

Company number: 13174032
Charity number: 1194513

Dr. Martens Foundation

Trustees' Report and Financial Statements for the year ended 31 March 2023

Dr. Martens Foundation

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Dr. Martens Foundation

Charity Information

For the year ended 31 March 2023

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

Independent 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.

Dr. Martens Foundation

Trustees' Report For the year ended 31 March 2023

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 year ended 31 March 2023. 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 Foundation's second year of operation for the year of 1 April 2022 to 31 March 2023 and in the prior period for the period of 2 February 2021 to 31 March 2022.

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 objectives. 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 by driving 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 year 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 year end date will be accrued, if necessary, within the year that the Foundation obligates itself to pay the grant to the recipient.

Achievements and performance

Charitable activities

The Foundation progressed its agenda during the year by agreeing an annual contribution from Dr. Martens plc securing its financial sustainability for the next three years. During the year the Foundation Manager processed an increasing number of applications and contracts for grants being awarded by the Foundation as well as developed a flagship programme: Right to Be.

During the year the Foundation made grants to 34 organisations totalling £0.9m (2022: 34 organisations totalling £0.6m). Of these, 28 were made to organisations that applied within the Grassroot grant programme and five were made to organisations that fit our Right to Be programme. One emergency grant was made. All grants made have been made to support causes which meet the Foundation's objective to advance social justice.

Dr. Martens Foundation

Trustees' Report (continued) For the year ended 31 March 2023

Highlights of grants made during the year include:

- **Grassroot grant programme**, grants of £0.5m (2022: £0.5m): 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, poverty, climate injustice, mental health problems, are displaced, have disabilities, at risk of (or in) the criminal justice system, have been trafficked or have limited access to music 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**, grants of £0.3m (2022: nil): Experienced rights based charitable organisations with a significant track record were 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/or identifying as LGBTQ+ and 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**, grants of £0.1m (2022: £0.1m): A small proportion of total funds has been budgeted to support emergencies that will have immediate impact, with a focus on 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 and its subsidiaries (together referred to as the "Dr. Martens 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 year ended 31 March 2023, the Foundation recorded closing funds of £1.5m (period ended 31 March 2022: £2.5m). This is predominantly from funding received from Dr. Martens plc shareholders, individual donors and other donations of £0.2m (2022: £3.3m). Expenditure included charitable expenditure on grants of £0.9m (2022: £0.6m) and other administrative costs. Donations received but not yet spent on charitable causes are intended to be granted to charities in future years 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;
- 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 2023 were £1.5m (31 March 2022: £2.5m), higher than the target reserves level based on the current year.

Plans for future years

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 Group.

Dr. Martens Foundation

Trustees' Report (continued) For the year ended 31 March 2023

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 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 Group.

A Memorandum of Understanding (MoU) was established in October 2021 and is now in place between the Foundation and the Dr. Martens Group to outline its independence and stipulate how the Dr. Martens 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 Group's branding
- Acknowledgement of the independence of the Foundation from the Dr. Martens Group
- That the Dr. Martens Group will provide funding and other support to the Foundation including cash funding and general access to resources from the Dr. Martens 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 year 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 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 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 day 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 reputational risk, including arising from adverse publicity relating to a grantee or public perception of a grantee and the areas of social justice that the grantee supports. In addition, there is a risk that the Foundation does not have appropriate reserves to respond to its commitments and planned objectives. 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 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' Annual Report and the financial statements in accordance with applicable law and regulation.

Dr. Martens Foundation

Trustees' Report (continued) For the year ended 31 March 2023

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:

- 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 judgments 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.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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:

- (a) so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) 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
5 October 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 2023 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2023; the Statement of Financial Activities (incorporating an income and expenditure account), and the Statement of cash flows for the year 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)

With respect to the Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

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 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report.

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 grant expenditure cut off. Audit procedures performed by the engagement team included:

- Enquiring of management of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of the meetings of the board of trustees;
- Identifying and testing journal entries;
- Enquiring of management, reviewing contracts and grant agreements, including progression reports relating to multi-year grants;
- Incorporating an element of unpredictability into our testing;
- Reviewing legal expenses within the year and post year-end to understand the nature of any legal expenses charged; and
- Reviewing financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations.

Independent auditors' report to the members of Dr. Martens Foundation (continued)

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 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. 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 charitable company'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
5 October 2023

Dr. Martens Foundation

Statement of Financial Activities

For the year ended 31 March 2023

(Incorporating the income and expenditure account)

	Notes	Unrestricted and Total Funds Year ended 31 March 2023 £000	Unrestricted and Total Funds Period ended 31 March 2022 £000
Income from:			
Donations	3	181	3,320
Total income		181	3,320
Expenditure on:			
Charitable activities	4,5	(1,154)	(860)
Total expenditure		(1,154)	(860)
Net (expense)/income and net movement in funds for the year/period		(973)	2,460
Reconciliation of funds:			
Total funds brought forward		2,460	-
Total funds carried forward		1,487	2,460

The financial statements are presented for the year ended 31 March 2023 and in the prior period for the period of 2 February 2021 (the date of incorporation) to 31 March 2022.

The notes on pages 12 to 17 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.

Dr. Martens Foundation

Balance Sheet

As at 31 March 2023

	Note	As at 31 March 2023 £000	As at 31 March 2022 £000
Current assets:			
Debtors		-	201
Cash at bank and in hand		1,668	2,804
Total current assets		1,668	3,005
Current liabilities:			
Accruals		(16)	(9)
Payables	8	(165)	(536)
Total current liabilities		(181)	(545)
Net current assets		1,487	2,460
Net assets		1,487	2,460
The funds of the Foundation:			
Unrestricted funds	12	1,487	2,460
Total Foundation funds		1,487	2,460

The financial statements are presented for the year ended 31 March 2023 and in the prior period for the period of 2 February 2021 (the date of incorporation) to 31 March 2022.

The notes on pages 12 to 17 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 on pages 9 to 17 were approved and authorised by the Board of Trustees and signed on its behalf by:



Emily Reichwald

Chair of Trustees
5 October 2023

Company number: 13174032
Charity number: 1194513

Dr. Martens Foundation

Statement of Cash Flows

For the year ended 31 March 2023

	Note	Year ended 31 March 2023 £000	Period ended 31 March 2022 £000
Cash flows from operating activities:			
Net cash (utilised)/provided by operating activities	11	(1,136)	2,804
Change in cash and cash equivalents in the year/period		(1,136)	2,804
Cash and cash equivalents at the beginning of the year/period		2,804	-
Cash and cash equivalents at the end of the year/period		1,668	2,804

The financial statements are presented for the year ended 31 March 2023 and in the prior period for the period of 2 February 2021 (the date of incorporation) to 31 March 2022.

Dr. Martens Foundation

Notes to the Financial Statements

For the year ended 31 March 2023

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 year ending 31 March 2023 and in the prior period 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 year.

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 year end are covered by cash balances held at year 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 Group, which are recognised in line with the above in the year that the gifts were received and relate to. Gifts in kind include Dr. Martens 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.

Dr. Martens Foundation

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

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.

2.8 Significant judgements and estimates

The preparation of the Foundation's financial statements in conforming with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances.

Judgement - Recognition of grant liabilities

Some of the Foundation's grants are paid to beneficiary organisations in multiple instalments. The payments are determinate on the Foundation receiving status update reports. Once the update reports are received, management determines whether the beneficiary has utilised the funds satisfactorily and if so, approves the next payment instalment. Based on the contractual terms, there is judgement involved in whether the meeting of the condition is within the Foundation's control or the beneficiary's. Management have determined that it is within the Foundation's control as the payment will only be approved if management are satisfied with the performance of the beneficiary. This means that the liability for the instalments is only recognised once the report has been approved by management. Should the judgement be viewed such that the beneficiary is in control of whether the condition has been met, an additional liability for future instalments of £1,569k (2022: £nil) would be recognised.

3. Donations

	Unrestricted and Total funds Year ended 31 March 2023 £000	Unrestricted and Total funds Period ended 31 March 2022 £000
Dr. Martens plc shareholders and related individuals - donations	8	2,832
Gift aid on individual UK donations	4	201
Gifts in kind	168	247
Other	1	40
	181	3,320

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

Dr. Martens Foundation

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

4. Expenditure on charitable activities

	Unrestricted and Total funds Year ended 31 March 2023 £000	Unrestricted and Total funds Period ended 31 March 2022 £000
Grants to institutions	919	597
Gifts in kind expenditure	168	247
Support costs	67	16
	1,154	860

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 grassroots 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.
- **Participation** We want to ensure that all voices are heard and can participate in society.
- **Equity** This theme hopes to tackle the structural inequality and embedded bias that exist within our societies.
- **Access** For social justice to thrive we need to ensure that all people have access to essential services and resources.

Right to Be programme:

The Right to Be programme was launched in 2023 and is focused on changing the systems that perpetuate inequalities. This includes the provision of more substantial grants to larger organisations focused on addressing issues around race, gender and LGBTQIA+ rights, among others. This programme was previously referred to as our 'Flagship' programme and since renamed to suit the causes it prioritises.

Emergency grant programme:

We also donate funds when emergency humanitarian situations occur.

Analysis of total grants awarded:

Programme and thematic area	Number of grants	Unrestricted and Total funds	
		Year ended 31 March 2023 £000	Period ended 31 March 2022 £000
Grassroots programme:			
Human rights	3	50	80
Participation	10	187	155
Equity	3	70	124
Access	12	224	138
Right to Be programme:			
Human rights	1	100	-
Participation	2	54	-
Equity	2	184	-
Emergency grants:			
Human rights	1	50	100
	34	919	597

Dr. Martens Foundation

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

The following organisations were awarded grants in 2023 under our Right to Be programme and considered material to our grant funding:

	Thematic area	Unrestricted and Total funds Year ended 31 March 2023 £000	Unrestricted and Total funds Period ended 31 March 2022 £000
OutRight Action International	Human Rights	100	-
The Women's Foundation Hong Kong	Participation	28	-
ReBit	Participation	25	-
European Network Against Racism	Equity	100	-
National Black Justice Coalition	Equity	85	-
		338	-

5. Support costs

The following support costs have been allocated fully to expenditure on charitable activities as no other expense activity (such as raising funds) was present during the current or prior year/period.

	Unrestricted and Total funds Year ended 31 March 2023 £000	Unrestricted and Total funds Period ended 31 March 2022 £000
Staff costs	63	9
Subscriptions and other charges	4	7
	67	16

6. Auditors' remuneration

	Year ended 31 March 2023 £000	Period ended 31 March 2022 £000
Statutory audit of the Foundation's financial statements	50	42
	50	42

The above fee includes VAT as this is an expense to the Foundation as it is irrecoverable. The VAT exclusive amount was £41k (2022: £35k). The fee was paid for by the Dr. Martens 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.

7. Staff costs

	Year ended 31 March 2023 £000	Period ended 31 March 2022 £000
Wages and salaries	55	8
Social security costs	6	1
Pension costs	2	-
	63	9

The average number of employees during the year, calculated based on full-time equivalents, was 1 (2022: zero, as the Foundation Manager joined in February 2022). The number of employees whose remuneration was above £60,000 was as follows:

Dr. Martens Foundation

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

	Year ended 31 March 2023 Number	Period ended 31 March 2022 Number
£60,001 - £70,000	1	-
	1	-

The figure within the banding above is inclusive of wages, salaries and benefits but exclusive of employer pension contributions, and are calculated on a full-time equivalent basis.

The highest paid (and only) member of staff is the Foundation Manager (period ended 31 March 2022: the Foundation Manager).

8. Grant creditors and commitments

Payables represent grant creditors and commitments.

	31 March 2023 £000	31 March 2022 £000
Payables	165	536
	165	536

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

9. Trustee remuneration and related party transactions

No Trustee received any remuneration or reimbursement of expenses relating to their services to the Foundation during the year (2022: none).

Trustees donated amounts to the Foundation in the current and prior year/period (which were also eligible for UK gift aid):

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Emily Reichwald	-	25,000
Darren Campbell	-	25,000
Tuze Mekik Arguedas Schwank	-	100
Pamela Shores	5,000	-
	5,000	50,100

Emily Reichwald, a Trustee of the Foundation, was also a Director at Airwair International Limited during the year. During the year, Airwair International Limited donated £2,047 in cash and £66,063 by way of gifts in kind (2022: £3,168 as cash and £106,702 by way of gifts in kind) to the Foundation.

A creditor balance was outstanding at year end to Airwair International Limited of £16,212 (2022: £8,863) relating to staff costs paid for by Airwair International Limited but owed by the Foundation.

Emily Reichwald was also the Company Secretary at Dr. Martens plc during the year. During the year, Dr. Martens plc donated £101,201 (2022: £141,200) to the Foundation by way of gifts in kind.

10. 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 year.

Dr. Martens Foundation

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

11. Reconciliation of net income to net cash provided by operating activities

	Unrestricted and Total funds Year ended 31 March 2023 £000	Unrestricted and Total funds Period ended 31 March 2022 £000
Net (expense)/income (per Statement of Financial Activities)	(973)	2,460
Adjustments for:		
Decrease/(increase) in debtors	201	(201)
(Decrease)/increase in creditors	(364)	545
Net cash (used in)/generated from operating activities	(1,136)	2,804

12. Unrestricted funds

	Unrestricted and Total funds Year ended 31 March 2023 £000	Unrestricted and Total funds Period ended 31 March 2022 £000
Funds brought forward	2,460	-
Net (expense)/income (per Statement of Financial Activities)	(973)	2,460
Funds carried forward	1,487	2,460

13. Analysis of net assets between funds

	Unrestricted and Total funds 31 March 2023 £000	Unrestricted and Total funds 31 March 2022 £000
Current assets	1,668	3,005
Current liabilities	(181)	(545)
Total net assets	1,487	2,460

14. Events after the reporting period

On 22 June 2023, the Foundation received a donation of £500k from Dr. Martens plc.