

# **The Katherine Martin Charitable Trust**

## **Trustee Annual Report and Financial Statements**

**31 March 2025**

# **The Katherine Martin Charitable Trust**

## **Contents of the Trustee Annual Report and Financial Statements for the year ended 31 March 2025**

	<b>Page</b>
<b>Reference and Administrative Details</b>	1 to 2
<b>Report of the Trustee</b>	3 to 7
<b>Report of the Independent Auditors</b>	8 to 10
<b>Statement of Financial Activities</b>	11
<b>Balance Sheet</b>	12
<b>Statement of Cash Flows</b>	13
<b>Notes to the Statement of Cash Flows</b>	14
<b>Notes to the Financial Statements</b>	15 to 24

# **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:

*j p 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](http://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
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Investment income	2	21	-	21	61
Other interest received	2	80		80	92
<b>Total incoming resources</b>		<u>101</u>	<u>-</u>	<u>101</u>	<u>153</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Investment management costs	3	(46)	-	(46)	(33)
<b>Charitable activities</b>					
Grants to beneficiaries	5	(39,263)	-	(39,263)	(1,078)
Support costs	6	(121)	-	(121)	(75)
<b>Total resources expended</b>		<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	-
<b>Net (expenditure)/income before transfers</b>		<u>(36,914)</u>	<u>-</u>	<u>(36,914)</u>	<u>1,309</u>
Transfers between funds		51,799	(51,799)	-	-
<b>Net (expenditure)/income</b>		<u>14,885</u>	<u>(51,799)</u>	<u>(36,914)</u>	<u>1,309</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	13	3,347	51,799	55,146	53,837
<b>TOTAL FUNDS CARRIED FORWARD</b>	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
<b>CURRENT ASSETS</b>					
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>
<b>CREDITORS</b>					
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>
<b>NET CURRENT ASSETS</b>					
		<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>
<b>NET ASSETS</b>					
		<u>18,232</u>	<u>-</u>	<u>18,232</u>	<u>55,146</u>
<b>FUNDS</b>					
Restricted funds	14			18,232	3,347
Endowment funds	14			-	51,799
				<u>18,232</u>	<u>55,146</u>
<b>TOTAL FUNDS</b>					
				<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
<b>Cash flow from operating activities</b>			
Net cash outflow from operating activities	1	(21,424)	(955)
<b>Net cash outflow from operating activities</b>		<u>(21,424)</u>	<u>(955)</u>
<b>Cash flow from investing activities</b>			
Returns on investments	2	4,233	12,825
<b>Net cash inflow from investing activities</b>		<u>4,233</u>	<u>12,825</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(17,191)	11,870
<b>Cash and cash equivalents at beginning of period</b>		<u>51,188</u>	<u>39,318</u>
<b>Cash and cash equivalents at end of period</b>	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 £'000	2024 £'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
<b>Net cash outflow from operating activities</b>	<b>(21,424)</b>	<b>(955)</b>

### 2. Cashflow from investing activities

	2025 £'000	2024 £'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
<b>Net cash inflow from investing activities</b>	<b>4,233</b>	<b>12,825</b>

### 3. Cash and cash equivalents

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



# 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
	39,263	1,078

### 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 KMCT 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	-
<b>Movement in listed investment portfolio</b>		<b>Listed investments £'000</b>	<b>Unlisted investments £'000</b>	<b>Totals £'000</b>
<b>MARKET VALUE</b>				
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		-	-	-
<b>NET BOOK VALUE</b>				
At 31 March 2025		-	-	-
At 31 March 2024		1,717	-	1,717

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
<b>Restricted funds</b>				
Income fund	3,347	(36,914)	51,799	18,232
<b>Endowment funds</b>				
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
<b>Restricted funds</b>				
Income fund	101	(39,430)	2,415	(36,914)
<b>Endowment funds</b>				
Capital fund	-	-	-	-
<b>TOTAL FUNDS</b>	<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
<b>Restricted funds</b>					
Income fund	2,038	153	(1,186)	2,342	3,347
<b>Endowment funds</b>					
Capital fund	51,799	-	-	-	51,799
<b>TOTAL FUNDS</b>	<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)
<b>TOTAL FUNDS</b>	<b>18,232</b>	<b>-</b>	<b>18,232</b>	<b>55,146</b>

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.