

SIR JAMES KNOTT TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

SIR JAMES KNOTT TRUST

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SIR JAMES KNOTT TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Mr I B Speke DL, Chair
Mr J A Baker-Cresswell
Revd F J Sample
Sir W J B Riddell

Registered charity number

1001363

Principal office

Suite 103, First Floor
Broadacre House
Market Street East
Newcastle upon Tyne
NE1 6HQ

Trust Secretary

Ms J Curry

Independent auditor

Ryecroft Glenton
Chartered Accountants
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

Bankers

HSBC Plc
Floor 3
Central Square South
Newcastle upon Tyne
NE1 3AZ

Investment Advisers

Newton Investment Management Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Custodian of Investments

The Bank of New York Mellon
One Canada Square
London
EC14 5AL

SIR JAMES KNOTT TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

In a year in which 222 grants to the value of £1,711,769 were made, Trustees are delighted to present their annual report together with the audited financial statements of the Trust for the year 1 April 2020 to 31 March 2021.

● The Trust's History

Sir James Knott was born at Howdon in 1855 and started work as a clerk at a Quayside shipping office aged 14. His fortune was based on the Prince Line, shipping company which he founded. During the First World War he sold the company and in 1924, left the Northeast, with his wife Lady Margaret and settled in Jersey where he formed Samares Investments, to further his philanthropy. The couple were heavily influenced by the loss of two of their sons in the First World War. Sir James died in 1934, but his legacy lives on through the Trust and thousands of charities that have benefited from the endowment that he created.

The original settlement of funds was established by Sir James Knott on 29th October 1920. All of the affairs of the Trust were carried out in Jersey which was the final resting place of Sir James and Lady Knott. In 1990 it was agreed to move a substantial proportion of that fund into an endowed trust under the governance of a newly registered charity which was named Sir James Knott 1990 Trust. In 1995 the name of the Trust was changed by deed to The Sir James Knott Trust.

The Sir James Knott Trust is a registered Charitable Trust based in Newcastle upon Tyne which gives grants in support of charitable activity across Northumberland, Tyne and Wear, County Durham, and Hartlepool. The Trust is an unincorporated Trust, constituted under a Trust Deed dated 12 December 1990.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

● Governance and Management

There have been no changes to the make-up of the Governing body of the Trust this year. Formal Trustee meetings were held four times last year to review the strategy and areas of activity of the Trust, including grant making, investment portfolio performance, reserves, risk management, policies, resources, and staff performance.

Trustees are chosen based upon experience and knowledge of charities in general and expected to have an affinity with the aims of the Sir James Knott Trust. Newly appointed Trustees 'shadow' a Trustee meeting prior to starting their trusteeship. They are provided with the Charity Commission's guidance on the roles and responsibilities of Trustees and key documents relating to the Trust. Ongoing training is offered to all Trustees and opportunities are offered to visit the charities that we support. The skills, experience, diversity, and input of Trustees are reviewed regularly.

The administration of grants and processing of applications prior to consideration by the Trustees is delegated to the Trust Secretary who is responsible for the management of the Trust. The Trust Secretary is supported by the Administrator who together operate the charity on a day to day basis. The Trust is supported by a team of freelance assessors and a freelance finance manager. The Trust also draws upon the consultancy support of Barbara Gubbins CBE. Staff are remunerated in line with roles and experience, and this is reviewed annually.

SIR JAMES KNOTT TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

(continued)

● Risk Management

During the year, the Trustees and Trust Secretary continued to implement the revised Risk Framework set out in the previous year in order to mitigate major risks to which the Charity is exposed. The Trust's investment activities represent its main financial risk, and this risk came to prominence towards the end of the previous financial year when, because of COVID-19, the value of investments decreased rapidly. Following this, the Trust's investments have shown significant growth as global markets made a full recovery in 2021.

Applications for grants are assessed carefully to ensure full due diligence is carried out on the organisation applying. Judgements on need, impact and merit are made around the activity proposed. Applications for grants above £10,000 usually receive an onsite visit before a grant is made. The Trust displays a willingness to take appropriate risks in grant making, sometimes being the first to support a venture to lever in additional funds and provide confidence to other funders.

● Conflict of Interest

Trustees and staff are always expected to conduct the business of the Trust with integrity. All complete an annual register of interests, and any declarations of conflicts are recorded at the start of every Trustee meeting.

● Grant Making Policies

The Trust allocates grants to improve the lives of people living in Tyne & Wear, Northumberland, County Durham, and Hartlepool. Trustees particularly follow the wishes of the Trust's founder by supporting causes that were of significant interest to him. Sir James Knott wanted to ensure that people had a secure place to live and a job. He supported military and maritime good causes. He was a man of faith and supported places and events that brought the community together.

The Trust is a generalist grants funder, with the flexibility to provide grants for core running costs, projects, and capital expenditure. Trustees recognise that the opportunities for charities to secure multi year core funding are diminishing and have cautiously moved towards offering larger grants over a longer period. The Trust is prepared to join with other funders to make larger grants.

The Trust recognises the value organisations still place on small grants that can be administered quickly. Applications for grants of £1,000 and under are still considered and made between meetings by one Trustee and the Trust Secretary. They are listed for scrutiny at the subsequent Trustee meetings.

The Trust principally offers grants to Registered Charities but is also willing to support constituted community groups and social enterprises.

● Grant Making Activities

The Trust continued to meet its charitable objectives and to follow the wishes of the late Sir James Knott through the provision of 222 grants of between £500 and £250,000 to charitable organisations in the year to 31st March 2021. The full list of grants above £1,000 is outlined in note seven.

Samares Investments Limited is a philanthropic organisation with historical links to this Trust and is based in Jersey. The Trust is grateful to Samares Investments Limited for continuing to provide funds to support the Sea Cadet Units within the Trust's area of benefit and for the significant donations to support the Trust's larger grant making activities.

SIR JAMES KNOTT TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

● COVID -19 - The Trust's Response

The Trust was heartened by how quickly communities came together to support people in crisis. At the end of 20/21, the Trust made sizeable donations to both Community Foundations in the Trust's area of benefit. This was to ensure that there was a flexible, swift, coordinated response to emergency Covid funding. The Trust also recognised that individuals in poverty required emergency support and made an enhanced contribution to the Greggs Foundation's Hardship Fund to support individuals.

From the outset of the pandemic the Trust acted quickly contacting all grant recipients to reassure them that the Trust would be flexible around any requests to vary the terms of the grant awards and would be pragmatic around monitoring requirements.

At the start of 20/21, the Trust anticipated a significant decrease in income from investments. Trustees agreed a deficit budget, expecting to heavily draw upon reserves in a year in which Charities and communities would rely upon our support despite the short-term drop in income. As the year progressed it became apparent that the drop in income was less severe than anticipated, but the Trust nevertheless opted to dip into reserves in a planned fashion.

● Investment Policy and Performance

The Sir James Knott Trust is a lasting testimony to the generosity and philanthropic beliefs of Sir James Knott. The Trustees are committed to ensuring that the Trust maintains a diversified portfolio of investments, with a balance between growth and income, to ensure the Trust is able to continue to award grants for charitable activity across the North East of England for many years to come.

As such the Trustees believe it appropriate to take a long term approach. The Trustees have instructed the Investment Manager to take account of socially responsible, ethical, and environmental considerations in so far as it is believed that such considerations will benefit performance and/or reduce risk.

The Trustees monitor the performance of the portfolio against an internal benchmark reflecting the Trust's asset allocation and the Investment Manager provides the Trust with quarterly financial reports which are reviewed by a Trustee. The Investment Manager presents a financial review to the full body of Trustees twice a year.

Since the market decline of 2019/20 caused by the Covid 19 pandemic, the Trust's investments have shown a significant recovery in the year ended 31 March 2021. The fund recorded an increase of 23% during the year, taking it back to pre-pandemic levels. Income from investments fell by 12% on the previous year.

● Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a prudent level; these are held to smooth the quantum of grants paid in the normal course of business, to provide sufficient funds not only to cover support and governance costs, but also to ensure there are funds available to respond to current and future applications.

Total funds held by the charity amounted to £63,066,310 and this included £8,939,572 of endowment funds. Within unrestricted funds are investments totalling £52,844,745 held to generate income and other fixed assets of £3,103. Investments are held to generate future income and are not classed as part of the free reserves of the charity.

SIR JAMES KNOTT TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

(continued)

The level of free reserves as at 31st March 2021 was £1,278,890. The balance of unrestricted reserves is held in view of the volatility of the investment markets, anticipated reduction in dividends and ongoing commitments of the Trust. The Trustees consider that this level of unrestricted reserves is in accordance with the policy above.

• Principal Funding and Expenditure

The Trust is reliant on the income from its investments to meet its needs. Gross investment income for the year was £1,453,626. Investment management and custody fees of £185,863 were charged in accordance with the current fee structure. These charges are expensed against the investment assets.

Support and governance costs were £261,479. The surplus available for distribution after these expenses was £1,209,303 (excluding restricted income received). Grants awarded (excluding grants from restricted funds) amounted to £1,224,316.

Total expenditure exceeded total income by £200,876, before adjustment for investment gains of £11,828,007.

• Plans for the Future

In the coming year, Trustees will look to ensure as much funding as possible goes to Charities in the North East of England to build the recovery from COVID 19. The Trust will continue to look for ways to reduce operating costs, utilise reserves and draw in resources from Samares Investments Ltd. Trustees will build upon their desire to ensure that the resources of the Trust are put to work where they are most needed. The Trust will find ways to deepen our impact and strengthen charities across the region for years to come.

The Trust understands that funding can be used to best effect and have the greatest impact when funders work together. We value the partnerships we have forged through networking with the Northeast Trusts Group, the Northeast Funders Forum, and the Association of Charitable Foundations.

• Public Benefit

The Sir James Knott Trust exists and operates for the public benefit. Through its grant making as listed in this report, the Trustees are confident that the Trust is well placed to continue to deliver identifiable public benefit to the community in the Northeast of England. The Charity Commission's general guidance on public benefit is considered by Trustees when reviewing the aims and objectives, the grant making policies and in planning future activities.

• Fundraising

The Trust does not conduct any fundraising, use professional fundraisers or subscribe to any scheme of fundraising regulation.

• Trustees Remuneration

Trustees receive no financial benefit or expenses from the Sir James Knott Trust.

• Salaries

The Trust employs two members of staff. Salaries are reviewed annually. In the previous year Trustees carried out a benchmarking exercise against similar roles. Following completion of this exercise a restructuring exercise and salary review was planned and subsequently implemented in the current year.

SIR JAMES KNOTT TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

• Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

• Financial risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them 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 deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

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Mr I B Speke DL
(Chair of Trustees)
Date: 21 July 2021

SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR JAMES KNOTT TRUST

Opinion

We have audited the financial statements of Sir James Knott Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR JAMES KNOTT TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires 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 financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR JAMES KNOTT TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

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 as follows: -

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 and Charity Commission regulation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting Charity Commission correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- confirming that grants made were to bona-fide charitable organisations for a sample of transactions.

SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR JAMES KNOTT TRUST (CONTINUED)

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions; and
- performed additional work on transactions where we perceived lower levels of payment controls.

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
- requesting correspondence with relevant regulators.


There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, 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 charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Ryecroft Glenton
Chartered Accountants
Statutory Auditor
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

22 July 2021

Ryecroft Glenton are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SIR JAMES KNOTT TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	3	-	487,453	-	487,453	146,800
Investments	4	-	-	1,453,626	1,453,626	1,825,666
Other income	5	-	-	17,156	17,156	7,000
Total income and endowments		-	487,453	1,470,782	1,958,235	1,979,466
Expenditure on:						
Raising funds	6	-	-	185,863	185,863	234,387
Charitable activities	11	-	487,453	1,485,795	1,973,248	1,832,306
Total expenditure		-	487,453	1,671,658	2,159,111	2,066,693
Net expenditure before net gains/(losses) on investments		-	-	(200,876)	(200,876)	(87,227)
Net gains/(losses) on investments	18	1,671,282	-	10,156,725	11,828,007	(3,932,763)
Net movement in funds		1,671,282	-	9,955,849	11,627,131	(4,019,990)
Reconciliation of funds:						
Total funds brought forward		7,268,290	-	44,170,889	51,439,179	55,459,169
Net movement in funds		1,671,282	-	9,955,849	11,627,131	(4,019,990)
Total funds carried forward		8,939,572	-	54,126,738	63,066,310	51,439,179

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 34 form part of these financial statements.

SIR JAMES KNOTT TRUST

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	3,103	4,306
Investments	18	61,784,317	50,109,713
		<u>61,787,420</u>	<u>50,114,019</u>
Current assets			
Debtors	19	144,994	133,197
Cash at bank and in hand		1,227,470	1,280,662
		<u>1,372,464</u>	<u>1,413,859</u>
Creditors: amounts falling due within one year	20	(93,574)	(88,699)
Net current assets		<u>1,278,890</u>	<u>1,325,160</u>
Total assets less current liabilities		<u>63,066,310</u>	<u>51,439,179</u>
Total net assets		<u><u>63,066,310</u></u>	<u><u>51,439,179</u></u>
Charity funds			
Endowment funds	22	8,939,572	7,268,290
Unrestricted funds	22	54,126,738	44,170,889
Total funds		<u><u>63,066,310</u></u>	<u><u>51,439,179</u></u>

The financial statements were approved and authorised for issue by the Trustees on 14 July 2021 and signed on their behalf by:

DocuSigned by:

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Mr I B Speke DL
(Chair of Trustees)

The notes on pages 14 to 34 form part of these financial statements.

SIR JAMES KNOTT TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	25	(1,494,493)	<i>(1,360,872)</i>
Cash flows from investing activities			
Dividends, interest from investments		1,441,301	<i>1,825,666</i>
Purchase of tangible fixed assets		-	<i>(1,229)</i>
Net cash provided by investing activities		1,441,301	1,824,437
Change in cash and cash equivalents in the year		(53,192)	463,565
Cash and cash equivalents at the beginning of the year		1,280,662	<i>817,097</i>
Cash and cash equivalents at the end of the year	26	1,227,470	<i>1,280,662</i>

The notes on pages 14 to 34 form part of these financial statements

SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Sir James Knott Trust is an unincorporated Charitable Trust, registered in England and Wales, charity number: 1001363. The address of the registered office is Suite 103, First Floor, Broadacre House, Market Street East, Newcastle upon Tyne, NE1 6HQ.

The charitable trust is a grant making charity, which makes donations in support of registered charities across Northumberland, Tyne and Wear, County Durham and Hartlepool.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Sir James Knott Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

There are no material uncertainties about the charity's ability to continue as a going concern. The Coronavirus pandemic has not altered that conclusion.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds, which include endowment funds, are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund. Investment income generated from funds is all unrestricted.

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.4 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. Coronavirus job retention scheme grants are recognised on a straight line basis over the furlough period for each relevant employee.

2.5 Expenditure

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support and governance costs involved.

Charitable activities are costs incurred on the charity's grant making operations, including support costs and costs relating to the governance of the charity.

Support costs are those incurred in support of expenditure on the activities of the charity.

Governance costs are those incurred in compliance with constitutional and statutory requirements of the charity.

Costs of raising funds are investment management and custody fees.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on the following bases:

Fixtures and fittings	- 15% reducing balance
Office equipment	- 30% reducing balance

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

2.8 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.9 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.11 Foreign currencies

The charity holds investments denominated in foreign currencies. Transactions in foreign currencies are translated into sterling at the rate ruling on the settlement date. Exchange gains and losses are recognised within net gains on investments in the statement of financial activities.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)
2.15 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

3. Income from donations and legacies

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations from Samares Investments limited	487,453	487,453	146,800
	<u>487,453</u>	<u>487,453</u>	<u>146,800</u>

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Dividends received	1,452,625	1,452,625	1,822,582
Interest received	1,001	1,001	3,084
	<u>1,453,626</u>	<u>1,453,626</u>	<u>1,825,666</u>

5. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Grants returned	2,000	2,000	7,000
Job retention scheme grants	15,156	15,156	-
	<u>17,156</u>	<u>17,156</u>	<u>7,000</u>

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Fees paid to investment manager	172,255	172,255	221,518
Fees paid to custodian	13,608	13,608	12,869
	<u>185,863</u>	<u>185,863</u>	<u>234,387</u>

7. Grants to institutions

	Grants to Institutions 2021 £	Total funds 2021 £
Payment of grants	1,711,769	1,711,769
	<u>1,711,769</u>	<u>1,711,769</u>

	<i>Grants to Institutions 2020 £</i>	<i>Total funds 2020 £</i>
Payment of grants	1,582,671	1,582,671
	<u>1,582,671</u>	<u>1,582,671</u>

An analysis of grants made to institutions is provided below and on subsequent pages.

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of grants to institutions (continued)	2021
	£
1st Burnmoor Scout Group	10,000
93rd Newcastle Scout Group	2,500
Action Foundation	7,000
AF&V Launchpad Limited	5,000
AIM Northeast Limited	5,000
Allendale Youth Ambition	10,000
Alnwick District Playhouse Trust	5,000
Amble Youth Project Limited	2,500
Arcadea	2,000
Artichoke Trust	5,000
Ashington Unit 12 of the Sea Cadet Corps	4,000
Awards for Young Musicians	2,000
Baby Equipment Loans Service (BELS)	4,304
Baby Equipment Loans Service (BELS)	5,000
Barnardo's	5,000
Beach Access North East	7,500
Bede Community Primary School	3,400
Bell View (Belford)	5,000
Bensham & Saltwell Alive	5,000
Bilton Hall Community Trust	5,000
Birkheads Wild CIC	5,000
Bishop Auckland Table Tennis Club	10,000
Blyth Valley Enterprise Limited	4,745
Bright Futures NE	9,089
Building Self Belief CIO	5,000
Cambois Amateur Rowing Club	3,900
Chester-le-Street Unit of the Sea Cadet Corps	4,000
Children North-East	4,000
Chopwell Regeneration CIO	15,000
Church of England Children's Society	15,000
Citizens Advice Gateshead	26,000
Clegwell and Hartleyburn Community Hub (CIO)	20,000
Coach Core	5,000
Community Foundation Serving Tyne & Wear and Northumberland	10,000
Community Foundation Serving Tyne and Wear & Northumberland	10,000
Connected Voice	7,000
Contact (Morpeth Mental Health Group) Limited	6,000
County Durham Community Foundation	10,000
County Durham Community Foundation	10,000
Cramlington Rockets RLFC	10,000
Cramlington Voluntary Youth Project Limited	15,000
Cruse Bereavement Care	3,000
Cruse Bereavement Care-Tees Valley & Durham	3,000
D2 Youth Zone Limited	15,000
Deaflink North East	10,000
Derwenthaugh Boat Station of the Sea Cadets Corps	4,000
Dry Water North East Ltd	15,000
Durham Agency Against Crime Limited	10,000
Durham Association of Boys & Girls Clubs	15,000

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of grants to institutions (continued)	2021
	£
Durham Scout County Council	10,000
East Durham Partnership Limited	15,000
EDGE NE CIC	10,000
Enabling Enterprise	6,000
ESCAPE Family Support Ltd	20,000
FareShare North East	10,000
Fenham Association of Residents	4,700
Foundation Futures CIO	4,500
Free The Way	5,000
Fulwell Community Library CIC	50,000
Gateshead Crossroads Caring for Carers	10,000
Gateshead Unit of the Sea Cadet Corps	4,000
Gosforth Unit 396 of the Sea Cadet Corps	4,000
Great North Air Ambulance Service	9,020
Greatham Sports Field Association	4,000
Groundwork North East	4,380
Hartlepool Foodbank CIO	5,000
Hartlepool People Limited	5,000
Hartlepool Stage Society	10,000
Hartlepool Unit 172 of the Sea Cadets Corps	4,000
Hebburn Unit 176 of the Sea Cadet Corps	4,000
Help, Education and Resources To Bring Everyone All Together	2,000
Hospitality and Hope	7,000
Huntington's Disease Association	3,000
IAH Charity Company Limited	3,000
If u Care Share Foundation	7,000
Inspire South Tyneside	5,000
International Community Organisation of Sunderland	3,000
Jarrow Unit 197 of the Sea Cadet Corps	4,000
Just Finance Foundation	5,000
KAYAKS	4,200
Keyfund Federation Limited	5,000
Kids Kabin	15,000
Live Music Now Limited	6,090
Love Amelia	15,000
Mortal Fools	5,000
NEPACS	5,000
Newburn and District Unit 247 of the Sea Cadet Corps	4,000
Newcastle Cathedral Trust	15,000
Newcastle East End FC	5,000
North Benwell Youth Project CIO	15,000
North Music Trust	7,000
North Music Trust	12,000
North Shields Unit 613 of the Sea Cadet Corps	4,000
North Tyneside Learning Trust	5,000
North Tyneside VODA	2,000
Northbourne Street Youth Initiative	15,000
Northern Ballet Limited	2,000
Northern Roots	5,000

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of grants to institutions (continued)	2021
	£
Northumberland National Park Mountain Rescue Team	2,000
Northumberland Wildlife Trust Limited	10,000
Northumbria Calvert Trust	50,000
Northumbria Coalition Against Crime Limited	5,000
NTC Touring Theatre Company Ltd	5,000
Nunsmoor Centre Trust	2,500
Oasis Aquila Housing	33,453
Oswin Projects	5,000
Panathlon Foundation	3,000
Parochial Church Council of Sugley Parish	5,000
Pennywell Neighbourhood Centre	5,000
People and Drugs Limited	5,000
Place2Be	7,000
Portico North CIC	5,000
Prudhoe Parochial Church Council	3,000
Prudhoe Youth Project	9,000
Queen Elizabeth Scholarship Trust	10,000
Queens Hall Arts	2,930
Radio Tyneside	6,000
Rainbow Foundation Sunderland	4,000
Refugees & Asylum Seekers Support Association (RASSA)	3,000
Salvation Army	6,000
Samaritans	3,000
Samaritans	3,000
Seaham Philharmonic Society	5,000
Seaham Unit 299 of the Sea Cadets Corps	4,000
Seaton Sluice Public Access Defibrillator Support Group	2,950
Silverline Memories CIO	5,000
Skills for People	6,000
Smile for Life Children's Charity	3,500
South Shields Unit 315 of the Sea Cadet Corps	4,000
St Anthony's Youth Education and Support	15,000
St Anthony of Padua Community Association	10,000
St Cuthbert's Three-Church Trail Group	3,700
St Martin's Centre Partnership	5,000
St Oswald's Hospice Limited	10,000
STAGS	3,000
Sunderland Amateur Boxing Club	3,500
The Association of Teesdale Day Clubs	5,000
The Bailiffgate Alnwick & District Museum	3,000
The Barnes Institute	7,850
The Bow Trust (Durham) Limited	2,000
The British Red Cross Society	6,000
The Community@NE66 Charitable Trust	10,000
The Country Trust	5,000
The Cranfield Trust	10,000
The Customs House	16,500
The Greggs Foundation	7,000
The Kepier Trust	3,000

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of grants to institutions (continued)	2021
	£
The Lanchester Partnership	2,000
The National Society for the Prevention of Cruelty to Children	6,000
The National Youth Orchestra of Great Britain	5,000
The Natural History Society of Northumbria	5,000
The Newcastle Diocesan Board of Finance	15,000
The Prince's Trust	20,000
The Priory Of England and the Hospital Of St. John Of Jerusalem	3,000
The Twisting Ducks Theatre Company	3,000
The Viscount Ridley North of England Cadet Forces Trust	5,000
Tyne Rivers Trust	7,000
Tyneside and Northumberland Mind	5,000
Ulgham Village Cricket Club	5,000
University of Sunderland Development Trust	250,000
Veterans At Ease	5,000
Veterans in Crisis Sunderland	19,676
Voluntary Organisations' Network North East	5,000
Wallsend Boys Club	100,000
Wallsend Unit 345 of the Sea Cadet Corps	4,000
Wansbeck Centre for Voluntary Service	5,000
Washington Mind CIO	5,000
Wearside Women In Need	15,000
West End Women and Girls Centre	15,000
West Northumberland Community Buildings Consortium	2,000
Westgate Baptist Church, Newcastle upon Tyne	5,000
Wetheriggs Animal Rescue & Conservation Centre	5,000
Whitley Bay and District Unit 361 Sea Cadet Corps	4,000
Woodshed Workshop CIC	5,000
YHA (England and Wales)	2,000
YMCA North Tyneside	30,000
	<u>1,670,387</u>
Grants under £1,001 (46 grants)	41,382
Grand Total - Grants to institutions	<u><u>1,711,769</u></u>

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Analysis of grants by area

	Number of Grants	2021 £	2021 %	2020 %
County Durham and Hartlepool	31	177,660	10	19
North East General	47	501,810	29	27
Northumberland	49	251,195	15	14
Tyne & Wear	95	781,104	46	40
	<u>222</u>	<u>1,711,769</u>	<u>100</u>	<u>100</u>

9. Analysis of grants by type

	Payment count	% of total count	Grant funding	% of total amount
Arts and Culture	19	9	117,520	7
Community Issues/Events	5	2	21,000	1
Conservation/Environmental	9	4	37,292	2
Education/Training	22	10	350,693	21
Health/Sport and Human Services	80	36	585,520	34
Historic Buildings/Heritage	24	11	177,150	11
Homeless/Housing/Hardship	5	2	52,453	3
Public Services	28	13	126,396	7
Service Charities	16	7	135,745	8
Other	14	6	108,000	6
	<u>222</u>	<u>100</u>	<u>1,711,769</u>	<u>100</u>

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Number of applications received

	2021	2020
	£	£
Number of grants made under £1,001	46	89
Number of grants made over £1,001	176	219
Applications pending	99	9
Applications refused or lapsed	116	229
	437	546

11. Analysis of expenditure on charitable activities**Summary by fund type**

	Restricted funds	Unrestricted funds	Total funds
	2021	2021	2021
	£	£	£
Payment of grants	487,453	1,485,795	1,973,248

	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>
	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Payment of grants	146,800	1,685,506	1,832,306

12. Analysis of expenditure by activities

	Grant funding of activities	Support costs	Total funds
	2021	2021	2021
	£	£	£
Payment of grants	1,711,769	261,479	1,973,248

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Analysis of expenditure by activities (continued)

	<i>Grant funding of activities 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Payment of grants	1,582,671	249,635	1,832,306

Analysis of support costs

	Payment of grants 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Wages and salaries	119,696	119,696	122,582
Depreciation	1,203	1,203	1,394
Rent and rates	30,927	30,927	30,304
Insurance	4,827	4,827	4,191
Motor and travel	311	311	2,271
Printing and stationery	-	-	512
Postage	78	78	263
Telephone	1,698	1,698	1,838
IT Maintenance and repairs	15,431	15,431	18,051
Education and training	8,236	8,236	458
Subscriptions	-	-	1,624
Legal and professional fees	62,397	62,397	49,719
Bank charges	138	138	568
Governance costs	16,400	16,400	15,814
Sundry expenses	137	137	46
	<u>261,479</u>	<u>261,479</u>	<u>249,635</u>

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Governance costs

Governance costs included within support costs above are as set out below.

	2021	<i>2020</i>
	£	£
Auditor's remuneration	16,328	<i>15,450</i>
Trustees meeting costs	72	<i>364</i>
	<u>16,400</u>	<u><i>15,814</i></u>

14. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £13,340 excluding VAT (*2020 - £12,875*).

15. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	111,434	<i>101,419</i>
Social security costs	4,744	<i>8,614</i>
Contribution to defined contribution pension schemes	3,518	<i>12,549</i>
	<u>119,696</u>	<u><i>122,582</i></u>

During the year, a termination payment of £30,000 (*2020 - £Nil*) was paid to a departing employee following a restructuring exercise. The cost is included within wages and salaries.

The average number of persons employed by the charity during the year was as follows:

	2021	<i>2020</i>
	No.	No.
Support	1	<i>1</i>
Administration	1	<i>1</i>
	<u>2</u>	<u><i>2</i></u>

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	<i>2020 No.</i>
In the band £60,001 - £70,000	-	1

Pension contributions of £Nil (2020 - £6,767) to a money purchase scheme were payable in respect of the higher paid employee.

There are two members of staff excluding the trustees, without whom the charity could not continue to operate. Accordingly key management remuneration is the total staff remuneration as disclosed above.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year, no Trustee expenses have been incurred (2020 - £NIL).

17. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2020	11,621	54,439	66,060
At 31 March 2021	<u>11,621</u>	<u>54,439</u>	<u>66,060</u>
Depreciation			
At 1 April 2020	11,071	50,683	61,754
Charge for the year	75	1,128	1,203
At 31 March 2021	<u>11,146</u>	<u>51,811</u>	<u>62,957</u>
Net book value			
At 31 March 2021	<u>475</u>	<u>2,628</u>	<u>3,103</u>
<i>At 31 March 2020</i>	<u>550</u>	<u>3,756</u>	<u>4,306</u>

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Fixed asset investments

	Listed investments £	Cash held for investment £	Total £
Cost or valuation			
At 1 April 2020	47,839,169	2,270,544	50,109,713
Additions	11,893,410	(487,138)	11,406,272
Disposals	(11,559,675)	-	(11,559,675)
Revaluations	11,820,072	7,935	11,828,007
At 31 March 2021	59,992,976	1,791,341	61,784,317
Net book value			
At 31 March 2021	59,992,976	1,791,341	61,784,317
<i>At 31 March 2020</i>	<i>47,839,169</i>	<i>2,270,544</i>	<i>50,109,713</i>

19. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	6,394	6,300
Prepayments and accrued income	138,600	126,897
	144,994	133,197

20. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	2,697	5,528
Other creditors -grants payable	-	14,500
Accruals and deferred income	90,877	68,671
	93,574	88,699

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

21. Financial instruments

	2021	<i>2020</i>
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	59,992,976	<i>47,839,169</i>

Financial assets measured at fair value through income and expenditure comprise listed investments.

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Statement of funds
Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	44,170,889	1,470,782	(1,671,658)	10,156,725	54,126,738
Endowment funds					
Endowment Funds	7,268,290	-	-	1,671,282	8,939,572
Restricted funds					
Sea Cadets Grant	-	56,000	(56,000)	-	-
Samares Grants reimbursed	-	431,453	(431,453)	-	-
	-	487,453	(487,453)	-	-
Total of funds	51,439,179	1,958,235	(2,159,111)	11,828,007	63,066,310

The Endowment Fund arose on the creation of the trust, being the capital element of monies transferred from the Sir James Knott 1920 Settlement. The Trustees are restricted to only distributing the income arising from this fund.

On 1 April 1993 the investments representing the Sir James Knott 1920 Settlement were transferred to the main fund at market value.

Each year an amount reflecting the gains earned by the main fund on the investments representing the Sir James Knott 1920 Settlement is allocated to the endowment fund.

Restricted Funds

Sea Cadets Grant - A grant was received from Samares Investments Limited for the purpose of paying grants to branches of Sea Cadets in the North East. Fourteen grants totalling £56,000 were made during the year.

Samares Grants reimbursed - During the year, Samares Investments Limited reimbursed the Trust in relation to grants of £431,453 made on their behalf to: Newcastle Youth Initiative £55,000, Prince's Trust £10,000, St Oswald's Hospice £10,000, Durham Scouts £10,000, Sunderland University £125,000, Artichoke £5,000, High Sheriff Tyne & Wear £10,000, High Sheriff Northumberland £10,000, Wallsend Boys Club £100,000, YMCA North Tyneside £30,000, CAB Gateshead £26,000, If U Care Share £7,000 and Oasis Community Housing £33,453.

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Statement of funds (continued)
Statement of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
General Funds	47,636,125	1,832,666	(1,919,893)	(3,378,009)	44,170,889
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Endowment funds					
Endowment Funds	7,823,044	-	-	(554,754)	7,268,290
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Sea Cadets Grant	-	56,000	(56,000)	-	-
Samares Grants reimbursed	-	90,800	(90,800)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	146,800	(146,800)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<u>55,459,169</u>	<u>1,979,466</u>	<u>(2,066,693)</u>	<u>(3,932,763)</u>	<u>51,439,179</u>

23. Summary of funds
Summary of funds - current year

	Balance at 1 April 2020	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£
General funds	44,170,889	1,470,782	(1,671,658)	10,156,725	54,126,738
Endowment funds	7,268,290	-	-	1,671,282	8,939,572
Restricted funds	-	487,453	(487,453)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>51,439,179</u>	<u>1,958,235</u>	<u>(2,159,111)</u>	<u>11,828,007</u>	<u>63,066,310</u>

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. Summary of funds (continued)
Summary of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
General funds	47,636,125	1,832,666	(1,919,893)	(3,378,009)	44,170,889
Endowment funds	7,823,044	-	-	(554,754)	7,268,290
Restricted funds	-	146,800	(146,800)	-	-
	<u>55,459,169</u>	<u>1,979,466</u>	<u>(2,066,693)</u>	<u>(3,932,763)</u>	<u>51,439,179</u>

24. Analysis of net assets between funds
Analysis of net assets between funds - current year

	Endowment funds 2021	Unrestricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	-	3,103	3,103
Fixed asset investments	8,939,572	52,844,745	61,784,317
Current assets	-	1,372,464	1,372,464
Creditors due within one year	-	(93,574)	(93,574)
Total	<u>8,939,572</u>	<u>54,126,738</u>	<u>63,066,310</u>

Analysis of net assets between funds - prior year

	<i>Endowment funds 2020</i>	<i>Unrestricted funds 2020</i>	<i>Total funds 2020</i>
	£	£	£
Tangible fixed assets	-	4,306	4,306
Fixed asset investments	7,268,290	42,841,423	50,109,713
Current assets	-	1,413,859	1,413,859
Creditors due within one year	-	(88,699)	(88,699)
Total	<u>7,268,290</u>	<u>44,170,889</u>	<u>51,439,179</u>

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25. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	11,627,131	(4,019,990)
Adjustments for:		
Depreciation charges	1,203	1,394
(Gains) / Losses on investments	(11,828,007)	3,932,763
Dividends, interest from investments	(1,453,626)	(1,825,666)
(Increase) / Decrease in debtors	528	329,170
Increase / (Decrease) in creditors	(12,186)	(16,367)
Investment management costs	170,464	237,824
Net cash used in operating activities	(1,494,493)	(1,360,872)

26. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in current and short term deposit accounts	1,227,470	1,280,662
Total cash and cash equivalents	1,227,470	1,280,662

27. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,280,662	(53,192)	1,227,470
	1,280,662	(53,192)	1,227,470

SIR JAMES KNOTT TRUST

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28. Grant commitments

	2021	2020
	£	£
At 31 March 2021 the charity had commitments as follows:		
Commitments in respect of grants approved for projects which have not been accrued in the financial statements but will form part of grants:		
Payable next year	424,200	523,500
Payable in 2 years	124,000	351,000
Payable in 3 years	7,000	26,000
	555,200	900,500

The charity has received a commitment from Samares Investments Limited to fund £187,500 of these future payments (2020 - £237,000).

29. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,518 (2020 - £12,549). Contributions totalling £50 were repayable to the fund (2020 - £1,347 repayable) at the balance sheet date and are included in creditors.

30. Operating lease commitments

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Amounts payable:		
Within 1 year	15,120	17,640

31. Related party transactions

Samares Investments Limited is a philanthropic organisation with historical links to this Trust, based in Jersey. Note 22 sets out details of grants received by the Sir James Knott Trust from Samares Investments Limited in respect of payments to be made for charitable purposes in the North East. There were no amounts outstanding from Samares Investments Limited at the year end (2020 - £Nil).

The Trust made grants to other charities with which Trustees have an association totalling £5,000 (2020 - £5,000).