

The Katherine Martin Charitable Trust

Trustee Annual Report and Financial Statements

31 March 2022

The Katherine Martin Charitable Trust

Contents of the Trustee Annual Report and Financial Statements for the year ended 31 March 2022

	Page
Report of the Trustee	1 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Balance Sheet	12
Statement of Cash Flows	13
Notes to the Statement of Cash Flows	14
Notes to the Financial Statements	15 to 23

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		627	-	627	500
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		599	-	599	624
Gains on listed investment assets	10	90	-	90	368
Gain on disposal of unlisted investments	10	-	13	13	-
Net income/(expenditure)		118	13	131	244
Transfers between funds		-	-	-	-
Other recognised gains/(losses)		-	-	-	-
Net movement in funds		118	13	131	244
RECONCILIATION OF FUNDS					
Total funds brought forward	13	1,869	7	1,876	1,632
TOTAL FUNDS CARRIED FORWARD	13	1,987	20	2,007	1,876

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
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		134	114
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 £'000	2021 £'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
Net cash outflow from operating activities	(611)	(617)

2. Cashflow from investing activities

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

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
	525	585

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/>
At 31 March 2021	1,749	7	1,756
	<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 £'000	2021 £'000
Other debtors	8	3
	<u> </u>	<u> </u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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