

The Katherine Martin Charitable Trust

Trustee Annual Report and Financial Statements

31 March 2023

The Katherine Martin Charitable Trust

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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-realisable 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	1,987	20	2,007	1,876
TOTAL FUNDS CARRIED FORWARD	13	<u>2,038</u>	<u>51,799</u>	<u>53,837</u>	<u>2,007</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	13				
Restricted funds				2,038	1,987
Endowment funds				51,799	20
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)
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
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		<u>103</u>	<u>134</u>
Cash and cash equivalents at end of period		<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>

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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
	442	525

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).

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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.

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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	-

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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>

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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.

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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).

