

**Company number: 13174032**  
**Charity number: 1194513**

## **Dr. Martens Foundation**

**Trustees' Report and Financial Statements  
for the period ended 31 March 2022**



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## Charity Information For the period ended 31 March 2022

### Board of Trustees

Emily Reichwald (Chair)  
Darren Campbell  
Pamela Shores  
Paul Armstrong  
Tuze Mekik Arguedas Schwank

### Secretary

Alter Domus (UK) Limited  
10th Floor  
30 St Mary Axe  
London  
United Kingdom  
EC3A 8BF

### Charity number

1194513

### Company number

13174032

### Registered and principal office

28 Jamestown Road  
Camden  
London  
United Kingdom  
NW1 7BY

### Auditors

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
United Kingdom  
WC2N 6RH

### Bankers

HSBC Bank PLC  
8 Canada Square  
London  
United Kingdom  
E14 5HQ

### Legal advisors

Russell Cooke  
2 Putney Hill  
London  
United Kingdom  
SW15 6AB

Dr. Martens Foundation is a charitable company, registered in England and Wales, limited by guarantee without share capital use of 'Limited' exemption.

## Trustees' Report For the period ended 31 March 2022

The Trustees (the 'Trustees') who are also Directors for the purposes of the Companies Act 2006, of the Dr. Martens Foundation (the 'Foundation'), present their report and financial statements for the period ended 31 March 2022. The Foundation was incorporated as a private limited company with Companies House on 2 February 2021 and registered as a charity with the Charity Commission on 18 May 2021. The report and financial statements are presented for the period of 2 February 2021 to 31 March 2022 and represent a long period of account in the first period of operation.

The Dr. Martens Foundation is governed by its Articles of Association. The Trustees have adopted the provisions of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Statement of Recommended Practice (SORP) (FRS 102). The Dr. Martens Foundation was originally registered under the name 'Ampgoodcauses Limited', which was changed to the Dr. Martens Foundation by special resolution on 2 March 2021. Any references to the Dr. Martens Foundation throughout this document relate to the former 'Ampgoodcauses Limited'.

### Purpose

#### **Objects and aims**

The objects of the Foundation are, for the public benefit, to advance such charitable purposes (according to the law of England and Wales) as the Trustees see fit. These are focussed on, but not restricted to, supporting causes that advance social justice for the benefit of the public and with regard to the Charity Commission's guidance on public benefit. The current operational structure of the Foundation is such that funds raised will be granted to third parties who are able to deliver our charitable objects. These are typically other larger charities working directly with the public and other beneficiaries.

#### **Public benefit**

We are conscious that The Charities Act 2011 emphasises the requirement that all charities of every kind must be able to demonstrate that their work is of direct benefit to the public. We believe that the activities we fund through all our grants cover a wide range of issues within social justice causes. They empower rebellious self-expression and drive forward positive change for society, are demonstrably of public benefit. We also ensure that funds granted to third parties to further our aims are used as intended through our due diligence, monitoring, and evaluation processes. The Foundation will also aim to continue to raise awareness of many issues including social justice across the globe to achieve its mission to effect positive change.

#### **Grant making policy**

Grants made by the Foundation are at the discretion of the Board of Trustees. The Trustees have approved a grant making policy to ensure that grants are in line with the Foundation's aims and agreed processes are consistent for each grant. The grant making policy has evolved throughout the Foundation's first period of operation, with the version going forward approved as of the date of signing this report. All grants throughout the period have been approved by the trustees in line with the governing documents. The Foundation's policy is currently to only make grants to charitable organisations. The policy also includes guidance on the application process, due diligence, approval, and monitoring processes. Monitoring will be appropriate and proportionate to each grant and may include evidence of costs incurred, regular written or verbal updates and a final written report upon completion of the project and outcomes achieved. If unsatisfactory reporting is received from a project, the Trustees will consider any action that they will take to retrieve or amend past or future grant commitments. Any funding obligations beyond the period end date will be accrued, if necessary, within the period that the Foundation obligates itself to pay the grant to the recipient.

### Achievements and performance

#### **Charitable activities**

The Foundation progressed its agenda during the period by receiving significant donations totalling £3.3m, including £0.2m of gifts in kind from the Dr. Martens plc group. Since joining in February 2022, the Foundation Manager has begun to start processing the applications and contracts for grants being awarded by the Foundation which is expected to increase going forwards.

During the period the Foundation made grants to 34 organisations totalling £0.6m. Of these, 32 were made to organisations that applied within the Grassroot grant programme and three were made to organisations supporting people who had been impacted by the war in Ukraine. All grants made have been made to support causes which meet the Foundation's objective to advance social justice.

## Trustees' Report (continued) For the period ended 31 March 2022

Highlights of grants made during the period include:

- **Grassroot grant programme:** Organisations that are working to advance social justice in the areas of race, gender, LGBTQ+ rights, as well as support those who are experiencing homelessness, climate injustice, mental health problems, are displaced, have disabilities, at risk of (or in) the criminal justice system, have been trafficked and have limited access to music and arts are invited to apply for funding of an annual donation of up to £20,000. The aim of this grant programme is to strengthen civil society in the countries the Foundation operate in.
- **Right to Be programme:** Experienced rights based charitable organisations with a significant track record will be invited to apply for funding of up to £200,000 annually over three years to advance social justice in areas that impact the lives of people who are experiencing racism, gender inequality and LGBTQ+ who do not have equal access to rights and freedoms. The aim of this grant programme is to shift the narrative where it limits rights and freedoms and where there is an increase in animosity, misinformation and hate against these groups.
- **Emergency grant programme:** A small proportion of total funds have been budgeted to support emergencies that will have immediate impact in the countries the Foundation operates in. This grant programme seeks to provide immediate relief to people who have been impacted by an emergency.

### **Fundraising activities**

As detailed earlier in this report, the majority of funding to date has been received from individual donors and entities associated with the Dr. Martens plc group. The Foundation currently does not undertake widespread fundraising from the public. All fundraising activities are managed internally, without involvement of commercial participators, professional fund-raisers, or third parties. Such amounts received are presented in the financial statements as income from donations. We have received no complaints in relation to fundraising activities.

### **Financial review and policies**

#### **Financial review**

For the period ended 31 March 2022, the Foundation recorded closing funds of £2.5m. This is predominantly from funding received from the Dr. Martens plc group shareholders, individual donors and other donations (£3.3m). Expenditure included charitable expenditure on grants of £0.6m and other administrative costs. Donations received but not yet spent on charitable causes are intended to be granted to charities in future periods with a small proportion set aside for administrative costs (see also reserves policy below).

The Board of Trustees consider the going concern basis of preparation to be appropriate for the financial statements as The Foundation has a simple organisational structure with no long-term financial commitments and has sufficient funds to pay its liabilities as they fall due and deliver on charitable grants budgeted for but not yet committed to over the next 12 months.

#### **Reserves policy**

The Reserves policy applies to the Foundation and is reviewed annually by the Board of Trustees. It deals with:

- Ensuring the Foundation holds an adequate level of reserves to meet its obligations; and
- The level of reserves agreed by the Trustees and the strategy behind this; and
- Outlines how the reserves will be recorded and monitored.

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months or 25% of operational cost expenditure plus potential statutory redundancy liabilities.

Unrestricted funds (reserves) as at 31 March 2022 were £2.5m, higher than the target reserves level based on the current period.

#### **Plans for future periods**

In the coming year, the Foundation plans to continue to provide charitable support in accordance with its objectives and strategy as described above, assisted by the financial and operational support of the Dr. Martens plc group.

## Trustees' Report (continued) For the period ended 31 March 2022

### Structure, governance and management

As noted above, the Foundation is a charitable company limited by guarantee, registered with Companies House and the Charity Commission. The Trustees have control of the Foundation and its funds. The Foundation is governed by its Articles of Association and is independent from Dr. Martens plc.

The Foundation was formed following the Dr. Martens plc group initial public offering (IPO) on the London Stock Exchange. Shareholders and other individuals involved donated funds to the Foundation to give back to society by supporting organisations working to advance social justice. The initial setup of the Foundation and the appointment of the first Trustees were overseen by the Dr. Martens plc group.

A Memorandum of Understanding (MoU) was established in October 2021 and is now in place between the Foundation and the Dr. Martens plc group to outline its independence and stipulate how the Dr. Martens plc group will support the Foundation in its operations going forwards. This includes but is not limited to:

- Authorisation for the Foundation to use the Dr. Martens plc group's branding
- Acknowledgement of the independence of the Foundation from the Dr. Martens plc group
- That the Dr. Martens plc group will provide funding and other support to the Foundation including cash funding and general access to resources from the Dr. Martens plc group without charge.

The Trustees are appointed by invitation to the Board by existing Trustees. On appointment, an induction is given by an existing Trustee explaining the grant making processes as well as an overview of the administrative procedures employed by the Foundation. The Trustees meet at regular intervals, at least four times a year, to consider the status of the Foundation's funding, reserves, risks and grant making. This also ensures all relevant administration and decision making occurs on a timely basis.

The Trustees that held office during the period were as follows:

Emily Reichwald (Chair) - appointed 2 February 2021

Darren Campbell - appointed 24 January 2022

Pamela Shores - appointed on 7 April 2021

Paul Armstrong - appointed 2 February 2021

Tuze Mekik Arguedas Schwank - appointed 2 March 2021

The Trustees have delegated the day-to-day organisational management to the Foundation Manager who was appointed by the Trustees in February 2022 to ensure that the Foundation funds are invested carefully and generate social return. As noted above, the Dr. Martens plc group also provides assistance through sharing of resources such as Finance, Legal and HR support to assist in the running of the Foundation.

As the Foundation grows, formal criteria and measures will be developed to measure the Foundation's success.

Remuneration of the Foundation's one employee (the Foundation Manager) has been set in line with the Dr. Martens plc group's policies and benchmarks. The board of Trustees appointed the Foundation Manager, currently Golsana Begum, who leads the Foundation's management. She is responsible for the day to management of the operation and finances of the Foundation.

### Internal controls and the mitigation of risks

The Trustees have identified the main risk of the Foundation as being the inappropriate granting of funds to third parties and potential misuse of funds by those parties. The Trustees have established internal controls to mitigate these risks which are included in the grant making policy detailed earlier in this report. The Trustees confirm that these and other controls implemented are appropriate to the size of the Foundation and the nature of its operations. In the absence of specific guidance policies developed by the Foundation, Dr. Martens plc group policies are followed to ensure all activities are appropriately controlled.

### Statement of trustees' responsibilities

The trustees (who are also directors of Dr. Martens Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulation.

## Trustees' Report (continued) For the period ended 31 March 2022

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board of Trustees



Emily Reichwald

Chair of Trustees  
26 January 2023

Company number: 13174032  
Charity number: 1194513

## Independent Auditors' Report to the Members of Dr. Martens Foundation

### Report on the audit of the financial statements

#### Opinion

In our opinion, Dr. Martens Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the period from 2 February 2021 to 31 March 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Trustees' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2022; the statement of financial activities (incorporating an income and expenditure account) and the statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.



## Independent Auditors' Report to the Members of Dr. Martens Foundation (continued)

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### ***Trustees' Report***

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report for the period ended 31 March 2022 is consistent with the financial statements; and the Trustees' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Report. We have nothing to report in this respect.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the trustees for the financial statements***

As explained more fully in the Statement of Trustees' responsibilities the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### ***Auditors' responsibilities for the audit of the financial statements***

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 auditors' 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.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to journals posted by trustees or included unusual words and grant expenditure cut off. Audit procedures performed included:

- Enquiring of management of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries, including those posted by unexpected users;
- Incorporating an element of unpredictability into our testing;
- Reviewing of legal expenses within the period and post period-end to understand the nature of any legal expenses charged; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with Companies Act 2006 and Charities Act 2011.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher

## Independent Auditors' Report to the Members of Dr. Martens Foundation (continued)

than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Trustees' Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Letitia Popplewell (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
26 January 2023

## Statement of Financial Activities

For the period ended 31 March 2022

(Incorporating the income and expenditure account)

	Notes	Unrestricted and Total funds Period ended 31 March 2022 £000
<b>Income:</b>		
Donations	3	3,320
<b>Total income</b>		<b>3,320</b>
<b>Expenditure:</b>		
Charitable activities	4,5	(844)
Other costs		(7)
Staff costs	6	(9)
<b>Total expenditure</b>		<b>(860)</b>
<b>Net income and net movement in funds for the period</b>		<b>2,460</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward 2 February 2021		-
<b>Total funds carried forward 31 March 2022</b>		<b>2,460</b>

The financial statements are presented for the period of 2 February 2021 (the date of incorporation) to 31 March 2022.

The notes on pages 12 to 16 form part of these financial statements.

All income and expenditure are derived from continuing activities.

The Foundation has no recognised gains or losses other than those shown above and therefore no separate income and expense account disclosures have been presented.

## Balance sheet As at 31 March 2022

	Notes	As at 31 March 2022 £000
<b>Current assets:</b>		
Debtors		201
Cash at bank and in hand		2,804
<b>Total current assets</b>		<b>3,005</b>
<b>Current liabilities:</b>		
Accruals		(9)
Payables	7	(536)
<b>Total current liabilities</b>		<b>(545)</b>
<b>Net current assets</b>		<b>2,460</b>
<b>Net assets</b>		<b>2,460</b>
<b>The funds of the Foundation:</b>		
Unrestricted funds	11	2,460
<b>Total Foundation funds</b>		<b>2,460</b>

The financial statements are presented for the period of 2 February 2021 to 31 March 2022.

The notes on pages 12 to 16 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime and in accordance with applicable charity law. The financial statements presented are for an individual entity.

The financial statements were approved and authorised by the Board of Trustees and signed on its behalf by:



Emily Reichwald

Chair of Trustees  
26 January 2023

Company number: 13174032  
Charity number: 1194513

## Statement of cash flows

For the period ended 31 March 2022

	Notes	Period ended 31 March 2022 £000
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	10	2,804
<b>Change in cash and cash equivalents in the period</b>		<b>2,804</b>
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		<b>2,804</b>

The financial statements are presented for the period of 2 February 2021 to 31 March 2022.

## Notes to the Financial Statements

For the period ended 31 March 2022

### 1. General information

Dr. Martens Foundation is a private limited company by guarantee incorporated in England and Wales under the Companies Act 2006. The Company's registered office is 28 Jamestown Road, Camden, London United Kingdom, NW1 7BY.

### 2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. Amounts are presented in GBP and to the nearest thousand pounds unless otherwise noted.

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland), the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historic cost convention on a going concern basis. The financial statements are presented for the period of 2 February 2021 to 31 March 2022.

#### 2.2 Funds and going concern

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There were no restricted funds held by the Foundation during or at the end of the period.

The Board of Trustees consider the going concern basis of preparation to be appropriate for the financial statements and there are no material uncertainties about the Foundation's ability to continue as a going concern. The Foundation has a simple organisational structure, consisting of donations being received, which are then spent on grant awards and minimal administrative costs. Grant obligations at period end are covered by cash balances held at period end and the Trustees have a high level of control over grant expenditure going forwards. Trustees will not commit the Foundation to any grants and allow a large build-up of liabilities unless there is sufficient cash available to do so.

#### 2.3 Income

Donations are recognised as income once the Foundation has entitlement to it, it is probable that the resources will be received, and the value of incoming resources can be measured with sufficient reliability.

Donations include amounts received from individuals and companies, as well as gift aid on relevant UK individual donations. Donations also include gifts in kind from the Dr. Martens plc group, which are recognised in line with the above in the period that the gifts were received and relate to. Gifts in kind include Dr. Martens plc group donated management time and payment of certain administrative costs. An equal and opposite entry is recognised within expenditure to represent what the cost would have been to the Foundation.

#### 2.4 Expenditure

Expenditure is recognised on an accruals basis. Expenditure includes any VAT charged as the Foundation is not VAT registered and hence does not recover VAT.

- Charitable expenditure comprises costs incurred by the Foundation relating to the delivery of its charitable objectives and payments of grants to beneficiaries. Grant costs are expensed when there is a binding commitment to provide funding, which is defined as when both the Foundation and the third party have signed the funding contract, and there are no further conditions which must be fulfilled by the third party. Charitable activities also includes the expenditure associated with gifts in kind received and included within donations as per the above.
- Other costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and include administrative legal costs not directly linked to charitable activities but required to assist with the set up of the Foundation.
- Staff costs include the costs of employment of the Foundation Manager.

## Notes to the Financial Statements (continued)

For the period ended 31 March 2022

### 2.5 Debtors

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Debtors are recognised at fair value when it is probable that future economic benefits will flow and the value can be measured reliably. They are subsequently measured at amortised cost using the effective interest rate method less provision for impairment.

### 2.6 Cash at bank and in hand

Cash at bank and in hand includes cash at bank only.

### 2.7 Accruals and payables

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Creditors including accruals and payables are recognised as a result of an obligation to transfer economic benefits, usually cash payments, to a third party. Payables include amounts due to third parties under grant expenditure obligations.

### 3. Donations

	<b>Unrestricted and Total funds Period ended 31 March 2022 £000</b>
Dr. Martens plc group shareholders and related individuals - donations	2,832
Gift aid on individual UK donations	201
Gifts in kind	247
Other	40
	<b>3,320</b>

Gifts in kind include Dr. Martens plc group staff time donated, amounts invoiced to the Foundation paid for on its behalf by Dr. Martens plc group entities, and amounts invoiced to Dr. Martens plc group entities relating to Foundation costs.

### 4. Expenditure on charitable activities

	<b>Unrestricted and Total funds Period ended 31 March 2022 £000</b>
Grants to institutions	597
Gifts in kind expenditure	247
	<b>844</b>

Per the above, expenditure on charitable activities includes amounts donated or obligated as grants to third party charities. All grants were made to institutions (charities) rather than individuals.

#### Grassroots grant programme:

We primarily fund grassroot organisations that tackle social injustice through the following four thematic areas:

#### **Human Rights**

Within our Human Rights area we fund organisations that support people to access legal services and ensure that their dignity remains intact when fleeing war or being trafficked. An example of an organisation we fund is Micro Rainbow who seek to support LGBTQ+ people fleeing persecution from the Taliban regime in Afghanistan.

#### **Participation**

We want to ensure that all voices are heard and can participate in society. Our grant to the Rock Trust is an example of how organisations ensure that the voices of marginalised groups, in this case young homeless people, have to be at the centre of shaping policies at local and national level.

## Notes to the Financial Statements

For the period ended 31 March 2022

### 4. Expenditure on charitable activities (continued)

#### Equity

This theme hopes to tackle the structural inequality and embedded bias that exist within our societies. An example of our support in this area includes a grant the Anti-Bullying Alliance who have delivered a campaign tackling appearance targeted bullying in schools. Another example is our grant to FORWARD, which focuses on scaling up their Black and Minority Ethnic young women's leadership Programme.

#### Access

For social justice to thrive we need to ensure that all people have access to essential services and resources. Our grant to Attitude is Everything is an example of how groups can be excluded from access services and organisations like this can ensure that festivals and venues are accessible to people who are disabled.

#### Emergency grant programme:

We also donate funds when emergency humanitarian situations occur.

#### Total grants awarded:

Thematic area	Number of grants	Unrestricted and Total funds Period ended 31 March 2022 £000
Human rights	4	80
Participation	11	155
Equity	8	124
Access	9	138
Emergency grants	2	100
	<b>34</b>	<b>597</b>

### 5. Auditors' remuneration

	Period ended 31 March 2022 £000
Statutory audit of the Foundation's financial statements	42
	<b>42</b>

The above fee includes VAT as this is an expense to the Foundation as it is irrecoverable. The VAT exclusive amount was £35k. The fee was paid for by the Dr. Martens plc group as part of its support of the Foundation and therefore the cost (and donation) is included within gifts in kind in the financial statements.

### 6. Staff costs

	Period ended 31 March 2022 £000
Wages and salaries	8
Social security costs	1
	<b>9</b>

No employee received emoluments of more than £60,000 (during the period nor when calculated on a full year equivalent basis). The average number of employees during the period, calculated based on full-time equivalents, was zero (as the Foundation Manager joined in February 2022). The Foundation does not operate any pension scheme for its employees.



## Notes to the Financial Statements (continued)

For the period ended 31 March 2022

### 7. Grant creditors and commitments

Payables represent grant creditors and commitments.

	31 March 2022 £000
Payables	536
	<u>536</u>

None of the grants made had performance related commitments attached to them. Payables represent grants committed to but not paid at period end. All payables are expected to be settled within 12 months of the period-end date, funded via donations. The fair value of payables is the same as the carrying values shown above.

### 8. Trustee remuneration and related party transactions

No Trustee received any remuneration or reimbursement of expenses relating to their services to the Foundation during the period.

Trustees donated amounts to the Foundation in the period:

Emily Reichwald - £25,000

Darren Campbell - £25,000

Tuze Mekik Arguedas Schwank - £100

Emily Reichwald, a Trustee of the Foundation, was also a Director at Airwair International Limited during the period. During the period, Airwair International Limited donated £3,168 as cash and £106,702 by way of gifts in kind to the Foundation. A creditor balance was outstanding at period end to Airwair International Limited of £8,863 relating to staff costs paid for by Airwair International Limited but owed by the Foundation.

Emily Reichwald was also a Director at Dr. Martens plc during the period. During the period, Dr. Martens plc donated £141,200 to the Foundation by way of gifts in kind.

Paul Armstrong, a Trustee of the Foundation, was also a Director at Permira Advisers LLP during the period. Whilst there were no related party transactions with Permira Advisers LLP, during the period, companies related to Permira Advisers LLP donated to the Foundation; IngreLux S.à.r.l. and the Permira Foundation donated £2,000,000 and £40,000 respectively and in substance were linked to this connection and are considered related party transactions.

### 9. Taxation

As a charity, the Dr. Martens Foundation is exempt from tax on income and gains falling within the charity exemptions in the Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the period.

### 10. Reconciliation of net income to net cash provided by operating activities

	Unrestricted and Total funds Period ended 31 March 2022 £000
Net income (per Statement of Financial Activities)	2,460
Adjustments for:	
Increase in debtors	(201)
Increase in creditors	545
Net cash generated from operating activities	<u>2,804</u>

**Notes to the Financial Statements (continued)**

For the period ended 31 March 2022

**11. Unrestricted funds**

	<b>Unrestricted and Total funds Period ended 31 March 2022 £000</b>
Funds as at 2 February 2021	-
Net income (per Statement of Financial Activities)	2,460
<b>Funds as at 31 March 2022</b>	<b>2,460</b>

**12. Analysis of net assets between funds**

	<b>Unrestricted and Total funds 31 March 2022 £000</b>
Current assets	3,005
Current liabilities	(545)
<b>Total net assets</b>	<b>2,460</b>