and available finance facilities to ensure the Group has sufficient headroom. The Group actively maintains a mixture of long-term and short-term committed facilities which are designed to ensure the Group has sufficient available funds for operations and planned expansions equivalent to at least one year's forecast requirements at all times.

v. Interest Rate Risk

The Group uses a combination of fixed rate and index-linked borrowings and fixed rate interest swaps as cash flow hedges of future variable interest payments to mitigate exposure to interest rate fluctuations.

Managed Investment Portfolio

Within its investment portfolio, the Trust is exposed to fluctuations in capital markets, but has mitigated this risk through the guidance of professional investment advisors.

Covid-19 has given rise to unprecedented circumstances, but the Board is committed to do its best for the Trust's beneficiaries and to ensure the impact of Covid-19 is mitigated wherever possible.

FUTURE DEVELOPMENTS

The Group is just about to embark on a project that could see the fifth generation of lime kiln built at Melton Ross over the next few years to help meet the Group's zero carbon target. In partnership with Origen Power, who have developed an oxy-fuel flash calciner which produces a very pure CO₂, Singleton Birch are looking to commence the building of a pilot plant. The Melton Ross site sits close to a proposed CO₂ and hydrogen pipeline route that encompasses power generation, steel and chemical operations around the Humber Estuary. It is hoped that the success of the new kiln technology and the realisation of the Humber CO₂ network will enable Singleton Birch to take a big step forward in its ambition to become a zero carbon lime producer.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Board is responsible for preparing the Report of the Trustee and the consolidated financial statements of the Trust 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 Trustee 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 Trustee is 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 Katherine Martin Charitable Trust

Report of the Trustee

for the year ended 31 March 2021

STATEMENT OF TRUSTEE RESPONSIBILITIES - *continued*

Up to and including 9 June 2021, the former Trustees, as listed on page 1, were responsible for keeping proper accounting records that disclosed with reasonable accuracy at any time the financial position of the Trust and the Group and enabled them to ensure that the financial statements complied with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust's governing documents. They were also responsible for safeguarding the assets of the Trust and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

From 10 June 2021, the Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it 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's governing documents. The Board is 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.

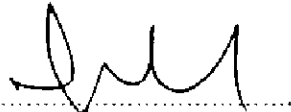
Audit Information

The Directors appointed to KMCT, who held office at the date of approval of the financial statements as set out above each confirm, so far as they are aware, that:

- There is no relevant audit information of which the Trust's auditors are not aware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Charities SORP 2019 (FRS102).

The Report of the Trustee has been approved by the Board on 20 October 2021 and signed on its behalf by:



J P Richards - Chairman

On behalf of the Trustee KMCT Trustee Limited

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

Opinion

We have audited the consolidated financial statements of The Katherine Martin Charitable Trust (the 'Parent Charity') and its subsidiaries ('the Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of 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 Group's and Parent Charity's affairs as at 31 March 2021, and of the Group's 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 Group and Parent Charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in annual Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Independent Auditor's Report to the Trustee of The Katherine Martin 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 Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the Parent Charity's and the Group's 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 Trustee

As explained more fully in the Trustees' Responsibilities Statement set out in the Report of the Trustee, the Trustee is responsible for the preparation of consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustee is responsible for assessing the Group's and Parent Charity'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 Trustee either intends to liquidate the Group or the Parent Charity or 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 151 of the Charities Act 2011 and report in accordance with this Act.

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Parent Charity, including the Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditor's Report to the Trustee of The Katherine Martin Charitable Trust

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Use of our report

This report is made solely to the Board acting on behalf of the Trustee, 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 Trustee 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 Trust and the Trust's Trustee as a Body, for our audit work, for this report, or for the opinions we have formed.

Nicola Shipley FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

20 October 2021
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The Katherine Martin Charitable Trust

Consolidated Statement of Financial Activities

for the year ended 31 March 2021

	Notes	Unrestricted fund £'000	Restricted fund £'000	2021 Total funds £'000	2020 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	-	49	49	49
Commercial trade operation	3	49,122	-	49,122	49,761
Total incoming resources		<u>49,122</u>	<u>49</u>	<u>49,171</u>	<u>49,810</u>
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	4	-	11	11	12
Commercial trade operations	3	44,938	-	44,938	44,450
Dividends paid from commercial trade operations	3	434	-	434	568
Charitable activities					
Donations to beneficiaries	5	-	613	613	551
Total resources expended		<u>45,372</u>	<u>624</u>	<u>45,996</u>	<u>45,581</u>
Net income/(expenditure)		3,750	(575)	3,175	4,229
Transfers between funds	25	(451)	451	-	-
Other recognised gains/ (losses)					
Gains/(losses) on investment assets	15	-	368	368	(168)
Shares issued in trading company		98	-	98	8
Actuarial gains /(losses) on defined benefit pension schemes	27	(512)	-	(512)	165
Tax on activities	11	(651)	-	(651)	(1,012)
Net movement in funds	<i>c/f</i>	<u>2,234</u>	<u>244</u>	<u>2,478</u>	<u>3,222</u>

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Consolidated Statement of Financial Activities

for the year ended 31 March 2021

Continued

	Notes	Unrestricted fund £'000	Restricted fund £'000	2021 Total funds £'000	2020 Total funds £'000
Net movement in funds	<i>b/f</i>	2,234	244	2,478	3,222
RECONCILIATION OF FUNDS	25				
Total funds brought forward		28,606	1,625	30,231	27,009
TOTAL FUNDS CARRIED FORWARD		<u>30,840</u>	<u>1,869</u>	<u>32,709</u>	<u>30,231</u>
Attributable to parent		15,472	1,869	17,341	16,210
Attributable to non-controlling interests	25	15,368	-	15,368	14,021
TOTAL FUNDS CARRIED FORWARD		<u>30,840</u>	<u>1,869</u>	<u>32,709</u>	<u>30,231</u>

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Trust Statement of Financial Activities

for the year ended 31 March 2021

	Notes	Unrestricted fund £'000	Restricted fund £'000	2021 Total funds £'000	2020 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	-	500	500	641
Total incoming resources		<u>-</u>	<u>500</u>	<u>500</u>	<u>641</u>
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	4	-	11	11	12
Charitable activities					
Donations to beneficiaries	6	-	585	585	525
Support costs	7	-	28	28	26
Total resources expended		<u>-</u>	<u>624</u>	<u>624</u>	<u>563</u>
Net income/(expenditure)		-	(124)	(124)	78
Transfers between funds		-	-	-	-
Other recognised gains/ (losses)					
Gains/(losses) on investment assets	15	-	368	368	(168)
Net movement in funds		-	244	244	(90)
RECONCILIATION OF FUNDS					
Total funds brought forward	25	-	1,632	1,632	1,722
TOTAL FUNDS CARRIED FORWARD	25	<u>-</u>	<u>1,876</u>	<u>1,876</u>	<u>1,632</u>

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Consolidated Balance Sheet

for the year ended 31 March 2021

	Notes	Unrestricted fund £'000	Restricted fund £'000	2021 Total funds £'000	2020 Total funds £'000
FIXED ASSETS					
Intangible assets	13	630	-	630	728
Tangible assets	14	37,533	-	37,533	34,879
Investments	15	86	1,749	1,835	1,604
		<u>38,249</u>	<u>1,749</u>	<u>39,998</u>	<u>37,011</u>
CURRENT ASSETS					
Stocks	16	5,037	-	5,037	4,573
Debtors: amounts falling due within one year	17	12,890	3	12,893	13,354
Debtors: amounts falling due after more than one year	17	2,933	-	2,933	2,683
Cash at bank		834	134	968	303
		<u>21,694</u>	<u>137</u>	<u>21,831</u>	<u>20,913</u>
CREDITORS					
Amounts falling due within one year	18	(13,277)	(17)	(13,294)	(15,768)
NET CURRENT ASSETS					
		<u>8,417</u>	<u>120</u>	<u>8,537</u>	<u>5,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		46,666	1,869	48,535	42,156
CREDITORS					
Amounts falling due after more than one year	19	(5,965)	-	(5,965)	(5,188)
PROVISIONS FOR LIABILITIES	23	(8,197)	-	(8,197)	(5,663)
NET ASSETS EXCLUDING PENSION LIABILITY					
		32,504	1,869	34,373	31,327
PENSION LIABILITY	27	(1,664)	-	(1,664)	(1,096)
NET ASSETS					
		<u>30,840</u>	<u>1,869</u>	<u>32,709</u>	<u>30,231</u>

The notes form part of these financial statements


The Katherine Martin Charitable Trust

Consolidated Balance Sheet

for the year ended 31 March 2021

	Notes	2021 Total funds £'000	2020 Total funds £'000
FUNDS	25		
Unrestricted		15,472	14,585
Restricted		1,869	1,625
Non-controlling interest		15,368	14,021
TOTAL FUNDS		<u>32,709</u>	<u>30,231</u>

The financial statements on pages 12 to 51 were approved by the Board of the Corporate Trustee on 20 October 2021 and were signed on its behalf by:



J P Richards - Chairman
On behalf of the Trustee KMCT Trustee Limited

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Trust Balance Sheet

for the year ended 31 March 2021

	Notes	Restricted fund £'000	Endowment fund £'000	2021 Total funds £'000	2020 Total funds £'000
FIXED ASSETS					
Investments	15	1,749	7	1,758	1,525
CURRENT ASSETS					
Debtors	17	3	-	3	4
Cash at bank		134	-	134	114
		<u>137</u>	<u>-</u>	<u>137</u>	<u>118</u>
CREDITORS					
Amounts falling due within one year	18	(17)	-	(17)	(11)
NET CURRENT ASSETS					
		<u>120</u>	<u>-</u>	<u>120</u>	<u>107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,869</u>	<u>7</u>	<u>1,876</u>	<u>1,632</u>
		<u>1,869</u>	<u>7</u>	<u>1,876</u>	<u>1,632</u>
FUNDS					
	25			1,876	1,625
Restricted funds				7	7
Endowment funds				<u>7</u>	<u>7</u>
TOTAL FUNDS					
				<u>1,876</u>	<u>1,632</u>

The financial statements on pages 12 to 51 were approved by the Board of the Corporate Trustee on 20 October 2021 and were signed on its behalf by:



J P Richards - Chairman

On behalf of the Trustee KMCT Trustee Limited

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Consolidated Cash Flow Statement

for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Cash inflow from operating activities	A	9,755	9,033
Interest and similar charges paid		(303)	(472)
Taxation paid		(862)	(785)
Taxation refunds		-	351
		<hr/>	<hr/>
Net cash inflow from operating activities		8,590	8,147
Net cash outflow from investing activities and servicing of finance	B	(6,351)	(4,907)
Net cash inflow/(outflow) from financing activities	C	792	(2,079)
		<hr/>	<hr/>
(Decrease)/Increase in cash and cash equivalents		3,031	1,161
Cash and cash equivalents at beginning of the period	D	(2,062)	(3,223)
		<hr/>	<hr/>
Cash and cash equivalents at end of the period	D	969	(2,062)
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

The Katherine Martin Charitable Trust

Notes to the Consolidated Cash Flow Statement

for the year ended 31 March 2021

a)	Reconciliation of incoming resources to net cash inflow from operating activities		
		2021	2020
		£'000	£'000
	Net incoming resources	3,175	4,229
	Interest and dividends received	(141)	(140)
	Interest and similar charges paid	394	713
	Dividends paid to non-controlling interests	434	568
	Depreciation and impairment of tangible fixed assets	4,960	4,745
	Amortisation and impairment of intangible fixed assets	98	159
	Profit on disposal of tangible fixed assets	(163)	(38)
	Share of losses in joint venture	88	-
	Benefits paid regarding past directors	(89)	(86)
	Landfill/aftercare provision adjustment	3	4
	Carbon emissions provision adjustment	1,194	7
	(Increase)/decrease in stocks	(464)	(561)
	Decrease/(increase) in trade and other debtors	545	(1,623)
	(Decrease)/increase in trade and other creditors	(279)	1,056
		<hr/>	<hr/>
	Net cash flow from operating activities	9,755	9,033
		<hr/> <hr/>	<hr/> <hr/>
b)	Cash flow from investing activities		
		2021	2020
		£'000	£'000
	Dividends and interest received	141	140
	Payments to acquire tangible fixed assets	(6,899)	(4,648)
	Receipts from sale of tangible fixed assets	271	93
	Payments to acquire investments	(316)	(431)
	Receipts from sales of investments	453	341
	Deferred consideration payments	(1)	(402)
		<hr/>	<hr/>
		(6,351)	(4,907)
		<hr/> <hr/>	<hr/> <hr/>
c)	Cash flow from financing activities		
		2021	2020
		£'000	£'000
	New loans in year	2,500	-
	Loan repayments in year	(1,106)	(1,155)
	Hire purchase capital repayments	(266)	(364)
	Receipts from new issue of shares in subsidiary undertakings	98	8
	Equity dividends paid to non-controlling interests of commercial trading operation	(434)	(568)
		<hr/>	<hr/>
		792	(2,079)
		<hr/> <hr/>	<hr/> <hr/>

The Katherine Martin Charitable Trust

Notes to the Consolidated Cash Flow Statement

for the year ended 31 March 2021

d) Cash and cash equivalents

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts

Year ended 31 March 2021	2021 £'000	2020 £'000
Cash at bank and in hand	969	303
Bank overdrafts	-	(2,365)
	<u>969</u>	<u>(2,062)</u>
Year ended 31 March 2020	2020 £'000	2019 £'000
Cash at bank and in hand	303	301
Bank overdrafts	(2,365)	(3,524)
	<u>(2,062)</u>	<u>(3,223)</u>

e) Analysis of changes in net debt

Year ended 31 March 2021	At 01.04.20 £'000	Cash flow £'000	Other Non-cash changes £'000	At 31.03.21 £'000
Net cash				
Cash at bank and in hand	303	666	-	969
Bank overdrafts	(2,365)	2,365	-	-
	<u>(2,062)</u>	<u>3,031</u>	<u>-</u>	<u>969</u>
Debt				
Finance leases	(488)	266	(219)	(441)
Debts falling due within 1 year	(1,479)	(522)	-	(2,001)
Debts falling due after 1 year	(4,874)	(867)	-	(5,741)
	<u>(6,841)</u>	<u>(1,123)</u>	<u>(219)</u>	<u>(8,183)</u>
	<u>(8,903)</u>	<u>1,908</u>	<u>(219)</u>	<u>(7,214)</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

1. ACCOUNTING POLICIES

General information and basis of preparation

The Katherine Martin Charitable Trust ('the Trust') is an unincorporated trust, registered with the Charity Commission. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the Trust's operations and principal activities is to make donations to beneficiaries from the receipt and investment of dividends from its subsidiary undertakings and managed investment portfolios.

The Katherine Martin Charitable Trust meets the definition of a public benefit entity under FRS 102. The consolidated 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The consolidated financial statements contain information about the Trust and its subsidiary undertaking Singleton Birch Limited ('Singleton Birch'). Singleton Birch is a limited company registered in the United Kingdom and the address of its registered office is Melton Ross Quarries, Barnetby, North Lincolnshire, DN38 6AE.

The consolidated financial statements of Singleton Birch for the year ended 31 March 2021 were prepared in accordance with applicable accounting standards including Financial Reporting Standard 102: The Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements were prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Board of Directors ('the Board') of the sole corporate Trustee, KMCT Trustee Limited ('Trustee' or 'KMCT'), have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. The Board considered plausible downside scenarios resulting from the impact of the COVID-19 outbreak and its effect on the general position of the Trust and the longer term viability of its investments including subsidiary undertakings. This has specifically included reviewing banking facilities in place and detailed forecasting using sensitivity analysis to ensure that the worst case scenario situation does not put the going concern concept at risk. As a result, the Board believes that the Parent Trust and the Group are well placed to manage their business risks successfully despite the uncertainties surrounding the current general economic outlook.

The Board has a reasonable expectation that the Parent Trust and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The consolidated financial statements are presented in sterling and rounded to the nearest £'000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Trust Accounting Policies

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

1. ACCOUNTING POLICIES - *continued*

Incoming resources - *continued*

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Dividend income is recognised as the charity's right to receive payment is established.

Resources expended

Expenditure is accounted for on an accruals basis and irrecoverable VAT has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment management costs;
- Expenditure on charitable activities includes grants and donations to beneficiaries

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance and support costs

Governance and support costs are those that assist the work of the Trust but do not directly represent charitable activities and include costs of the preparation and examination of statutory accounts, the costs of Trustee meetings and the cost of any legal advice on governance or constitutional matters. They are incurred directly in support of expenditure on the objects of the Trust.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The Trust is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustee in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Quoted investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income fund. Unquoted investments are valued at cost as the cost of obtaining a valuation outweighs the benefit to the users of the accounts.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

1. ACCOUNTING POLICIES - *continued*

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Group Accounting Policies

Basis of consolidation

The Group financial statements consolidate the financial statements of the Trust and its subsidiary undertaking, Singleton Birch, at 31 March 2021 using acquisition accounting.

Joint ventures

Joint ventures are measured using the equity method approach subject to impairment reviews.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding UK landfill tax and aggregate levy and net of VAT, intra-group transactions, rebates and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover from the sales of goods and services is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on shipment, completion of the product or the service being ready for delivery, based on specific contract terms, except for export sales whereby revenue is recognised once the goods have been delivered.

Intangible assets – goodwill

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is 10 years and provisions are made for any impairment following annual reviews.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes those costs that are directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Long leasehold property	5% - 10% per annum on cost
Plant and machinery	5% - 33% per annum on cost
Landfill site	5% - 33% per annum on cost

Landfill site

Landfill sites are included at cost less accumulated depreciation. Cost includes acquisition, development and commissioning expenses. These costs are written off over the operational life of the site based on the amount of waste deposited in the year and total usage of void space.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

1. ACCOUNTING POLICIES - *continued*

Landfill restoration

Where the obligation to restore the landfill site is an integral part of its future economic benefits, the net present value (NPV) of the Group's minimum unavoidable costs in relation to restoration liabilities are recognised as a non-current asset and included within the total cost of the landfill site. The asset recognised is depreciated over the operational life of the site based on the usage of void space.

The landfill costs of construction and restoration are reviewed annually by the Board and triennially by qualified consultants. The last professional review was undertaken in March 2021.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Investments

Fixed asset investments are included at cost unless, in the opinion of the directors, there is a permanent diminution in the value of these investments, in which case a provision is made against the deficit.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

The Coronavirus Job Retention Scheme (CJRS) grant has been recognised as other operating income on a systematic basis over the periods in which the entity has recognised the related costs for which the grant is intended to compensate.

Stocks and work in progress

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out basis. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Tax

Current tax represents the amount payable or receivable in respect of the taxable profit or loss for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

1. ACCOUNTING POLICIES - *continued*

Financial instruments

The Group mainly enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other accounts receivable and payable and loans from related parties.

Debt instruments with no stated interest rate that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Debt instruments such as loans, borrowings and other accounts receivable and payable over more than one year are initially measured at the transaction price including transaction cost. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Singleton Birch uses derivatives to protect against fluctuations in interest rates. The fair value is determined by annual valuations from the Company's bank.

Where material to the financial statements, derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Provisions

Provisions are recognised where there is a present legal or constructive obligation as a result of a past event and it is probable that there will be an outflow of economic benefits to settle this obligation and a reliable estimate of this amount can be made. Where the effect of the time value of money is material the current amount of a provision is the present value of the expenditures expected to be required to settle obligations. The unwinding of the discount to present value is included as notional interest within finance costs.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

1. ACCOUNTING POLICIES - *continued*

Landfill restoration costs

Full provision is made for the net present value (NPV) of the Group's minimum unavoidable costs in relation to restoration liabilities at the landfill site and where the obligation recognised as a provision gives access to future economic benefits, this is capitalised as a fixed asset. The Group provides for the NPV of intermediate restoration costs over the life of the landfill site, based on the quantity of waste deposited in the year and total usage of void space.

Environmental control and aftercare provision

Environmental control and aftercare costs are incurred during the operational life of the landfill site and for a considerable period thereafter. Provision for the NPV of all such costs is made over the operational life of the site and charged to the income statement on the basis of the usage of void space at the site. Similar costs incurred during the operational life of the landfill site are written off directly and not charged against the provision.

Carbon emission allowances and provisions

Singleton Birch operates in an energy intensive industry and is subject to regulation on the level of greenhouse gas emissions produced each year as part of the 2008 Climate Change Act. Up until 31 December 2020, the Company participated in the European Union Emissions Trading Scheme (EU ETS) which has since been replaced by the UK Emissions Trading Scheme (UK ETS) from 1 January 2021. As a former participant of the EU ETS and current participant of the UK ETS the Company is allocated free emissions allowances by the UK Government and is required to obtain and surrender allowances on a cap-and-trade approach to cover annual greenhouse gas emissions and meet its compliance obligations. The accounting treatment for such allowances was the subject of a draft UITF abstract issued in May 2003. Following a period of consultation, the UITF decided not to issue a final abstract due to reservations about the recommended treatments of gains and losses and uncertainty about the future accounting treatment of government grants.

The Board has considered the proposed treatment in the abstract and, in light of the decision of the UITF to delay the release of definitive guidance on the treatment of emissions allowances, they have adopted a policy which they consider most fairly represents the position at the year end and the net income or expenditure for the year on the basis that allowances are held for compliance purposes only. Purchased allowances held on account at the year-end are recognised within intangible assets at their initial cost and reviewed at the end of each reporting period for evidence of impairment at which point they are written down to their recoverable amount. Allowances purchased solely to settle the Group's obligation under the scheme are recorded directly in the profit and loss account on settlement.

To the extent that allowances received free of charge from the UK Government are in excess of the expected amount needed to settle the Group's compliance obligation, the allowances are accounted for as an intangible asset equal to the market value of those surplus allowances at the date of allocation.

To the extent that the expected obligation cannot be met from the annual free allocation of allowances, or purchased allowances already held, a provision is recognised to reflect the Group's obligation to deliver allowances based upon actual carbon emissions produced at the end of each reporting period in excess of the allowances held/allocated. This liability is measured at the amounts expected to be incurred in settling the obligation and it is measured at the market price of allowances (or a contracted forward rate if such a forward purchase arrangement exists) at the period end.

The KMCT Board and the Board of Directors of Singleton Birch will continue to review the appropriateness of this policy as further guidance develops in this area.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

1. ACCOUNTING POLICIES - *continued*

Employee benefits

The Group operates defined benefit and defined contribution pension schemes.

Where employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Defined benefit pension schemes

The Singleton Birch Retirement Benefits Scheme was closed to new members on 1 April 2001 and replaced with a group personal pension plan. From 1 April 2008 the scheme was closed for future accrual and members have been transferred to the Group personal pension scheme for the remainder of their service.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the year less the fair value of plan assets. If the value of a plan's assets exceeds the present value of its obligations, the resulting surplus is only recognised if the Group has an unconditional right to that surplus.

The defined benefit obligation is calculated by independent actuaries who advise on the selection of Directors' best estimates, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial valuations are obtained annually and are updated at each balance sheet date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of comprehensive income in the period in which they arise.

Defined contribution scheme

A group personal pension scheme was introduced with effect from 1 April 2001. Costs of the defined contribution pension scheme are charged to the income statement in the year in which they arise. The Group has no further payment obligations once the contributions have been paid.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

2. INVESTMENT INCOME

	Unrestricted fund £'000	Restricted fund £'000	Endowment fund £'000	2021 Total £'000	2020 Total £'000
Dividends and interest	-	49	-	49	49

During the period the Trust received dividends of £450,971 (2020 £591,900) from its subsidiary undertaking (Singleton Birch) that are eliminated from the Consolidated Statement of Financial Activities on consolidation.

3. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATION

	2021 Total £'000	2020 Total £'000
TURNOVER	48,883	49,668
Cost of sales	(35,524)	(33,943)
GROSS PROFIT	13,359	15,725
Administrative expenses	(8,932)	(9,794)
	4,427	5,931
Other operating income/(expenses)	147	2
OPERATING PROFIT	4,574	5,933
Share of operating loss in joint ventures	(88)	-
Interest receivable and similar income	92	91
Interest payable and similar charges	(394)	(713)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,184	5,311
Dividends paid to non-controlling interests	(434)	(568)
NET INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATION BEFORE TAXATION AND OTHER RECOGNISED GAINS/LOSEES	3,750	4,743

The principal activity of the subsidiary undertaking in the period under review were those of quarrying, the manufacture, sale and distribution of lime products and other related chemicals, landfill operations, energy generation, maintenance of biogas, biosolids and other plants, the sale and maintenance of electronic weighing equipment and remote monitoring website technology.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

3. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATION – *continued*

	2021 £'000	2020 £'000
Exceptional items	-	315

The exceptional item in the prior year relates to a bad debt write off as a result of British Steel going into administration.

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted fund £'000	Restricted fund £'000	Endowment fund £'000	2021 Total £'000	2020 Total £'000
Portfolio management	-	11	-	11	12

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £'000	Grant funding activities (see note 6) £'000	Support costs (See note 7) £'000	2021 Total £'000	2020 Total £'000
Charitable activities	-	585	28	613	551

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

6. GRANTS PAYABLE

	2021 £'000	2020 £'000
Donations to beneficiaries	585	525

The total donations paid to institutions during the year was as follows:

	2021 £'000	2020 £'000
Barnado's	195	175
NSPCC	195	175
RSPCA	195	175
	<u>585</u>	<u>525</u>

7. SUPPORT COSTS

	Management	Finance	Governance costs	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000
Resources expended	<u>8</u>	<u>-</u>	<u>20</u>	<u>28</u>	<u>26</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 Total £'000	2020 Total £'000
Depreciation – Owned Assets	4,787	4,454
Depreciation – Leased Assets	173	291
Profit on disposal of fixed assets	(163)	(38)
Amortisation of goodwill	98	159
Release of government grant	(5)	(5)
Other government grants	(145)	-
Other operating leases	62	90
Operating expense arising from carbon emission provisions	1,517	201
Auditors' remuneration for the audit of these accounts	6	6
Auditors' remuneration – other services	55	52
Dividends paid to external shareholders	434	588
Foreign exchange differences	24	(2)

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

9. TRUSTEES' REMUNERATION AND BENEFITS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trustees' remuneration				
M J Gardiner	29	29	-	-
S R Counsell	78	78	-	-

M J Gardiner and S R Counsell received remuneration benefits from Singleton Birch for the services they provide undertaking the roles of Non-Executive Directors of that company.

	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trustees' expenses				
Trustees' expenses	-	6	-	6

One Trustee (2020 – five) received reimbursement for expenses in attending meetings totalling £85 (2020 - £5,513).

10. STAFF COSTS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Wages and salaries	6,266	6,405	-	-
Social security costs	705	663	-	-
Other pension costs	754	767	-	-
	7,725	7,835	-	-

The average monthly number of employees during the year was as follows:

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Executive Directors	4	4	-	-
Non-Executive Directors	2	2	-	-
Production	72	79	-	-
Administration	66	63	-	-
	144	148	-	-

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

10. STAFF COSTS – continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group		Trust	
	2021	2020	2021	2020
£60,001 - £70,000	2	2	-	-
£70,001 - £80,000	5	4	-	-
£80,001 - £90,000	-	1	-	-
£90,001 - £100,000	1	1	-	-
£100,001 - £110,000	1	-	-	-
£110,001 - £120,000	-	1	-	-
£120,001 - £130,000	1	-	-	-
£130,001 - £140,000	1	1	-	-
£140,001 - £150,000	-	-	-	-
£160,001 - £170,000	1	1	-	-
£190,001 - £200,000	1	1	-	-
£240,001 - £250,000	1	-	-	-
£250,001 - £260,000	-	1	-	-

Key management personnel

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Remuneration	1,538	1,338	-	-

Throughout the year, the key management personnel of the Group comprised the former Trustees as listed on page 1 and the Directors of Singleton Birch, as well as other employees considered key to the successful running of the subsidiary business. The Trustees holding office during the year were not remunerated for their role as Trustees.

11. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Current tax:				
UK corporation tax	472	819	-	-
Total current tax	472	819	-	-
Deferred tax	179	193	-	-
Tax on profit	651	1,012	-	-

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

11. TAXATION – continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Profit before tax	4,184	5,311	-	-
Profit multiplied by the standard rate of UK corporation tax 19% (2020-19%)	795	1,009	-	-
Effects of:				
Expenses not deductible for tax purposes	95	87	-	-
Additional deductions for qualifying R&D expenditure	(228)	(180)	-	-
Additional deductions in respect of share options exercised	(27)	-	-	-
Consortium relief	16	(16)	-	-
Differences arising from change in tax rates	-	112	-	-
Total tax charge	651	1,012	-	-

Tax effects relating to effects of other comprehensive income

Actuarial Movements	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Gross	(632)	204	-	-
Tax	120	(39)	-	-
Net	(512)	165	-	-

The standard rate of corporation tax in the UK for 2020/21 was 19%.

Included within provisions for liabilities are deferred tax liabilities totalling £1,522,279 in respect of accelerated capital allowances and other short term timing differences. Included within debtors due over one year are deferred tax assets totalling £316,211 in respect of defined benefit pension scheme obligations recognised.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £154,255, to increase the deferred tax asset by £89,205 and increase the deferred tax liability by £243,460 respectively.

The expected net reversal of deferred tax assets and liabilities in the year to 31 March 2021 is £345,419. This is due to the reversal of accelerated capital allowances and short term timing differences.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

12. NET INCOMING/ (OUTGOING) RESOURCES OF PARENT TRUST

The Parent Trust's net incoming/(outgoing) resources for the year to 31 March 2021 are presented on page 14.

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000
COST	
At 1 April 2020	981
At 31 March 2021	<u>981</u>
AMORTISATION	
At 1 April 2020	253
Amortisation for year	98
Eliminated on disposal	.
At 31 March 2021	<u>351</u>
NET BOOK VALUE	
At 31 March 2021	<u>630</u>
At 31 March 2020	<u>728</u>

The aggregate amount of research and development expenditure recognised during the year as an expense was £981,368 (2020: £728,956).

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

14. TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Landfill site £'000	Long leasehold £'000	Plant and machinery £'000	Totals £'000
COST					
At 1 April 2020	118	14,230	5,016	93,896	113,260
Additions	-	595	-	6,523	7,118
Disposals	-	-	-	(912)	(912)
Revaluation adjustments	-	1,383	-	-	1,383
At 31 March 2021	<u>118</u>	<u>16,208</u>	<u>5,016</u>	<u>99,507</u>	<u>120,849</u>
DEPRECIATION					
At 1 April 2020	-	8,080	3,600	66,901	78,581
Charge for year	-	710	147	4,103	4,960
Disposals	-	-	-	(799)	(799)
Revaluation adjustments	-	574	-	-	574
At 31 March 2021	<u>-</u>	<u>9,364</u>	<u>3,747</u>	<u>70,205</u>	<u>83,316</u>
NET BOOK VALUE					
At 31 March 2021	<u>118</u>	<u>6,844</u>	<u>1,269</u>	<u>29,302</u>	<u>37,533</u>
At 31 March 2020	<u>118</u>	<u>6,150</u>	<u>1,416</u>	<u>26,995</u>	<u>34,679</u>

Included within tangible fixed assets of the Group are net book values of finance leases and hire purchase contracts of £616,065 (2020: £730,641).

Included within tangible fixed assets of the Group are assets in the course of construction of £1,546,546. Assets in the course of construction have not been depreciated on the basis they have not yet been brought into full operational use and are not in the location and/or condition necessary to be capable of operating in the manner intended by management.

The landfill costs of construction and restoration are reviewed annually by the directors of Singleton Birch and triennially by qualified consultants. The last professional review was undertaken in March 2021. The adjustments to the landfill site comprise the net present value of the future restoration expenditure which the Group is obliged to undertake by the permission under which it operates the landfill site. The corresponding entry is included within provisions at note 23.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

15. FIXED ASSET INVESTMENTS

Group

The Trust had a 50.17% investment in the Ordinary share capital of Singleton Birch at the period end. Singleton Birch's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Name of company	Class of share	% Holding	Nature of business
Birch Chemicals Limited	Ordinary	100%	Chemical processing and distribution
Birch Solutions UK Limited	Ordinary	100%	Construction and maintenance of biogas plants
Minsterport Limited	Ordinary	100%	Sale and maintenance of electronic weighing equipment
Birch Energy Limited	Ordinary	100%	Renewable Energy
Birch Haulage Limited	Ordinary	100%	Dormant
Birch Bioline Limited	Ordinary	100%	Dormant
Birch Lime Products Limited	Ordinary	100%	Dormant
Birch Minerals Limited	Ordinary	100%	Dormant
Birch Solutions (Technical Services) Limited	Ordinary	100%	Dormant
Woldlime Limited	Ordinary	100%	Dormant
Dedicated VMI systems Limited	Ordinary	100%	Dormant

All of the above investments were held directly by Singleton Birch for the whole period.

The investments are measured at cost less impairment on the basis it represents shares in an entity that are not publicly traded. The registered office is Melton Ross Quarries, Barnetby, North Lincolnshire, DN38 6AE. The company registration number of Singleton Birch is 00009433. A summary of income, expenditure and profit for the year for the trading Group is included in note 3.

Joint Ventures

Birch Energy Limited has a 50% holding in Laynes Green Energy Limited, a company registered in the UK. The registered office is Melton Ross Quarries, Barnetby, North Lincolnshire, DN38 6AE. The joint venture has traded during the year ended 31 March 2021.

The carrying amount of the investment is £nil due to its negative reserves at 31 March 2021 exceeding the initial cost of investment. The Group receives interest from loan notes issued to Laynes Green Energy as disclosed at note 30. A provision has been recognised for the Group's share of total losses incurred by the joint venture to 31 March 2021.

Associated companies

The Group has a 25% holding in the share capital of Rika Biogas Technologies Limited. The registered office is Aldenham Hall, Morville, Bridgnorth, Shropshire, WV16 4RN. The results of the associate have not been accounted for under the equity method as the Board does not consider the Group to have significant influence over the entity.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

15. FIXED ASSET INVESTMENTS – *continued*

Other investments held by the Group

The Trust also holds a portfolio of listed investments that are carried at their market value. These investments are those disclosed below in relation to investments held by the Trust.

Group

	Listed investments £'000	Cash equivalents £'000	Unlisted investments £'000	Totals £'000
MARKET VALUE				
At 1 April 2020	1,273	245	86	1,604
Additions	316	-	-	316
Disposals	(208)	(245)	-	(453)
Revaluations	368	-	-	368
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,749	-	86	1,835
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 March 2021	1,749	-	86	1,835
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,273	245	86	1,604
	<hr/>	<hr/>	<hr/>	<hr/>

Trust

	Listed investments £'000	Cash equivalents £'000	Unlisted Investments £'000	Totals £'000
MARKET VALUE				
At 1 April 2020	1,273	245	7	1,525
Additions	316	-	-	316
Disposals	(208)	(245)	-	(453)
Revaluations	368	-	-	368
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,749	-	7	1,756
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 March 2021	1,749	-	7	1,756
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,273	245	7	1,525
	<hr/>	<hr/>	<hr/>	<hr/>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

15. FIXED ASSET INVESTMENTS – *continued*

All listed investments are carried at their market value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

No value is attributed to the original 281,261 ordinary shares held in Singleton Birch as the shares of that company are not quoted on a recognised stock exchange and the Trustee considers that the cost of obtaining a valuation each year cannot be justified.

In 2012 the Trust acquired an additional 226 ordinary shares in Singleton Birch having exercised its right to acquire the shares from an existing shareholder. The shares are included in the financial statements at a cost of £2,570.

On 21 September 2015 the Trust acquired an additional 370 ordinary shares in Singleton Birch having exercised its right to acquire the shares under a share offer. The shares are included in the financial statements at cost of £3,890.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

16. STOCKS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Stocks	5,037	4,573	-	-

17. DEBTORS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year:				
Trade debtors	11,240	10,905	-	-
UK corporation tax	18	-	-	-
VAT	148	121	-	-
Prepayments and accrued income	1,484	2,324	-	-
Other debtors	3	4	3	4
	<u>12,893</u>	<u>13,354</u>	<u>3</u>	<u>4</u>
Amounts falling due after more than one year:				
Amounts owed by joint ventures	1,800	1,800	-	-
Deferred tax assets	316	-	-	-
Prepayments and accrued income	817	883	-	-
	<u>2,933</u>	<u>2,683</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>15,828</u>	<u>16,037</u>	<u>3</u>	<u>4</u>

Included in prepayments of the Group is £881,000 (2020: £948,000) in respect of an 8MVA cable to the site. The prepayment is being released over 25 years.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans and overdrafts (see note 20)	2,001	3,844	-	-
Hire purchase contracts (see note 21)	271	255	-	-
Trade creditors	6,290	6,769	7	-
UK corporation tax	-	372	-	-
Social security and other taxes	1,828	2,258	-	-
Other creditors	603	520	-	-
Accruals and deferred income	2,301	1,750	10	11
	<u>13,294</u>	<u>15,768</u>	<u>17</u>	<u>11</u>

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans and overdrafts (see note 20)	5,741	4,874	-	-
Hire purchase contracts (see note 21)	170	233	-	-
Other creditors	35	35	-	-
Deferred government grants	19	24	-	-
	<u>5,965</u>	<u>5,166</u>	<u>-</u>	<u>-</u>

20. BANK LOANS AND OVERDRAFTS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year or on demand:				
Bank overdrafts	-	2,365	-	-
Bank loans	2,001	1,479	-	-
	<u>2,001</u>	<u>3,844</u>	<u>-</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loans	2,031	1,508	-	-
	<u>2,031</u>	<u>1,508</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans	3,710	3,366	-	-
	<u>3,710</u>	<u>3,366</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Bank loans	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Bank loans consist of two term loan drawdown facility agreements of £1.75m, £3.49m and £2.5m repayable by quarterly instalments until April 2023, February 2025 and February 2026 respectively and with a break date in February 2023 and February 2024. Interest is payable as follows:

- £1.75m at a weighted average fixed rate of 5.0%
- £3.49m at a variable interest rate of LIBOR + 2.9%.
- £2.5m at a variable interest rate of LIBOR + 2.9%.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

21. LEASING AND HIRE PURCHASE CONTRACTS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Hire purchase contracts				
Gross obligations repayable:				
Within one year	300	285	-	-
Between one and five years	181	245	-	-
	<u>481</u>	<u>530</u>	<u>-</u>	<u>-</u>
Finance charges repayable:				
Within one year	29	30	-	-
Between one and five years	11	12	-	-
	<u>40</u>	<u>42</u>	<u>-</u>	<u>-</u>
Net obligations repayable:				
Within one year	271	255	-	-
Between one and five years	170	233	-	-
	<u>441</u>	<u>488</u>	<u>-</u>	<u>-</u>

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Non-cancellable operating leases				
Net obligations payable:				
Within one year	54	-	-	-
Between one and five years	216	-	-	-
In more than five years	54	-	-	-
	<u>324</u>	<u>-</u>	<u>-</u>	<u>-</u>

Singleton Birch has a long term lease in place over the land at Melton Ross Quarries which runs until 1 April 2070. Under the terms of the lease, surface rent and royalties are payable dependent on the acreage utilised and tonnages extracted during the year. Amounts disclosed above relate to the unconditional amount of certain rent which is payable at a rate of £54,120 per annum until the next review date at 31 March 2027.

22. SECURED DEBTS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank overdrafts	-	2,365	-	-
Bank loans	7,742	6,353	-	-
Hire purchase contracts	441	488	-	-
	<u>8,183</u>	<u>9,206</u>	<u>-</u>	<u>-</u>

The bank loans, overdraft and hire purchase contracts are secured by way of a legal charge and a debenture over the land, reserves and plant and machinery at Melton Ross.

The Katherine Martin Charitable Trust

Notes to the Financial Statements

for the year ended 31 March 2021

23. PROVISIONS FOR LIABILITIES

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Deferred tax	1,523	1,148	-	-
Other provisions				
Site restoration	5,078	4,215	-	-
Aftercare provisions	135	121	-	-
Carbon emissions provision	1,373	179	-	-
Group share of losses in joint venture	88	-	-	-
	6,674	4,515	-	-
Balance at 31 March 2021	8,197	5,663	-	-

	Group		Trust	
	Deferred tax £'000	Other provisions £'000	Deferred tax £'000	Other provisions £'000
Balance at 1 April 2020	1,148	4,515	-	-
Provided during year	59	1,520	-	-
Amounts recognised as deferred tax assets	316	-	-	-
Settled during the year	-	(323)	-	-
Unwinding of discounted amount	-	66	-	-
Revaluation adjustment to NPV	-	808	-	-
Group share of losses in joint venture	-	88	-	-
Balance at 31 March 2021	1,523	6,674	-	-

Carbon emissions

The carbon emissions provision reflects the Group's obligation to deliver allowances over and above the free allocation of allowances receivable from the UK Government as part of the UK ETS. On the basis that allowances are held for compliance purposes only and the Group intends to use the free allocation to settle its obligation under the scheme at the end of each scheme year, the provision is measured at the amounts expected to be incurred in settling the obligation over and above the free allocation based upon the actual carbon emissions produced at the end of each reporting period at the market price. In the absence of an active market in the UK at 31 March 2021, the market price of carbon emission allowances on the first auction under the UK ETS has been used to form the basis of the provision.

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Notes to the Financial Statements

for the year ended 31 March 2021

23. PROVISIONS FOR LIABILITIES - *continued*

Landfill restoration and aftercare provision

The landfill restoration and aftercare provisions relate to the cost of final capping, covering and aftercare of the landfill site.

Full provision is made for the net present value (NPV) of the Group's minimum unavoidable costs in relation to restoration liabilities at the landfill site and where the obligation recognised as a provision gives access to future economic benefits, this is capitalised as a fixed asset. The Group provides for the NPV of intermediate restoration costs over the life of the landfill site, based on the quantity of waste deposited in the year and total usage of void space.

Environmental control and aftercare costs are incurred during the operational life of the landfill site and for a considerable period thereafter. Provision for the NPV of all such costs is made over the operational life of the site and charged to the income statement on the basis of the usage of void space at the site. Similar costs incurred during the operational life of the landfill site are written off directly and not charged against the provision

Current cost estimates are inflated and discounted to calculate the NPV. The effects of inflation and discount rates are unwound over the life of the provision and included in the income statement as a financial item within finance costs. The provisions are based on latest assumptions reflecting recent historic data and future cost estimates and are reviewed annually by the directors and triennially by professional consultants. The last professional review was undertaken in March 2021.

24. GOVERNMENT GRANTS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Deferred government grants	19	24	-	-

The deferred government grant relates to a capital growth grant issued to a group trading company. The grant is being released over 10 years in line with the depreciation policy of the asset it was used to purchase.

During the year, the Group's trading companies received government grants totalling £144,706 (2020: £nil) under the Coronavirus Job Retention Scheme ('CJRS'). All conditions associated with the CJRS grants have been fulfilled and the grant income has been recorded within other operating income at note 3.

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25. MOVEMENT IN FUNDS

	At 01.04.20 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31.03.21 £'000
Unrestricted funds	28,606	2,685	(451)	30,840
Restricted funds				
Income fund	1,625	(207)	451	1,869
Endowment funds				
Capital fund	-	-	-	-
	<u>30,231</u>	<u>2,478</u>	<u>-</u>	<u>32,709</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movements in funds £'000
Unrestricted funds	49,122	(46,023)	(414)	2,685
Restricted funds				
Income fund	49	(624)	368	(207)
Endowment funds				
Capital fund	-	-	-	-
TOTAL FUNDS	<u>49,171</u>	<u>(46,647)</u>	<u>(46)</u>	<u>2,478</u>

Comparative information in respect of the preceding period is as follows:

	At 01.04.19 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31.03.20 £'000
Unrestricted funds	25,294	49,761	(46,030)	(419)	28,606
Restricted funds					
Income fund	1,715	49	(563)	424	1,625
Endowment funds					
Capital fund	-	-	-	-	-
TOTAL FUNDS	<u>27,009</u>	<u>49,810</u>	<u>(46,593)</u>	<u>5</u>	<u>30,231</u>

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25. MOVEMENT IN FUNDS – continued

Net movement in funds in respect of non-controlling interests are as follows:

	At 01.04.20 £'000	Share of net income £'000	Dividends paid £'000	Gains, losses and transfers £'000	At 31.03.21 £'000
Unrestricted funds	14,021	1,483	(434)	298	15,368
Restricted funds					
Income fund	-	-	-	-	-
Endowment funds					
Capital fund	-	-	-	-	-
TOTAL FUNDS	<u>14,021</u>	<u>1,483</u>	<u>(434)</u>	<u>298</u>	<u>15,368</u>

The specific purposes for which the funds are to be applied are as follows:

Unrestricted fund

The unrestricted fund represents the incoming resources and resources expended of the Trust's subsidiary undertaking, Singleton Birch.

Restricted fund

The restricted fund comprises the managed investment portfolio and other assets and liabilities arising from the charitable activity of the Trust. Income arising from the managed investment portfolio is recognised in the restricted fund and is to be used in accordance with the objects of the Trust.

The movements within the fund represents the charitable expenditure, including support costs, and the distribution of income to the following charities in such proportion as the Trustee in its absolute discretion thinks fit:

- Barnado's
- The National Society for the Prevention of Cruelty to Children
- The Royal Society for the Prevention of Cruelty to Animals

Endowment fund

The endowment fund of the Trust comprises shares in Singleton Birch.

No value is attributed to the original 281,261 ordinary shares held in Singleton Birch as the shares of that company are not quoted on a recognised stock exchange and the Trustee considers that the cost of obtaining a valuation each year cannot be justified.

In 2012 the Trust acquired an additional 226 ordinary shares in Singleton Birch having exercised its right to acquire the shares from an existing shareholder. The shares are included in the accounts at cost of £2,570.

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25. MOVEMENT IN FUNDS – continued

On 21 September 2016 the Trust acquired an additional 370 ordinary shares in Singleton Birch having exercised its right to acquire the shares under a share offer. The shares are included in the accounts at cost of £3,890.

The issued share capital of Singleton Birch comprised 561,800 ordinary shares of £1 each fully paid and 1,339,456 single dividend deferred shares of £1 each. The Company is registered in the United Kingdom.

Income arising on the endowment fund can be used in accordance with the objects of the Trust and is included as restricted income. Any capital gains or losses form part of the fund.

Transfer between funds

The transfer between funds represents dividends paid by the trading subsidiary company, Singleton Birch, to the Trust, which have been eliminated on consolidation

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds at 31.03.21 £'000
Intangible fixed assets	630	-	630
Tangible fixed assets	37,533	-	37,533
Investments	86	1,749	1,835
Current assets	21,694	137	21,831
Current liabilities	(13,277)	(17)	(13,294)
Non-current liabilities	(5,965)	-	(5,965)
Provisions for liabilities	(8,197)	-	(8,197)
Pension scheme liability	(1,664)	-	(1,664)
	<u>30,840</u>	<u>1,869</u>	<u>32,709</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds at 31.03.20 £'000
Intangible fixed assets	728	-	728
Tangible fixed assets	34,679	-	34,679
Investments	88	1,518	1,604
Current assets	20,795	118	20,913
Current liabilities	(15,757)	(11)	(15,768)
Non-current liabilities	(5,166)	-	(5,166)
Provisions for liabilities	(5,663)	-	(5,663)
Pension scheme liability	(1,096)	-	(1,096)
	<u>28,606</u>	<u>1,625</u>	<u>30,231</u>

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27. EMPLOYEE BENEFIT OBLIGATIONS

Group personal pension plan (defined contribution scheme)

A group personal pension scheme was introduced with effect from 1 April 2001. This is offered to all employees of the subsidiary trading companies, the trading companies contribute up to 14% of earnings into the scheme and the employee has the opportunity to top up this amount to HMRC maximum limits. The charge for the year amounted to £711,453 (2020 £704,727). There were no amounts outstanding as at 31 March 2021 (2020 £Nil).

Defined benefit schemes

The Singleton Birch Retirement Benefits Scheme was closed to new members on 1 April 2001 and replaced with a group personal pension plan. From 1 April 2008 the scheme was closed for future accrual and members have been transferred to the group personal pension scheme for the remainder of their service.

The Group also operates a defined benefit pension plan for previous directors. The pension plan is an unfunded arrangement and has been recognised on the balance sheet of the Group.

The net deficit of the schemes at 31 March 2021 was £1,664,240 (2020 £201,135 surplus), as detailed below. If the value of a plan's assets exceeds the present value of its obligations, the resulting surplus is only recognised if the Group has an unconditional right to recover that surplus.

Additional deficit contributions of £nil (2020 £nil) have been made to the Singleton Birch Retirement Benefits Scheme during the year, in line with the schedule of contributions statement agreed with the scheme Trustees, actuaries and administrators. The Group pays all scheme expenses directly and during the year paid £47,800 (2020 £59,000) for the expenses of managing and administering the scheme and levies payable to the Pension Protection Fund. The Group does not expect to contribute to the scheme in the period commencing 1 April 2021 to 31 March 2022.

Included in benefits paid are contributions of £89,000 (2020 £87,000) in respect of past directors.

The most recent comprehensive actuarial valuation of the pension plan assets and present value of the defined benefit obligation was carried out at 31 March 2018 and was updated to 31 March 2021 by a qualified actuary, independent of the schemes sponsoring employer. The next comprehensive actuarial valuation will take place as at 31 March 2021 however, the results are not yet available at the date of signing this report.

The major assumptions used by the actuary and total cost recognised in the period was as follows:

	2021 £'000	2020 £'000
Current service cost	-	-
Net interest expense	(8)	30
Actuarial losses/(gains)	665	(204)
Recognised in profit or loss	25	30
Recognised in other comprehensive income	632	(204)
Total cost recognised	657	(174)
Unrecognised actuarial (gains)/losses on plan assets	1,387	(1,387)

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for the year ended 31 March 2021

27. EMPLOYEE BENEFIT OBLIGATIONS - *continued*

Amounts recognised in the balance sheet were as follows:

	2021 £'000	2020 £'000
Present value of funded obligations	(32,573)	(30,079)
Present value of unfunded obligations	(1,119)	(1,096)
Fair value of plan assets	32,028	31,466
Unrecognised actuarial gains on plan assets	-	(1,387)
	<u>(1,664)</u>	<u>(1,096)</u>

The present value of the unfunded pension obligations relate to former directors.

Changes in the present value of the defined benefit obligations were as follows:

	2021 £'000	2020 £'000
Opening defined benefit obligation	31,175	32,129
Interest cost	734	725
Actuarial (gains)/losses	2,941	(489)
Benefits paid	(1,158)	(1,190)
Closing defined benefit obligation	<u>33,692</u>	<u>31,175</u>

Changes in the fair value of the pension plan assets were as follows:

	2021 £'000	2020 £'000
Opening plan assets	31,466	30,773
Interest income	742	695
Actuarial gains	889	1,101
Contributions made by the employer	-	-
Benefits paid	(1,069)	(1,103)
Closing plan assets	<u>32,028</u>	<u>31,466</u>

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2021 £'000	2020 £'000
Bonds	15,259	16,690
Diversified growth	16,491	14,598
Other	278	178
	<u>32,028</u>	<u>31,466</u>

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27. EMPLOYEE BENEFIT OBLIGATIONS - *continued*

The return on plan assets was as follows:

	2021 £'000	2020 £'000
Interest income	742	695
Actual return on plan assets	<u>889</u>	<u>1,101</u>
	<u>1,631</u>	<u>1,796</u>

The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	2.10%	2.40%
Inflation (RPI)	3.50%	2.85%
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.50%	2.85%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.30%	2.80%
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 3% p.a.	3.80%	3.55%
Allowance for commutation of pension for cash at retirement	100% of Post A Day	100% of Post A Day

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies at age 60:

	2021	2020
Males retiring at balance sheet date	26.0 years	26.0 years
Females retiring at balance sheet date	28.0 years	27.9 years
Males retiring in 20 years	27.5 years	27.5 years
Females retiring in 20 years	29.5 years	29.5 years

28. CONTINGENT LIABILITIES

The trading subsidiary company, Singleton Birch, has given a guarantee in respect of a renewable bond for the purpose of securing the performance and observation of the provisions of the waste management licence at Camp Wood Landfill, Barmby, North Lincolnshire. The bond is in place for a period of three years and shall be renewed at least two months before its expiry. The bonded sum at 31 March 2021 was £1,112,711 (2020: £1,112,711).

Singleton Birch is party to a unlimited cross company guarantee with its subsidiary undertakings and joint venture Laynes Green Energy Limited dated 19th December 2020 in respect of the Group borrowings which are secured, in part, by fixed and floating charges over the assets of the Group. The potential liability under the arrangement at 31 March 2021 was £nil.

The trading subsidiary company, Singleton Birch, has been issued with a notice for assessment for under-declared landfill tax for the period 1 July 15 to 30 June 2018 amounting to £8,726,717 plus interest accrued. The Company is challenging the assessment with the support of the customer who is responsible for any tax liabilities arising. In the event of the appeal being lost in part or in full, the customer has executed a deed of guarantee to settle the HMRC liabilities such that there will be no outflow of resources embodying economic benefits required to settle the obligations other than a share of legal costs incurred in appealing this claim which have been provided for.

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29. CAPITAL COMMITMENTS

	Group		Trust	
	2021 £'000 £	2020 £'000 £	2021 £'000 £	2020 £'000 £
Contracted for but not provided for in the financial statements	1,024	1,144	-	-

30. RELATED PARTY DISCLOSURES

Group

During the year to 31 March 2021 the Trust received dividends of £450,971 (2020 £591,900) from its trading subsidiary company Singleton Birch.

During the year, two Trustees of The Katherine Martin Charitable Trust were remunerated by Singleton Birch for undertaking their role as Non-Executive Directors. Details of this remuneration can be found in note 9.

During the year, Singleton Birch made the following related party transactions:

Entities over which the entity has control, joint control or significant influence

	2021 £'000 £	2020 £'000 £
Sales	160	139
Recharges at cost	181	230
Purchases	-	(37)
Loan note interest received	90	90
Loan notes due from related party	1,800	1,800
Amount due from related party	202	155
Amount due to related party	-	-

Key management personnel of the entity or its parent (in the aggregate)

Details of key management remuneration and benefits can be found in note 10.

During the year, dividends totalling £9,846 (2020 £14,459) were paid from Singleton Birch to the directors of that company.

During the year, dividends totalling £19,566 (2020 £17,178) were paid from Singleton Birch to close family members of the directors of that company.

During the year, dividends totalling £79,107 (2020 £103,828) were paid from Singleton Birch to one of the Trustees.

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31. ULTIMATE CONTROLLING PARTY

Throughout the period to 31 March 2021, The Katherine Martin Charitable Trust was the ultimate parent entity and was jointly controlled by its Trustees with no individual controlling party. On 10 June 2021, all of the Trustees listed on page 1 resigned as Trustees and KMCT, a company limited by guarantee without share capital, became the sole corporate trustee of the Trust. From this date, the Board of KMCT act on behalf of the Trustee, as a Body, under that company's Articles of Association and the Trust's Governance document.

32. POST BALANCE SHEET EVENTS

On 9 June 2021, the Trust disposed of 720 £1 Ordinary shares held in Singleton Birch, reducing its overall shareholding in that company to 49.99% and effectively losing control of the company. From this date, Singleton Birch ceased to be a subsidiary of the Trust.