

THE SIR JAMES KNOTT TRUST

England & Wales · Charity number 1001363

Details

Other names	SIR JAMES KNOTT TRUST
Status	Registered
Legal form	Other
Registered	1990-12-21
Register	View on the Charity Commission register

Contact

Address	Connected Voice Office One Strawberry Lane Newcastle Upon Tyne Tyne & Wear NE1 4BX
Phone	0191 486 2825
Email	info@knott-trust.co.uk
Website	www.knott-trust.co.uk

Activities

Objects: FOR SUCH CHARITABLE INSTITUTIONS OR CHARITABLE PURPOSES IN SUCH SHARES AND IN SUCH MANNER AS THE TRUSTEES MAY IN THEIR ABSOLUTE DISCRETION THINK FIT.

Activities: The primary objective of the Sir James Knott Trust is to help improve the conditions of people living and working in the North East of England

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NOT DEFINED: IN PRACTICE NORTHUMBERLAND, DURHAM & TYNE AND WEAR.
- Durham
- Gateshead
- Hartlepool
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,758,812	£3,714,913	£73,413,042	2
2024-03-31	£3,123,082	£3,350,827	£72,454,465	2
2023-03-31	£2,720,962	£2,439,681	£67,851,009	2
2022-03-31	£2,944,308	£2,852,085	£68,968,648	2
2021-03-31	£1,958,235	£2,159,111	£63,066,310	2

Trustees

Name	Role	Appointed
George Christian Festing		2026-01-23
JOHN CRESSWELL		2010-11-01
Rev FIONA JEAN SAMPLE		2018-01-01
Sir Walter John Buchanan Riddell		2019-01-01

THE SIR JAMES KNOTT TRUST

England & Wales - Charity number 1001363

Accounts

Charity registration number 1001363

THE SIR JAMES KNOTT TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE SIR JAMES KNOTT TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr B Speke DL
Mr J A Baker-Cresswell
Reverend F J Sample
Sir W J B Riddell

Trust Secretary

J J Curry

Charity number

1001363

Prinicpal office

Connected Voice Office
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Auditor

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Bankers

HSBC Bank plc
Floor 3
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Investment advisors

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

Custodians of investments

The Bank of New York Mellon
One Canada Square
London
EC4V 4LA

THE SIR JAMES KNOTT TRUST

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THE SIR JAMES KNOTT TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report and financial statements for the year ended 31 March 2025.

Objectives and activities

The Trust continued to meet its charitable objectives and to follow the wishes of the late Sir James Knott through the provision of grants of between £250 and £100,000 to 420 charitable organisations in the year to 31st March 2025. The Trust allocates grants principally to charities working to improve the lives of people living in Tyne & Wear, Northumberland, County Durham, and Hartlepool. Trustees 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 worthy causes. He was a man of faith and supported places and events that brought the community together.

The Trust is a generalist grant funder, with the flexibility to provide grants for core running costs, projects, and capital expenditure. The Trust purposefully invests in neighbourhood level organisations, those that know their community best. Trustees continue to recognise that the opportunities for charities to secure multi-year core funding are diminishing and so offer unrestricted grants over a longer period. Trustees understand that this is where a real difference can be made. In recent years, the running costs of charities have increased, often when demand for their services is rising. As a result average grant awards have been increasing. The Trust is prepared to join with other funders to make larger grants.

The Trust also recognises the value organisations still place on small grants that can be administered quickly. Applications for grants of £1,000 and under are considered between meetings by one Trustee. This will rise to £2,000 in 2025.

In respect of the late Sir James Knott's wishes to support young people, the Trust continued to underpin the of the High Sheriffs Award Schemes of Northumberland, Tyne & Wear and County Durham. The Awards celebrate and reward the achievements made by young people and the volunteers supporting them. The Trust also continues to support all the Sea Cadet Units in its area of benefit.

Public benefit

The Sir James Knott Trust exists and operates for the public benefit. Through its grant making it works to strengthen charities, improve the community, and enrich the lives of people in Tyne & Wear, Northumberland, County Durham, and Hartlepool. The Trustees confirm that they have referred to the guidance produced by the Charity Commission on public benefit when reviewing the aims and objectives, the grant making policies and in planning future activities, and are confident that the requirements are satisfied.

Achievements and performance

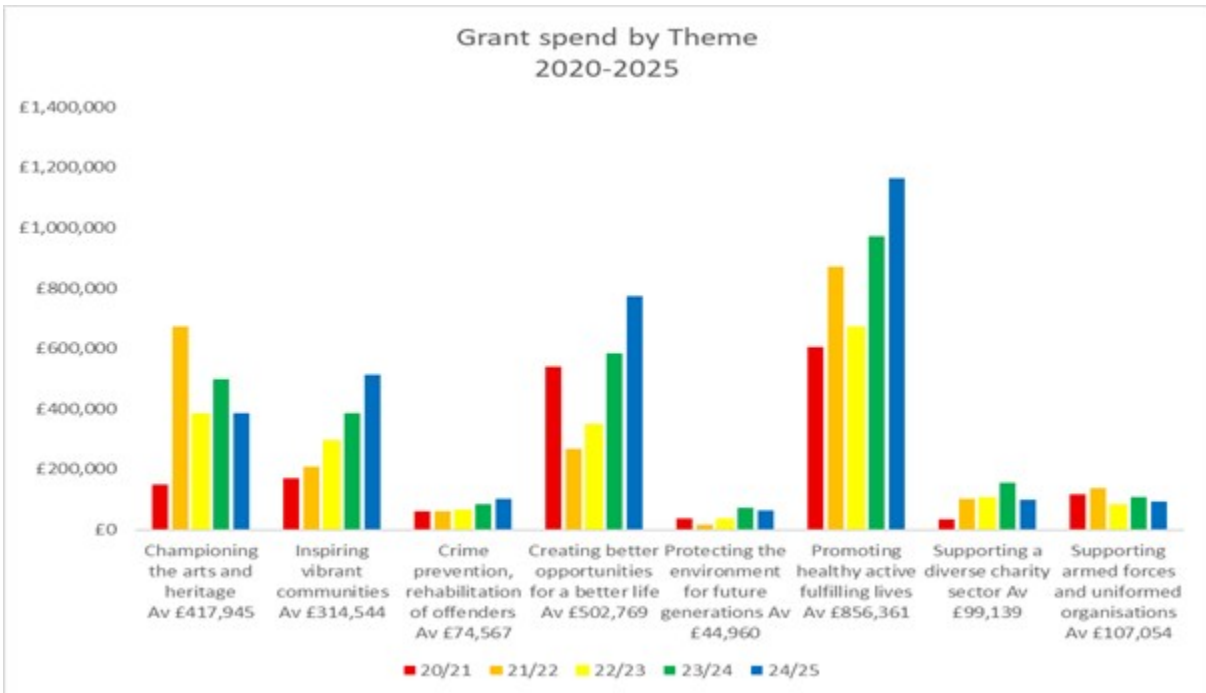
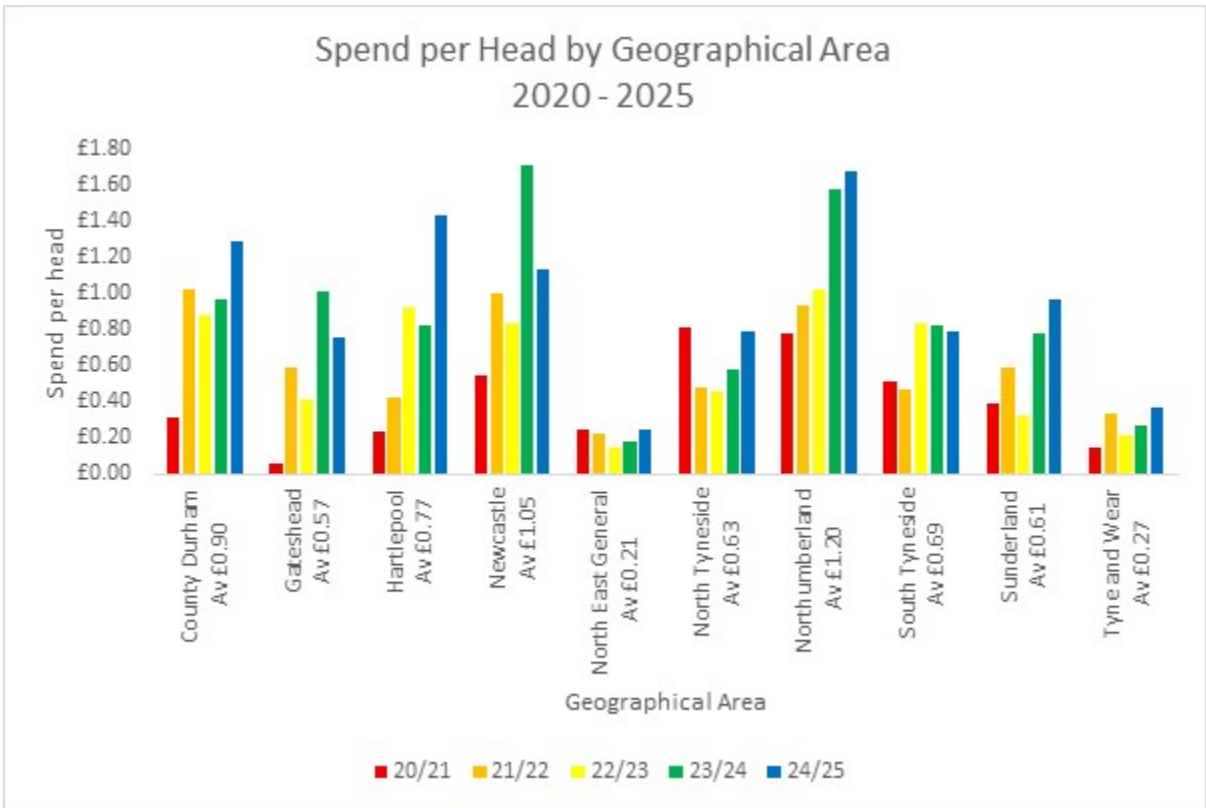
In 2024/25 The Trust made grants in the North East totalling £3,187,345. This is the highest value of grants ever paid out in one year in the Trust's history. There is not a single area of the Trust's geographical area of benefit that gains less than £0.57 spend per head of population from the Trust.

The number of applications increased from 446 to 496 and the total value of requests was over £8.2m. The Trust is well networked and is visible to applicants. The success rate for applicants to the Trust remains high, with 63% of applicants receiving funding.

THE SIR JAMES KNOTT TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025



THE SIR JAMES KNOTT TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The Trust asks grant recipients for feedback on how we can improve as a funder. The feedback is positive. Grant recipients repeatedly say that the things that we get right are:

- Straightforward application form
- Simple feedback form
- Good communication with staff and Assessors that is personalised
- Visits are greatly appreciated
- Good local knowledge
- Multiyear core funding
- Prompt payments

The following areas are suggestions for improvements:

- Asking for feedback at 6 months is too soon
- More visits and more communication would be great
- Offering support to meet local partners
- Offering links to other funders
- Explaining why applicants got less than the full amount applied for.
- Publishing data on 360 giving
- Promote the work of grant recipients on social media
- Trustees meeting more frequently so that there are shorter times between application and the result
- Extend multi-year funding over 5 years.

Fundraising

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

Financial review

Principal funding and expenditure

The Trust is reliant on the income from its investments to make grants and to cover the costs in doing so. Gross investment income for the year was £2,356,514, investment management and custody fees of £320,891 were paid in accordance with the current fee structure. These charges are expensed against the unrestricted gains and losses of investment assets.

This year the Trust received an increased donation of £1,002,298 from Samares Investment Management, and an increased donation of £400,000 from College Valley. The Trustees would like to record their gratitude for the donations that will be put towards grant making in the North East.

Support and governance costs were £206,677. Grants awarded amounted to £3,187,345. Total income exceeded expenditure by £43,899 before adjustments for investment gains of £958,577.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

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 to cover administrative costs and to ensure there are funds available to respond to current and future applications. The level of cash reserves on 31st March 2025 was £1,007,778. The balance of unrestricted reserves mitigates against the volatility of the investment markets and on-going commitments of the Trust.

THE SIR JAMES KNOTT TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Investment policy and performance

The Sir James Knott Trust is a lasting testimony to the 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 can continue to award grants to charitable organisations across the North East of England for many years to come. As such the Trustees wish to maintain the capital value of the portfolio in real terms and take a long-term approach. The Trustees have instructed the Investment Manager to take account of socially responsible, ethical, and environmental considerations.

The Trustees monitor the performance of the portfolio against internal and external benchmarks. The Investment Manager provides the Trust with quarterly financial reports and presents to the full body of Trustees twice yearly.

The Trust's capital improved after what has been a turbulent few years for the financial markets. At the end of the year the capital value of the fund was £73,413,042. The income generated from investments was £2,356,514. Trustees continue to monitor the performance of the Investment Manager actively and expect volatile markets to continue.

Risk management

Trustees reviewed the Risk Framework which sets out major risks to which the Trust is exposed and have established systems to mitigate and insure against those risks. The Trust's investment activities represent its main financial risk. Key operational risks relate to grant making. Applications for grants are assessed carefully to ensure full due diligence is conducted. Judgements on need, impact and merit are made. 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.

Plans for future periods

Trustees are mindful that demand for grants is increasing. The Trust is planning to maintain grant making at the level of £3.2m in 2025/26. The Trust will continue to provide grants to charities so that they may be strong vibrant organisations providing effective services to people in the North East. Trustees will 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.

There will be changes for the Trust in 25/26. The Chair of Trustees will retire having served as a Trustee since 2009, and as Chair since 2018. Ben Speke will be greatly missed, and his impeccable service will be commemorated. The Trust will appoint a new Trustee, and a new Chair will be chosen from the existing Trustees.

The Trust values the partnerships forged with other funders through networking with the North East Trusts Group, the North East Funders Forum, VONNE, and the Association of Charitable Foundations.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr B Speke DL

Mr J A Baker-Cresswell

Reverend F J Sample

Sir W J B Riddell

THE SIR JAMES KNOTT TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The Trust's history

Sir James Knott was born in Howdon, North Tyneside in 1855 and started work as a clerk at a Newcastle upon Tyne Quayside shipping office aged fourteen. 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 settled in Jersey, with his wife Lady Margaret, where he formed Samares Investments to further his philanthropy. Sir James died in 1934, but his legacy lives on through the Trust and the thousands of charities that have benefited from the endowment that he created. In 1990, a substantial proportion of the fund was moved into an endowed trust under the governance of a registered charity named Sir James Knott 1990 Trust. In 1995 the name became 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, Durham, and Hartlepool. The Trust is an Unincorporated Trust, constituted under a Trust Deed dated 12 December 1990. Samares Investments Limited is a philanthropic organisation with historical links to this Trust and is based in Jersey. It holds the remainder of the endowment established by Sir James Knott. The Trust is grateful to Samares Investments Limited for continuing to provide significant donations to support the Trust's grant making activities.

The summer of 2024 marked the centenary of Sir James Knott establishing the endowment, a book commemorating this was launched in celebration of this legacy. 'Deeds not Words' written by Ian Ronayne charts the remarkable philanthropic legacy of Sir James Knott.

Governance and management

There have been no recent changes to the make-up of the governing body of the Trust. Full formal trustee meetings took place four times last year to review the strategy and activity of the Trust, including grant making, investment portfolio performance, finances, reserves, risk management, policies, resources, and staff performance.

Trustees are appointed based upon experience and knowledge of charities, investments, and the North East of England in general and are expected to have an affinity with the aims of the Sir James Knott Trust. Trustees adopt areas of specific responsibility for risk, staffing and investments. Newly appointed Trustees 'shadow' a trustee meeting prior to starting their trusteeship. They receive the Charity Commission's guidance on the roles and responsibilities of Trustees and key documents relating to the Trust. Ongoing training is available to all Trustees and opportunities are offered to visit the charities that we support.

Trustees delegate the administration of grants and processing of applications to the Trust Secretary who is responsible for the day-to-day management of the Trust. The Trust Secretary is supported by the Trust Administrator, a freelance finance manager and a team of freelance assessors. Staff are remunerated in line with roles and experience, and this is reviewed annually.

Trustees' remuneration

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

Salaries

The Trust employs two members of staff. Salaries were benchmarked within the last 3 years and are reviewed annually.

Conflict of interest

Trustees and staff are 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.

THE SIR JAMES KNOTT TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 and 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 the incoming resources and application of resources of the Charity for that year.

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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' report was approved by the Board of Trustees.



Ben Speke 08 Aug 2025 18:24:25 BST (UTC +1)

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Mr B Speke DL

Trustee

Date: 08 August 2025
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THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST

Opinion

We have audited the financial statements of The Sir James Knott Trust (the 'Charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect there under.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the field in which the charity operates, we identified the following area as the most likely to have a material impact on the financial statements: compliance with the UK Charities Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST



Simon Brown 11 Aug 2025 07:59:32 BST (UTC +1)

Simon Brown BA ACA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

11 August 2025

.....

Chartered Accountants
Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Azets Audit Services is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SIR JAMES KNOTT TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

Current financial year

		Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Total 2024 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	400,000	1,002,298	-	1,402,298	931,743
Investments	4	2,356,514	-	-	2,356,514	2,156,339
Other income	5	-	-	-	-	35,000
Total income		2,756,514	1,002,298	-	3,758,812	3,123,082
<u>Expenditure on:</u>						
Raising funds	6	320,891	-	-	320,891	292,323
Charitable activities	7	2,391,724	1,002,298	-	3,394,022	3,058,504
Total expenditure		2,712,615	1,002,298	-	3,714,913	3,350,827
Net gains/(losses) on investments	13	902,990	-	11,688	914,678	4,831,201
Net movement in funds		946,889	-	11,688	958,577	4,603,456
Net movement in funds		946,889	-	11,688	958,577	4,603,456
Fund balances at 1 April 2024		62,488,897	-	9,965,568	72,454,465	67,851,009
Fund balances at 31 March 2025		63,435,786	-	9,977,256	73,413,042	72,454,465

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

All income and expenditure derive from continuing activities.

The notes on pages 15 to 28 form part of these financial statements.

THE SIR JAMES KNOTT TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Prior financial year

		Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	100,000	831,743	-	931,743
Investments	4	2,156,339	-	-	2,156,339
Other income	5	35,000	-	-	35,000
Total income		2,291,339	831,743	-	3,123,082
<u>Expenditure on:</u>					
Raising funds	6	292,323	-	-	292,323
Charitable activities	7	2,226,761	831,743	-	3,058,504
Total expenditure		2,519,084	831,743	-	3,350,827
Net gains/(losses) on investments	13	4,430,752	-	400,449	4,831,201
Net movement in funds		4,203,007	-	400,449	4,603,456
Fund balances at 1 March 2023		58,285,890	-	9,565,119	67,851,009
Fund balances at 31 March 2024		62,488,897	-	9,965,568	72,454,465

THE SIR JAMES KNOTT TRUST

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	15	8,120		10,731	
Investments	16	72,433,015		71,578,883	
			72,441,135		71,589,614
Current assets					
Debtors	17	104,206		229,529	
Cash at bank and in hand		1,007,778		787,847	
			1,111,984		1,017,376
Creditors: amounts falling due within one year	18	(140,077)		(152,525)	
Net current assets			971,907		864,851
Total assets less current liabilities			73,413,042		72,454,465
Capital funds					
Endowment funds - general	20	9,977,256		9,965,568	
Income funds					
Unrestricted funds		63,435,786		62,488,897	
			73,413,042		72,454,465

The financial statements were approved by the Trustees on 08 August 2025


Ben Speke 08 Aug 2025 18:24:25 BST (UTC +1)

Mr B Speke DL
Trustee

THE SIR JAMES KNOTT TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(2,187,025)		(2,361,366)	
Investing activities					
Purchase of tangible fixed assets		(10,104)		(9,226)	
Purchase of investments		(19,087,772)		(11,436,781)	
Proceeds from disposal of investments		19,148,318		10,262,937	
Investment income received		2,356,514		2,156,339	
Net cash generated from investing activities		2,406,956		973,269	
Net cash used in financing activities		-		-	
Net increase/(decrease) in cash and cash equivalents		219,931		(1,388,097)	
Cash and cash equivalents at beginning of year		787,847		2,175,944	
Cash and cash equivalents at end of year		1,007,778		787,847	

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

The Sir James Knott Trust is a unincorporated Charitable Trust, registered in England and Wales, charity number: 1001363. The address of the principal office is Connected Voice Office, One Strawberry Lane, Newcastle upon Tyne, NE1 4BX.

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.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

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

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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.

1.5 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold Improvements	33.3% straight line
Furniture and fittings	15% Reducing Balance
Computer Equipment	30% Reducing Balance.

1.7 Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Basic financial assets

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.

1.10 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Retirement benefits

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.

1.12 Trade 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.

1.13 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.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Management have provided depreciation, prepayments, accruals and other cut-off adjustments. Whilst management believe that these estimates and judgements are accurate, there is every likelihood that they will not be exact.

These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE SIR JAMES KNOTT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

3	Donations and legacies	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		2025 £	2025 £	2025 £	2024 £	2024 £	2024 £
	Donations and gifts	400,000	1,002,298	1,402,298	100,000	831,743	931,743

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Investments

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Dividends income	2,347,219	2,133,754
Interest receivable	9,295	22,585
	<u>2,356,514</u>	<u>2,156,339</u>

5 Other income

	Total Unrestricted funds
	2025
	£
Other income	-
	<u>35,000</u>

Other income relates to grants being returned to the charity.

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
<u>Investment management</u>	320,891	292,323
	<u>320,891</u>	<u>292,323</u>

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Charitable activities

	2025 £	2024 £
Charitable costs	-	15,510
Grant funding of activities (see note 8)	3,187,345	2,869,725
Share of support costs (see note 9)	193,865	162,965
Share of governance costs (see note 9)	12,812	10,304
	<u>3,394,022</u>	<u>3,058,504</u>
Analysis by fund		
Unrestricted funds	2,391,724	2,226,761
Restricted funds	1,002,298	831,743
	<u>3,394,022</u>	<u>3,058,504</u>

8 Grants payable

	2025 £	2024 £
Grants to institutions:		
Arts and culture	316,500	333,808
BAME	53,000	103,797
Community building	383,562	296,179
Community events	129,950	89,829
Crime	101,336	85,000
Disability	391,995	273,500
Domestic violence	46,500	24,000
Education and training	291,980	186,684
Employment and support	57,000	72,000
Environment	63,000	47,471
Financial inclusion poverty	300,000	260,780
Health sports and wellbeing	525,816	602,565
Heritage	70,916	163,402
Homeless	124,000	65,000
Infrastructure	45,000	53,000
Mental health	192,640	105,990
Service and uniformed orgs	94,150	106,720
	<u>3,187,345</u>	<u>2,869,725</u>

-

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Staff costs	96,561	-	96,561	86,138	-	86,138
Depreciation and profit loss on disposal	12,715	-	12,715	165	-	165
Rent and rates	7,557	-	7,557	4,284	-	4,284
Insurance	688	-	688	421	-	421
Motor and Travel	4,184	-	4,184	4,022	-	4,022
Office costs	1,309	-	1,309	962	-	962
IT and repairs	8,084	-	8,084	9,605	-	9,605
Legal, professional and consultancy fees	56,299	-	56,299	49,656	-	49,656
Bank Charges	152	-	152	148	-	148
Sundry expenses	6,316	-	6,316	7,564	-	7,564
Audit fees	-	9,500	9,500	-	8,000	8,000
Accountancy	-	1,500	1,500	-	1,400	1,400
Governance costs	-	1,812	1,812	-	904	904
	<u>193,865</u>	<u>12,812</u>	<u>206,677</u>	<u>162,965</u>	<u>10,304</u>	<u>173,269</u>
Analysed between Charitable activities	<u>193,865</u>	<u>12,812</u>	<u>206,677</u>	<u>162,965</u>	<u>10,304</u>	<u>173,269</u>

10 Auditor's remuneration

Fees payable to the Charity's auditor and associates:	2025	2024
	£	£
Audit of the Charity's annual accounts	<u>9,500</u>	<u>8,000</u>
Non-audit services		
All other non-audit services	<u>1,500</u>	<u>1,400</u>

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year or in the prior year.

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Support	1	1
Administration	1	1
Total	2	2

Employment costs

	2025 £	2024 £
Wages and salaries	85,562	77,366
Social security costs	4,297	3,166
Other pension costs	6,702	5,606
	96,561	86,138

There were no employees whose annual remuneration was more than £60,000.

13 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total	Unrestricted funds	Endowment funds general	Total
	2025 £	2025 £	2025 £	2024 £	2024 £	2024 £
Gain/(loss) on sale of investments	902,990	11,688	914,678	4,430,752	400,449	4,831,201

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Tangible fixed assets

	Leasehold Improvements	Furniture and fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 April 2024	9,000	2,310	13,806	25,116
Additions	9,156	-	948	10,104
Disposals	(9,000)	-	-	(9,000)
At 31 March 2025	9,156	2,310	14,754	26,220
Depreciation and impairment				
At 1 April 2024	-	593	13,792	14,385
Depreciation charged in the year	3,052	253	410	3,715
At 31 March 2025	3,052	846	14,202	18,100
Carrying amount				
At 31 March 2025	6,104	1,464	552	8,120
At 31 March 2024	9,000	1,717	14	10,731

16 Fixed asset investments

	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 April 2024	68,200,558	3,378,325	71,578,883
Additions	18,897,772	190,000	19,087,772
Valuation changes	(1,643,935)	-	(1,643,935)
Disposals	(16,439,433)	(150,272)	(16,589,705)
At 31 March 2025	69,014,962	3,418,053	72,433,015
Carrying amount			
At 31 March 2025	69,014,962	3,418,053	72,433,015
At 31 March 2024	68,200,558	3,378,325	71,578,883

No individual investment exceeded 5% of total market value as at the year end.

The historic cost of the investment portfolio was 2025: £55,550,951 (2024: £52,079,493).

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

17 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	2,969	17,608
Prepayments and accrued income	101,237	211,921
	<u>104,206</u>	<u>229,529</u>

18 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Deferred income	19	44,000	20,000
Trade creditors	11	14,896	38,617
Other creditors		95,415	79,012
Accruals		<u>140,077</u>	<u>152,525</u>

19 Deferred income

	2025 £	2024 £
Other deferred income	<u>44,000</u>	<u>20,000</u>

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	<u>44,000</u>	<u>20,000</u>
Movements in the year:		
Deferred income at 1 April 2024	20,000	-
Released from previous periods	(10,000)	-
Resources deferred in the year	<u>34,000</u>	<u>20,000</u>
Deferred income at 31 March 2025	<u>44,000</u>	<u>20,000</u>

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

20 Endowment funds

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.

	Balance at 1 April 2023	Revaluations gains and losses	Balance at 1 April 2024	Revaluations gains and losses	Balance at 31 March 2025
	£	£	£	£	£
Permanent endowments					
Permanent endowment fund	9,565,119	400,449	9,965,568	11,688	9,977,256
	<u>9,565,119</u>	<u>400,449</u>	<u>9,965,568</u>	<u>11,688</u>	<u>9,977,256</u>
	<u><u>9,565,119</u></u>	<u><u>400,449</u></u>	<u><u>9,965,568</u></u>	<u><u>11,688</u></u>	<u><u>9,977,256</u></u>

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 April 2024	Incoming resources	Resources expended	Balance at 31 March 2025
	£	£	£	£	£	£
Samares	831,743	(831,743)	-	1,002,298	(1,002,298)	-
	<u>831,743</u>	<u>(831,743)</u>	<u>-</u>	<u>1,002,298</u>	<u>(1,002,298)</u>	<u>-</u>

Samares income is only recognised when the charity makes an onward grant. Any income received which has not yet been expended as a grant is carried forward in deferred income.

THE SIR JAMES KNOTT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

22	Analysis of net assets between funds	Unrestricted funds	Restricted funds	Endowment funds	Total Unrestricted funds	Restricted funds	Endowment funds	Total
		2025 £	2025 £	2025 £	2025 £	2024 £	2024 £	2024 £
	Fund balances at 31 March 2025 are represented by:							
	Tangible assets	8,120	-	-	8,120	-	-	10,731
	Investments	62,455,759	-	9,977,256	72,433,015	-	9,965,568	71,578,883
	Current assets/(liabilities)	971,907	-	-	971,907	-	-	864,851
		63,435,786	-	9,977,256	73,413,042	-	9,965,568	72,454,465

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

23	Grant commitments	2025 £	2024 £
	At 31 March 2025 the Charity had grant commitments as follows:		
	Committed for but not provided in the financial statements:		
	Payable next year	1,577,978	1,223,157
	Payable in 2 years	777,255	606,417
	Payable in 3 years	-	5,000
		<u>2,355,233</u>	<u>1,834,574</u>

The charity has received a commitment from Samares Investments Limited to fund £796,034 of these future payments (2024: £404,012).

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2025 £	2024 £
Aggregate compensation	<u>87,862</u>	<u>79,390</u>

Samares Investments Limited is a philanthropic organisation with historical links to this Trust, based in Jersey. Note 20 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. At the balance sheet date the amount due to Samares Investments Limited and included in deferred income was £44,000 (2024 - £20,000).

The Sir James Knott Trust is a related party with College Valley, by having common Trustees. During the year, The Sir James Knott Trust received a donation of £400,000 (2024 - £100,000).

The Trust made grants to other charities with which Trustees have an association totalling £50,000 (£2024: £15,000).

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

25	Cash generated from operations	2025 £	2024 £
	Surplus for the year	958,577	4,603,456
	Adjustments for:		
	Investment income recognised in statement of financial activities	(2,356,514)	(2,156,339)
	Loss on disposal of tangible fixed assets	9,000	-
	Gain on disposal of investments	(914,678)	(4,831,201)
	Depreciation and impairment of tangible fixed assets	3,715	165
	Movements in working capital:		
	Decrease/(increase) in debtors	125,323	(51,740)
	(Decrease)/increase in creditors	(36,448)	54,293
	Increase in deferred income	24,000	20,000
	Cash absorbed by operations	(2,187,025)	(2,361,366)
26	Analysis of changes in net funds		
	The Charity had no debt during the year.		

THE SIR JAMES KNOTT TRUST

England & Wales - Charity number 1001363

Accounts

Charity number: 1001363

SIR JAMES KNOTT TRUST

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

SIR JAMES KNOTT TRUST

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SIR JAMES KNOTT TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY FOR THE YEAR ENDED 31 MARCH 2024

Trustees

I B Speke (Chair)
J A Baker-Cresswell
F J Sample
W J B Riddell

Trust secretary

J J Curry

Registered charity number

1001363

Principal office

Hadrian House, Higham Place, Newcastle Upon Tyne, Tyne and Wear, NE1 8AF

Independent auditor

Azets, Bulman House, Regents Centre, Gosforth, Newcastle upon Tyne, NE1 3DX

Bankers

HSBC Plc, Central Square South, Newcastle upon Tyne, NE13AZ

Investment managers

Newton Investment Management Limited, 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Welcome to the 2024 Annual Report and Accounts of the Sir James Knott Trust

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 fourteen. 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 settled in Jersey, with his wife Lady Margaret, where he formed Samares Investments to further his philanthropy. Sir James died in 1934, but his legacy lives on through the Trust and the thousands of charities that have benefited from the endowment that he created. In 1990, a substantial proportion of the fund was moved into an endowed trust under the governance of a registered charity named Sir James Knott 1990 Trust. In 1995 the name became 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. Samares Investments Limited is a philanthropic organisation with historical links to this Trust and is based in Jersey. It holds the remainder of the endowment established by Sir James Knott. The Trust is grateful to Samares Investments Limited for continuing to provide significant donations to support the Trust's grant making activities.

GOVERNANCE AND MANAGEMENT

There have been no recent changes to the make-up of the governing body of the Trust. Full formal trustee meetings took place four times last year to review the strategy and activity of the Trust, including grant making, investment portfolio performance, finances, reserves, risk management, policies, resources, and staff performance.

Trustees are appointed based upon experience and knowledge of charities, investments, and the North East of England in general and are expected to have an affinity with the aims of the Sir James Knott Trust. Trustees adopt areas of specific responsibility for risk, staffing and investments. Newly appointed Trustees 'shadow' a trustee meeting prior to starting their trusteeship. They receive the Charity Commission's guidance on the roles and responsibilities of Trustees and key documents relating to the Trust. Ongoing training is available to all Trustees and opportunities are offered to visit the charities that we support.

Trustees delegate the administration of grants and processing of applications to the Trust Secretary who is responsible for the day-to-day management of the Trust. The Trust Secretary is supported by the Trust Administrator, a freelance finance manager and a team of freelance assessors. Staff are remunerated in line with roles and experience, and this is reviewed annually.

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

RISK MANAGEMENT

Trustees reviewed the Risk Framework which sets out major risks to which the Trust is exposed and have established systems to mitigate and insure against those risks. The Trust's investment activities represent its main financial risk. Key operational risks relate to grant making. Applications for grants are assessed carefully to ensure full due diligence is conducted. Judgements on need, impact and merit are made. 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 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.

OBJECTIVES AND 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 grants of between £100 and £100,000 to 356 charitable organisations in the year to 31st March 2024. The Trust allocates grants principally to charities working to improve the lives of people living in Tyne & Wear, Northumberland, County Durham, and Hartlepool. Trustees 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 worthy causes. He was a man of faith and supported places and events that brought the community together.

The Trust is known primarily as a generalist grant funder, with the flexibility to provide grants for core running costs, projects, and capital expenditure. The Trust purposefully invests in neighbourhood level organisations, those that know their community best, and what is needed to tackle the issues that hold them back. Trustees continue to recognise that the opportunities for charities to secure multi-year core funding are diminishing and so offer unrestricted grants over a longer period. Trustees understand that this is where a real difference can be made. We also appreciate that in the last few years, the running costs of charities have increased, often when demand for their services is rising. As a result average grant awards have been increasing. The Trust is prepared to join with other funders to make larger grants.

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

In respect of the late Sir James Knott's wishes to support young people, the Trust continued to underpin the of the High Sheriffs Award Schemes of Northumberland, Tyne & Wear and County Durham. The Awards celebrate and reward the achievements made by young people and the volunteers supporting them. The Trust also continues to support all the Sea Cadet Units in its area of benefit.

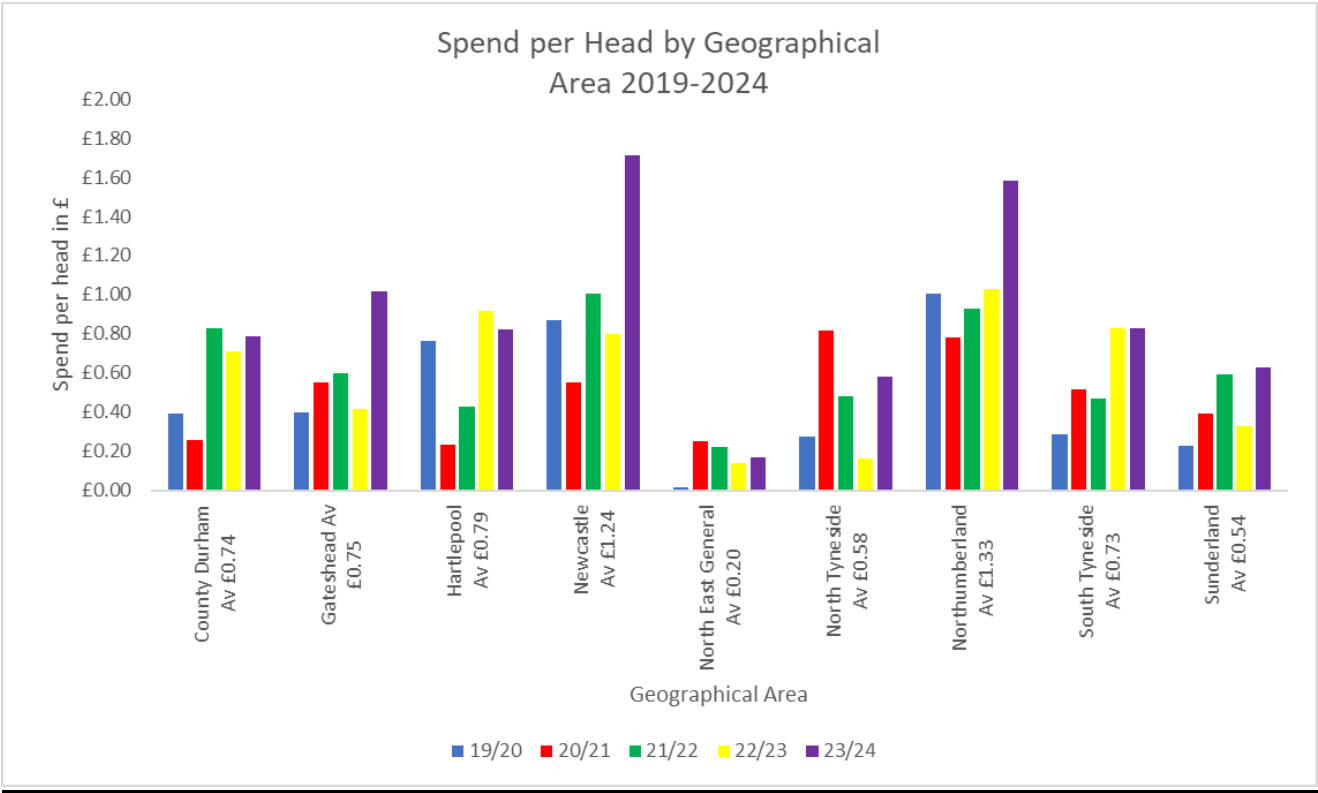
SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE

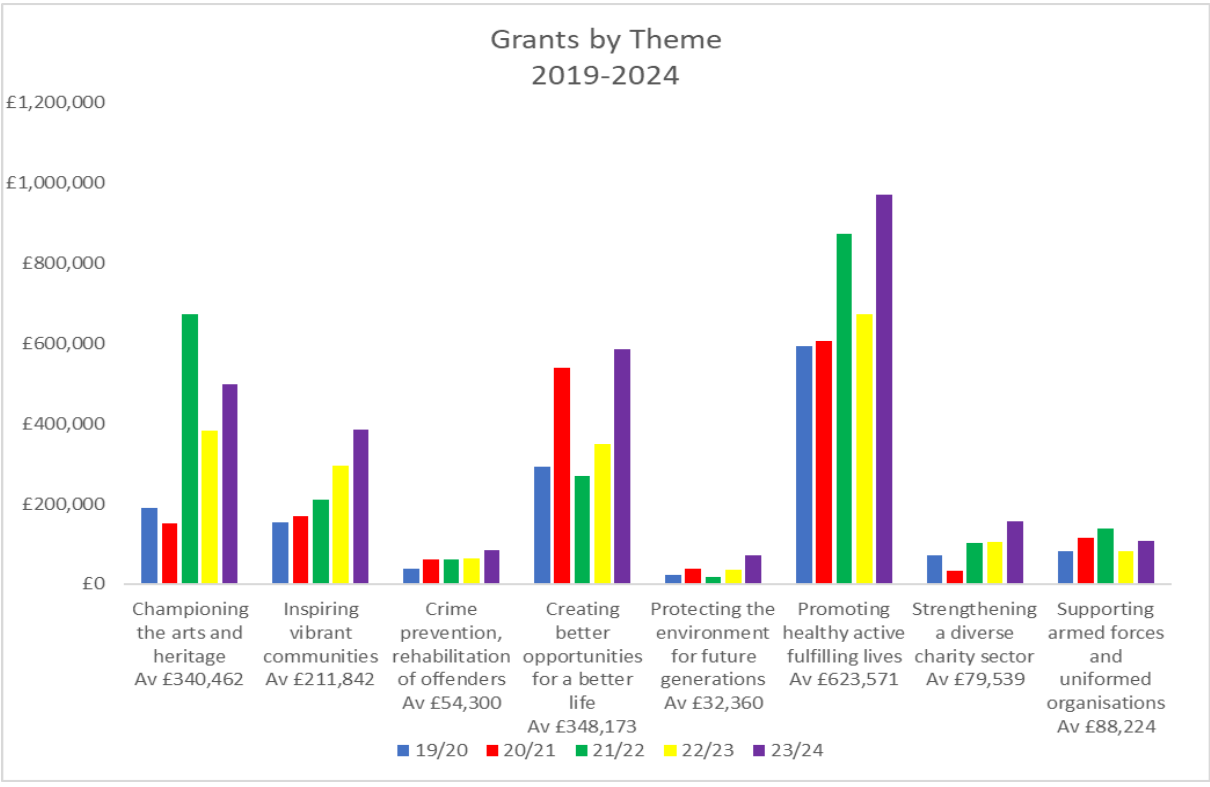
In 2023/24 The Trust made grants in the North East totalling £2,869,725. This is the highest value of grants ever paid out in one year in the Trust’s history. There is not a single area of the Trust’s geographical area of benefit that gains less than £0.54 spend per head of population from the Trust.

The number of applications was 446, and the total value of requests was over £5.8m. The Trust is well networked and is visible to applicants. The success rate for applicants to the Trust is high, with 64% of applicants receiving funding.



SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



INVESTMENT POLICY AND PERFORMANCE

The Sir James Knott Trust is a lasting testimony to the 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 can continue to award grants to charitable organisations across the North East of England for many years to come. As such the Trustees wish to maintain the capital value of the portfolio in real terms and take a long-term approach. The Trustees have instructed the Investment Manager to take account of socially responsible, ethical, and environmental considerations.

The Trustees monitor the performance of the portfolio against internal and external benchmarks. The Investment Manager provides the Trust with quarterly financial reports and presents to the full body of Trustees twice yearly.

The Trust’s capital improved after what has been a turbulent few years for the financial markets. At the end of the year the portfolio capital value of the fund was £71,578,883. The income generated from investments was £2,156,339. Trustees continue to monitor the performance of the Investment Manager actively and expect volatile markets to continue.

SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 to cover administrative costs and to ensure there are funds available to respond to current and future applications. The level of cash reserves on 31st March 2024 was £787,847. The balance of unrestricted reserves mitigates against the volatility of the investment markets and on-going commitments of the Trust. During the year £1.45m of cash reserves was moved to a liquidity fund with Newton Investment Management.

PRINCIPAL FUNDING AND EXPENDITURE

The Trust is reliant on the income from its investments to make grants and to cover the costs in doing so. Gross investment income for the year was £2,156,339, investment management and custody fees of £292,323 were paid in accordance with the current fee structure. These charges are expensed against the unrestricted gains and losses of investment assets.

This year the Trust received an increased donation of £831,743 from Samares Investment Management, and a donation of £100,000 from College Valley. The Trustees would like to record their gratitude for the donations that will be put towards grant making in the North East.

Support and governance costs were £173,269. Grants awarded amounted to £2,869,725. Total expenditure exceeded income by £227,745 before adjustments for investment gains of £4,831,201.

PLANS FOR THE FUTURE

The summer of 2024 marks the centenary of Sir James Knott establishing the Endowed Trust, a book commemorating this will be launched in celebration of this legacy. 'Deeds not Words' written by Ian Ronayne charts the remarkable philanthropic legacy of Sir James Knott. In its one hundredth year, the Trust anticipates a greater number of applications from organisations requesting larger amounts. The Trust is planning to increase grant making to a level of £3m in 2024/25. The Trust will continue to provide grants to charities so that they may be strong vibrant organisations providing effective services to people in the North East. Trustees will 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 values the partnerships forged with other funders through networking with the North East Trusts Group, the North East Funders Forum, VONNE, and the Association of Charitable Foundations.

PUBLIC BENEFIT

The Sir James Knott Trust exists and operates for the public benefit. Through its grant making it works to strengthen charities, improve the community, and enrich the lives of people in Tyne & Wear, Northumberland, County Durham, and Hartlepool. The Trustees confirm that they have referred to the guidance produced by the Charity Commission on public benefit when reviewing the aims and objectives, the grant making policies and in planning future activities, and are confident that the requirements are satisfied.

SIR JAMES KNOTT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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 were benchmarked within the last 3 years and are reviewed annually.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

TRUSTEES' RESPONSIBILITIES STATEMENT

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 the incoming resources and application of resources of the charity 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 Charities SORP.
- make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper 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. Trustees 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken 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 charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

A resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the Trustees on 16th July 2024 and signed on their behalf by:

B Speke

Ben Speke 29 Jul 2024 15:38:37 BST (UTC +1)

I B Speke
Chair

THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST

Opinion

We have audited the financial statements of The Sir James Knott Trust (the 'Charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect there under.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

THE SIR JAMES KNOTT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SIR JAMES KNOTT TRUST



Simon Brown 29 Jul 2024 15:38:38 BST (UTC +1)

Simon Brown BA ACA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

29 July 2024...

Chartered Accountants
Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Azets Audit Services is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SIR JAMES KNOTT TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
<u>Income and endowments from:</u>						
Donations and legacies	3	100,000	831,743	-	931,743	510,624
Investments	4	2,156,339	-	-	2,156,339	2,199,338
Other income	5	35,000	-	-	35,000	11,000
Total income		2,291,339	831,743	-	3,123,082	2,720,962
<u>Expenditure on:</u>						
Raising funds	6	292,323	-	-	292,323	286,017
Charitable activities	7	2,226,761	831,743	-	3,058,504	2,153,664
Total expenditure		2,519,084	831,743	-	3,350,827	2,439,681
Net gains/(losses) on investments	12	4,430,752	-	400,449	4,831,201	(1,398,920)
Net movement in funds		4,203,007	-	400,449	4,603,456	(1,117,639)
Net movement in funds		4,203,007	-	400,449	4,603,456	(1,117,639)
Fund balances at 1 March 2023		58,285,890	-	9,565,119	67,851,009	68,968,648
Fund balances at 31 March 2024		62,488,897	-	9,965,568	72,454,465	67,851,009

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

All income and expenditure derive from continuing activities.

The notes on pages 17 to 28 form part of these financial statements.

THE SIR JAMES KNOTT TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	-	510,624	-	510,624
Investments	4	2,199,338	-	-	2,199,338
Other income	5	11,000	-	-	11,000
Total income		2,210,338	510,624	-	2,720,962
<u>Expenditure on:</u>					
Raising funds	6	286,017	-	-	286,017
Charitable activities	7	1,643,040	510,624	-	2,153,664
Total expenditure		1,929,057	510,624	-	2,439,681
Net gains/(losses) on investments	12	(1,200,890)	-	(198,030)	(1,398,920)
Net movement in funds		(919,609)	-	(198,030)	(1,117,639)
Fund balances at 1 March 2022		59,205,499	-	9,763,149	68,968,648
Fund balances at 31 March 2023		58,285,890	-	9,565,119	67,851,009

THE SIR JAMES KNOTT TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14	10,731		1,670	
Investments	15	71,578,883		65,573,838	
		<u>71,589,614</u>		<u>65,575,508</u>	
Current assets					
Debtors	16	229,529		177,789	
Cash at bank and in hand		787,847		2,175,944	
		<u>1,017,376</u>		<u>2,353,733</u>	
Creditors: amounts falling due within one year	17	(152,525)		(78,232)	
Net current assets		<u>864,851</u>		<u>2,275,501</u>	
Total assets less current liabilities		<u>72,454,465</u>		<u>67,851,009</u>	
Capital funds					
Endowment funds - general	19	9,965,568		9,565,119	
Income funds					
Unrestricted funds		62,488,897		58,285,890	
		<u>72,454,465</u>		<u>67,851,009</u>	

The financial statements were approved by the Trustees on 16th July 2024 and signed by I B Speke.

B Speke

Ben Speke 29 Jul 2024 15:38:37 BST (UTC +1)

Trustee

THE SIR JAMES KNOTT TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	24	(2,361,366)		(1,866,750)	
Investing activities					
Purchase of tangible fixed assets		(9,226)		(1,873)	
Proceeds from disposal of tangible fixed assets		-		2,111	
Purchase of investments		(11,436,781)		-	
Proceeds from disposal of investments		10,262,937		312,284	
Investment income received		2,156,339		2,199,338	
Net cash generated from investing activities		973,269		2,511,860	
Net cash used in financing activities		-		-	
Net (decrease)/increase in cash and cash equivalents		(1,388,097)		645,110	
Cash and cash equivalents at beginning of year		2,175,944		1,530,834	
Cash and cash equivalents at end of year		787,847		2,175,944	

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity 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 Hadrian House, Higham Place, Newcastle upon Tyne, NE1 8AF.

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.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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

1.5 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Furniture and fittings	15% Reducing Balance
Computer Equipment	30% Reducing Balance.

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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.

1.10 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Retirement benefits

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.

1.12 Trade 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.

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.13 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.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Management have provided depreciation, prepayments, accruals and other cut-off adjustments. Whilst management believe that these estimates and judgements are accurate, there is every likelihood that they will not be exact.

These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2024 £	2024 £	2024 £	2023 £
Donations and gifts	100,000	831,743	931,743	510,624

4 Investments

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Dividends income	2,133,754	2,162,066
Tax reclaimed on dividend income	-	30,509
Interest receivable	22,585	6,763
	2,156,339	2,199,338

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Other income

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Other income	35,000	11,000

Other income relates to grants being returned to the charity.

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Investment management	292,323	286,017
	292,323	286,017

7 Charitable activities

	2024	2023
	£	£
Charitable costs	15,510	-
Grant funding of activities	2,869,725	1,970,781
Share of support costs (see note 8)	162,965	169,640
Share of governance costs (see note 8)	10,304	13,243
	3,058,504	2,153,664
Analysis by fund		
Unrestricted funds	2,226,761	1,643,040
Restricted funds	831,743	510,624
	3,058,504	2,153,664

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Staff costs	86,138	-	86,138	75,476	-	75,476
Depreciation	165	-	165	341	-	341
Rent and rates	4,284	-	4,284	20,951	-	20,951
Insurance	421	-	421	406	-	406
Motor and Travel	4,022	-	4,022	2,368	-	2,368
Office costs	962	-	962	-	-	-
IT and repairs	9,605	-	9,605	14,161	-	14,161
Legal, professional and consultancy fees	49,656	-	49,656	45,684	-	45,684
Bank Charges	148	-	148	213	-	213
Sundry expenses	7,564	-	7,564	7,928	-	7,928
Loss on sale of tangible fixed assets	-	-	-	2,112	-	2,112
Audit fees	-	9,400	9,400	-	12,742	12,742
Governance costs	-	904	904	-	501	501
	<u>162,965</u>	<u>10,304</u>	<u>173,269</u>	<u>169,640</u>	<u>13,243</u>	<u>182,883</u>
Analysed between Charitable activities	<u>162,965</u>	<u>10,304</u>	<u>173,269</u>	<u>169,640</u>	<u>13,243</u>	<u>182,883</u>

9 Auditor's remuneration

Fees payable to the Charity's auditor and associates:	2024	2023
	£	£
Audit of the Charity's annual accounts	<u>9,400</u>	<u>12,742</u>

10 Trustees Remuneration And Expenses

None of the Trustees remuneration and expenses (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Support	1	1
Administration	<u>1</u>	<u>1</u>
Total	<u>2</u>	<u>2</u>

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

11 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	77,366	68,320
Social security costs	3,166	2,256
Other pension costs	5,606	4,900
	<u>86,138</u>	<u>75,476</u>

There were no employees whose annual remuneration was more than £60,000.

12 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total Unrestricted funds	Endowment funds general	Total
	2024	2024	2024	2023	2023
	£	£	£	£	£
Gain/(loss) on revaluation of investments	4,430,752	400,449	4,831,201	(1,200,890)	(198,030)
					(1,398,920)

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14 Tangible fixed assets

	Leashold Improvements £	Furniture and fittings £	Computer Equipment £	Total £
Cost				
At 1 March 2023	-	2,084	13,806	15,890
Additions	<u>9,000</u>	<u>226</u>	<u>-</u>	<u>9,226</u>
At 31 March 2024	<u>9,000</u>	<u>2,310</u>	<u>13,806</u>	<u>25,116</u>
Depreciation and impairment				
At 1 March 2023	-	428	13,792	14,220
Depreciation charged in the year	<u>-</u>	<u>165</u>	<u>-</u>	<u>165</u>
At 31 March 2024	<u>-</u>	<u>593</u>	<u>13,792</u>	<u>14,385</u>
Carrying amount				
At 31 March 2024	<u>9,000</u>	<u>1,717</u>	<u>14</u>	<u>10,731</u>
At 31 March 2023	<u>-</u>	<u>1,656</u>	<u>14</u>	<u>1,670</u>

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 March 2023	62,943,725	2,630,113	65,573,838
Additions	9,978,781	1,458,000	11,436,781
Valuation changes	4,228,522	-	4,228,522
Disposals	(8,950,470)	(709,788)	(9,660,258)
At 31 March 2024	68,200,558	3,378,325	71,578,883
Carrying amount			
At 31 March 2024	68,200,558	3,378,325	71,578,883
At 31 March 2023	62,943,725	2,630,113	65,573,838

No individual investment exceeded 5% of the total market value as at the year end.

The historic cost of the investment portfolio was 2024: £52,079,493 (2023: £50,687,641).

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	17,608	6,756
Prepayments and accrued income	211,921	171,033
	229,529	177,789

17 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Deferred income	18	20,000	-
Trade creditors		14,896	130
Other creditors		38,617	156
Accruals		79,012	77,946
		152,525	78,232

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Deferred income

	2024 £	2023 £
Other deferred income	20,000	-

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	20,000	-
Movements in the year:		
Deferred income at 1 March 2023	-	-
Resources deferred in the year	20,000	-
Deferred income at 31 March 2024	20,000	-

19 Endowment funds

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.

	Balance at 1 March 2022 £	Revaluations gains and losses £	Balance at 1 March 2023 £	Revaluations gains and losses £	Balance at 31 March 2024 £
Permanent endowments					
Permanent endowment fund	9,763,149	(198,030)	9,565,119	400,449	9,965,568
	9,763,149	(198,030)	9,565,119	400,449	9,965,568

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 1 March 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Samares	510,624	(510,624)	-	831,743	(831,743)	-
	=====	=====	=====	=====	=====	=====

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

21	Analysis of net assets between funds	Unrestricted funds	Restricted funds	Endowment funds	Total Unrestricted funds	Restricted funds	Endowment funds	Total
		2024	2024	2024	2024	2023	2023	2023
		£	£	£	£	£	£	£
	Fund balances at 31 March 2024 are represented by:							
	Tangible assets	10,731	-	-	1,670	-	-	1,670
	Investments	61,613,315	-	9,965,568	56,008,719	-	9,565,119	65,573,838
	Current assets/(liabilities)	864,851	-	-	2,275,501	-	-	2,275,501
		62,488,897	-	9,965,568	58,285,890	-	9,565,119	67,851,009

THE SIR JAMES KNOTT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

22 Grant commitments	2024 £	2023 £
At 31 March 2024 the Charity had grant commitments as follows:		
Committed for but not provided in the financial statements:		
Payable next year	1,223,157	864,103
Payable in 2 years	606,417	475,000
Payable in 3 years	-	5,000
	<u>1,829,574</u>	<u>1,344,103</u>

The charity has received a commitment from Samares Investments Limited to fund £404,012 of these future payments (2023: £340,124).

23 Related party transactions

Samares Investments Limited is a philanthropic organisation with historical links to this Trust, based in Jersey. Note 20 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. At the balance sheet date the amount due from Samares Investments Limited was £20,000 (2023 - £7,500).

The Sir James Knott Trust is a related party with College Valley, by having common Trustees. During the year, The Sir James Knott Trust received a donation of £100,000 (2023 - £Nil).

The Trust made grants to other charities with which Trustees have an association totalling £15,000 (2023 - £15,000).

24 Cash generated from operations	2024 £	2023 £
Surplus/(deficit) for the year	4,603,456	(1,117,639)
Adjustments for:		
Investment income recognised in statement of financial activities	(2,156,339)	(2,199,338)
(Gain)/loss on disposal of investments	(4,831,201)	1,398,920
Depreciation and impairment of tangible fixed assets	165	341
Movements in working capital:		
(Increase)/decrease in debtors	(51,740)	70,011
Increase/(decrease) in creditors	54,293	(19,045)
Increase in deferred income	20,000	-
Cash absorbed by operations	<u>(2,361,366)</u>	<u>(1,866,750)</u>

THE SIR JAMES KNOTT TRUST

England & Wales - Charity number 1001363

Accounts

Charity registration number: 1001363

Sir James Knott Trust

Annual Report and Financial Statements
for the Year Ended 31 March 2023

Sir James Knott Trust

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Sir James Knott Trust

Reference and Administrative Details

Trustees	Mr B Speke DL, (Chair) Mr J A Baker-Cresswell Reverend F J Sample Sir W J B Riddell
Trust Secretary	Ms J Curry MBE, DL
Charity Registration Number	1001363
Principal Office	Mea House Ellison Place Newcastle upon Tyne Tyne and Wear NE1 8XS
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	HSBC Bank plc Newcastle Floor 3 Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Investment Advisors	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

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 March 2023.

Structure, governance and management

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 fourteen. 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 settled in Jersey, with his wife Lady Margaret, where he formed Samares Investments to further his philanthropy. Sir James died in 1934, but his legacy lives on through the Trust and the thousands of charities that have benefited from the endowment that he created. In 1990, a substantial proportion of the fund was moved into an endowed trust under the governance of a registered charity named Sir James Knott 1990 Trust. In 1995 the name became 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.

Samares Investments Limited is a philanthropic organisation with historical links to this Trust and is based in Jersey. It holds the remainder of the endowment established by Sir James Knott. The Trust is grateful to Samares Investments Limited for continuing to provide significant donations to support the Trust's grant making activities.

Governance and Management

There have been no recent changes to the make-up of the governing body of the Trust. Full formal trustee meetings took place four times last year to review the strategy and areas of activity of the Trust, including grant making, investment portfolio performance, finances, reserves, risk management, policies, resources, and staff performance.

Trustees are appointed based upon experience and knowledge of charities and the North East of England in general and are expected to have an affinity with the aims of the Sir James Knott Trust. Trustees adopt areas of specific responsibility for risk, staffing and investments. Newly appointed Trustees 'shadow' a trustee meeting prior to starting their trusteeship. They receive the Charity Commission's guidance on the roles and responsibilities of Trustees and key documents relating to the Trust. Ongoing training is available to all Trustees and opportunities are offered to visit the charities that we support.

Trustees delegate the administration of grants and processing of applications to the Trust Secretary who is responsible for the day-to-day management of the Trust. The Trust Secretary is supported by the Trust Administrator, a freelance finance manager and a team of freelance assessors. Staff are remunerated in line with roles and experience, and this is reviewed annually.

Risk Management

Trustees reviewed the Risk Framework which sets out major risks to which the Trust is exposed and have established systems to mitigate and insure against those risks. The Trust's investment activities represent its main financial risk. The Trust's investments made a full recovery following the pandemic; however, global markets have fluctuated largely due to instability in Eastern Europe.

In terms of key operational risks, applications for grants are assessed carefully to ensure full due diligence is carried out. 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.

Sir James Knott Trust

Trustees' Report

Conflict of Interest

Trustees and staff are 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.

Objectives and activities

Grant Making Policies

The Trust continued to meet its charitable objectives and to follow the wishes of the late Sir James Knott through the provision of grants of between £100 and £100,000 to 356 charitable organisations in the year to 31st March 2023. The Trust allocates grants principally to charities working to improve the lives of people living in Tyne & Wear, Northumberland, County Durham, and Hartlepool. Trustees 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 worthy causes. He was a man of faith and supported places and events that brought the community together.

The Trust is known primarily as a generalist grant funder, with the flexibility to provide grants for core running costs, projects, and capital expenditure. Trustees continue to 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. Trustees understand that this is where a real difference can be made. The Trust is prepared to join with other funders to make larger grants. The Trust also recognises the value organisations still place on small grants that can be administered quickly. Applications for grants of £1,000 and under are considered between meetings by one Trustee.

In respect of the late Sir James Knott's wishes to support young people, the Trust continued to underpin the of the High Sheriffs Award Schemes of Northumberland, Tyne & Wear and County Durham. The Awards celebrate and reward the achievements made by young people and the volunteers supporting them.

Sir James Knott Trust

Trustees' Report

Achievements and Performance

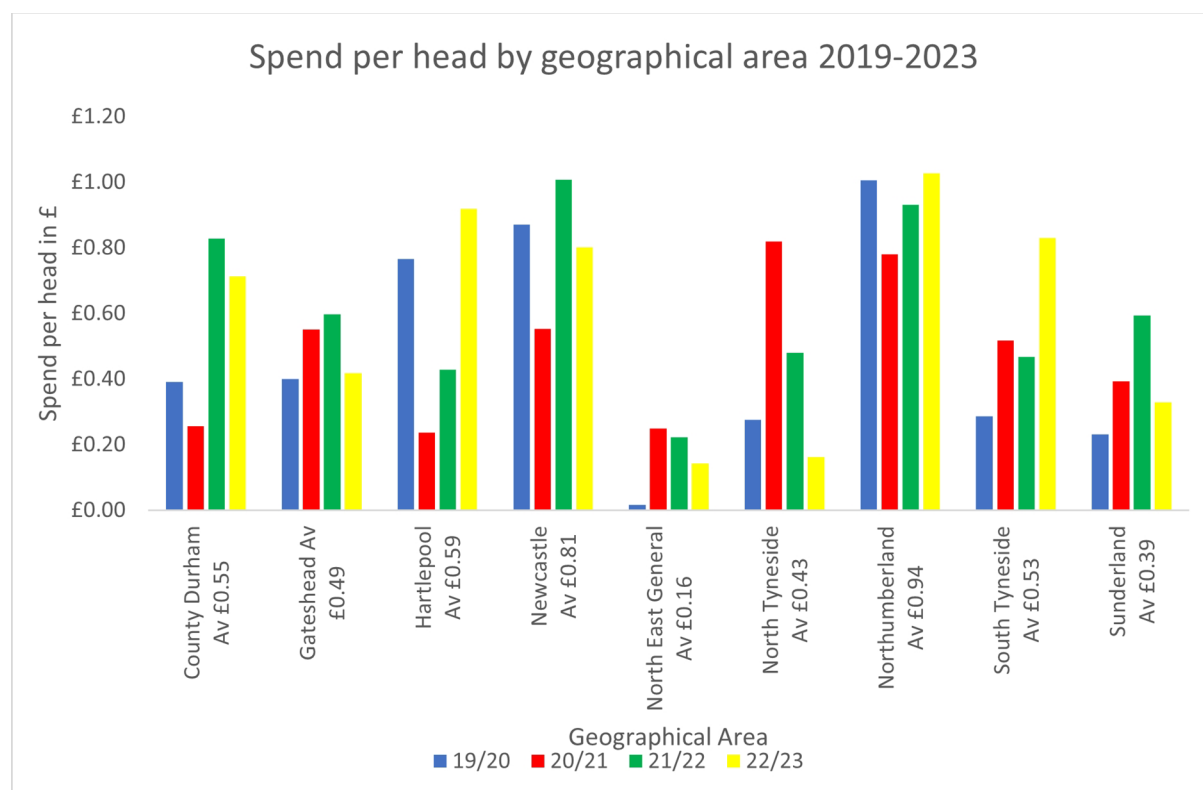
In 2022/23 The Trust made grants in the North East totalling £1,970,781. There is not a single part of the Trust's geographical area of benefit that gains less than £0.39 spend per head of population from the Trust.

The number of applications went up last year to 473, and the total value of requests was at its highest at just over £6m. The Trust is well networked and is visible to applicants. Coverage of the Trust's support for Locomotion and the High Sheriff Awards featured in the press.

Core grants that support running costs including salaries, rent, utilities, and insurance averaged at £7,500 per organisation, and ranged from £1,500 to £30,000. The key features of the organisations supported by the Trust are that they are grounded in their locality. They are usually neighbourhood level charities from which longstanding relationships are built, so that people feel a sense of trust and belonging. They are often run by a few key staff and volunteers, and usually have a turnover of under £300,000.

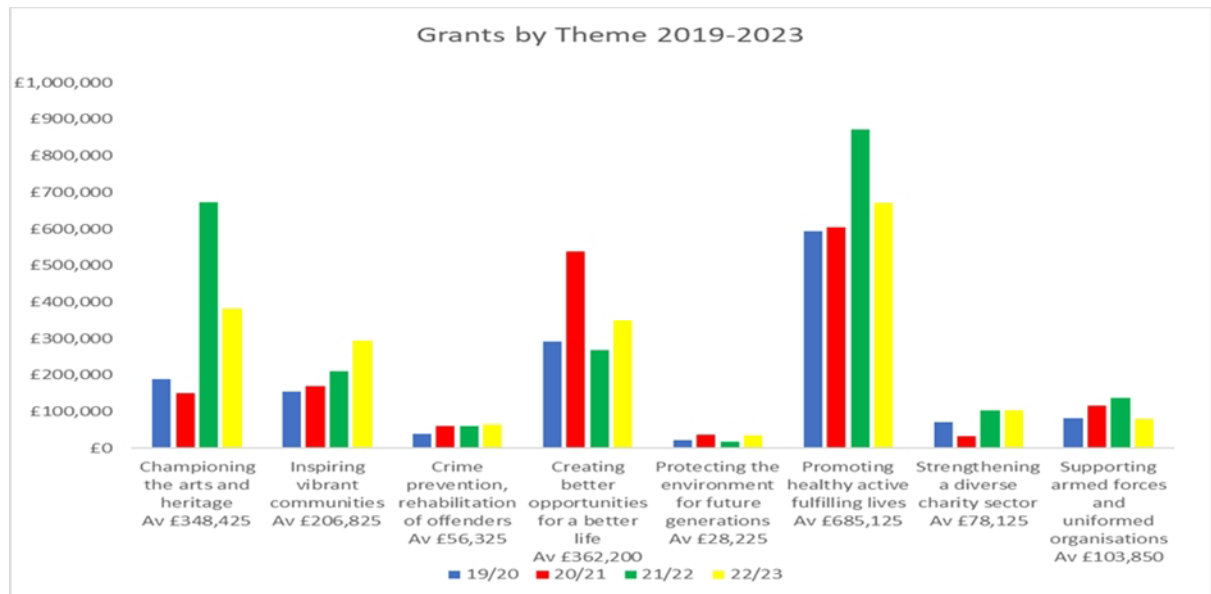
The Trust also funds one off initiatives that bring something extra to the region; lift the spirits and potentially raise aspirations, an example of this would be the grant to Royal Northern Symphonia of £21,000 across 3 years.

Last year the Trust made twenty-nine capital grants. The range was from £2000 to £100,000. The average size of a capital grant was £13,000. Typical capital grants would go towards refurbishing sports clubs or community centres. The Trust makes larger capital grants to regionally significant projects. Only three larger capital grants were made in 22/23 to Northern Print (£50,000), St Chad's College Durham (£50,000) and National Railway Museum at Shildon (£100,000). Trustees monitor the spread of grants by theme and by geography over a rolling 4-year period.



Sir James Knott Trust

Trustees' Report



Sir James Knott Trust

Trustees' Report

Platinum Jubilee

To mark HM Queen Elizabeth II's seventy years as monarch the Trust provided funding to support celebrations and street parties. Seventy-seven neighbourhood organisations shared just under £45,000.

Supporting our armed forces and uniformed organisations

Reflecting Sir James Knott's appreciation of all things maritime, the Trust supports all sea cadet units across Northumberland, Tyne and Wear, County Durham, and Hartlepool. Twenty-four uniformed / service organisations were also supported to a value of £80,700.

Inspiring vibrant communities

Forty-nine organisations received grants worth £294,600 that encouraged people to join in community events and activities, supporting organisations to ignite a sense of belonging. The Trust also funds the upkeep of community buildings so that people have a place to meet in their neighbourhoods.

Creating opportunities for a better future

Forty organisations were supported to help people into employment, financial inclusion, debt management, education, and training. The Trust funded organisations that support people into secure housing. The total value of grants made came to £348,800.

Promoting healthy, active fulfilling lives

One hundred and eight organisations were funded to provide services that supported people to stay healthy and active. The total value of grants made came to £671,100.

Championing the arts and heritage

Thirty-six arts, culture and heritage organisations were supported with grants totalling £381,600.

Strengthening a diverse charity sector

The Trust recognises that for a diverse range of charities, social enterprises, and community groups to thrive, they need good advice and training. Trustees made a commitment to fund infrastructure support in every Local Authority area across the Trust's area of benefit. The Trust made grants of £104,400 to 13 sector support organisations and minority ethnic groups.

Protecting the environment for future generations

Four environmental projects were funded to a value of £35,500. This is a theme in which the Trust traditionally receives fewer applications.

Crime Prevention and the rehabilitation of offenders

The Trust wishes to promote safer communities and recognises that people with a history of offending need support to live fulfilling law abiding lives. Six crime prevention and rehabilitation projects were funded to a value of £65,000.

Feedback from grant recipients on the impact that grants make.

In the six months following the receipt of a grant, recipients are asked to provide feedback on how the grant was used and to describe the difference that the grant has made. Examples of the responses include:

West End Refugee Service was awarded £21,000 across 3 years. "The grant enabled our clients to take back some control over their lives whilst within the refugee and asylum system. As a result 83% are more confident in accessing support, 66% feel more settled in their homes, 73% feel less isolated, and 79% are more confident speaking in English."

The Huntington's Disease Association awarded £3000 towards their specialist advisory service in North East. "With your help we have been able to provide support to over 290 people affected by Huntington's disease across the North East."

Sir James Knott Trust

Trustees' Report

Hartlepool Sportability was awarded £6,000 over 3 years to deliver sports coaching session for disabled people. "One of our main problems was that our volunteers are now a lot older and could not provide the activities needed. The grant is enabling us to bring in younger qualified coaches for more activities."

Tynemouth Volunteer Life brigade was awarded £12,000 across 3 years towards core costs and replacing rescue equipment. "Our rescues are often conducted in harsh and dangerous environments and our specialist equipment has a limited lifespan. The grant has been used to keep our casualties, rescuers, and bystanders as safe as possible during our emergency callouts. This can only be achieved if our equipment is up-to date, safe and well maintained."

Wooler Bowling and Sports Club was awarded £5,000 to develop plans and obtain planning permission for the renewal of kitchen, toilets and changing rooms at the clubhouse, built in 1921. "The high cost of planning permission was an unpleasant surprise, and the grant has ameliorated this. It has left us with sufficient remaining funds which we can direct towards the building project."

Feedback from grant recipients on The Sir James Knott Trust

Last year the Trust added a question to the feedback forms asking what we as a funder could do to improve. A typical selection of the feedback is set out below.

"I believe that the Sir James Knott Trust has identified the needs not only of communities of the North-East, but also the community groups and charities that provides services to these communities." Wheels to Work

"We only have positive feedback - you have supported our core costs and have a 'light touch' monitoring approach which is really appreciated." Connected Voices

"Your process is clear and easy to follow. Your follow ups are swift and appropriate to the size of grants being sort." Interact Stroke

"Everything was good for us, a straightforward application form and process to award the funding, with good communication from the funder throughout the entire process." Maltings

"Awarding us core costs that we could use to support with a degree of flexibility to best support the hub venture and services there." Cornerstone

"The flexibility in allowing us to use this grant to meet our unexpected costs relating to the cost-of-living crisis is exactly what we need." Gateshead Older Peoples Assembly

"The application process was fairly easy, and the support visit was really helpful." More than grandparents

"Great funder. Answered queries quickly." Rape and Sexual Abuse Counselling Centre

"Found the process easy to complete and was very pleased with the results. As this was my first time applying to a trust, I found your process just right." Hartlepool Yacht Club

"We were able to have a direct conversation with someone from Sir James Knott. This made a huge difference as we felt we were able to express ourselves better through conversation and understand what information the fund was looking for from us." Woven Nest Theatre Company

Fundraising disclosures

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

Sir James Knott Trust

Trustees' Report

Public benefit

The Sir James Knott Trust exists and operates for the public benefit. Through its grant making it works to strengthen charities, improve the community, and enrich the lives of people in Tyne & Wear, Northumberland, County Durham, and Hartlepool. The Trustees confirm that they have referred to the guidance produced by the Charity Commission on public benefit when reviewing the aims and objectives, the grant making policies and in planning future activities, and are confident that the requirements are satisfied.

Policy on reserves

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 to cover administrative costs and to ensure there are funds available to respond to current and future applications. The level of cash reserves on 31st March 2023 was £2,175,944. The balance of unrestricted reserves mitigates against the volatility of the investment markets and on going commitments of the Trust.

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 £2,199,338. Investment management and custody fees of £286,017 were paid in accordance with the current fee structure. These charges are expensed against the unrestricted gains and losses of investment assets.

Support and governance costs were £182,883. Grants awarded (excluding grants from restricted funds) amounted to £1,460,157. Total income exceeded total expenditure by £281,280 before adjustment for investment losses of £1,398,920.

Plans for the Future

The Trust anticipates a greater number of applications from organisations requesting larger amounts. The Trust is planning to increase giving in 2023/24 by up to £1m. The Trust will continue to provide grants to charities so that they may be strong vibrant organisations providing effective services to people in the North East. Trustees acknowledge that people in communities are struggling and that the costs associated with running services have increased. Trustees will 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 values the partnerships forged with other funders through networking with the North East Trusts Group, the North East Funders Forum, and the Association of Charitable Foundations.

Sir James Knott Trust

Trustees' Report

Investment policy and objectives

The Sir James Knott Trust is a lasting testimony to the 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 can continue to award grants to charitable organisations across the North East of England for many years to come. As such the Trustees wish to maintain the capital value of the portfolio in real terms and take a long-term approach. The Trustees have instructed the Investment Manager to take account of socially responsible, ethical, and environmental considerations.

The Trustees monitor the performance of the portfolio against internal and external benchmarks. The Investment Manager provides the Trust with quarterly financial reports and presents to the full body of Trustees twice yearly.

In a turbulent year for financial markets the value of the Trust's investments fell, but the -2.5% decline was considered a successful outcome given the larger falls in global bond and equity indexes. The investment manager's medium- and long-term performance remains well ahead of benchmark. At the end of the year the portfolio capital value of the fund was £65,573,838. The income generated from investments was £2,199,338. Trustees continue to monitor the performance of the Investment Manager actively and expect volatile markets to continue.

Key Management Personnel

The Trust employs two members of staff. Salaries were benchmarked within the last 2 years and are reviewed annually.

Trustees Remuneration

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

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

Sir James Knott Trust

Trustees' Report

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 the incoming resources and application of resources of the charity 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

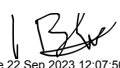
Disclosure of information to auditor

Each trustee has taken 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 charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 22/09/2023.... and signed on its behalf by:


Ben Speke 22 Sep 2023 12:07:50 BST (UTC +1)
.....
Mr B Speke DL
Trustee

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 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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, except to the extent otherwise explicitly stated in our report, 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.

Sir James Knott Trust

Independent Auditor's Report to the Members of Sir James Knott Trust

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 10), the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

Auditor 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 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.

Sir James Knott Trust

Independent Auditor's Report to the Members of Sir James Knott Trust

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business'.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: the Charities Act 2011.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available 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 trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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.

Simon Brown

Simon Brown 25 Sep 2023 08:03:52 BST (UTC +1)

Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of
Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 25 September 2023

Azets Audit Services is a trading name of Azets Audit Services Limited

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Sir James Knott Trust

Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted £	Restricted £	Endowment £	Total 2023 £	Total 2022 £
Income and Endowments from:						
Donations and legacies	3	-	510,624	-	510,624	814,399
Investment income	4	2,199,338	-	-	2,199,338	2,123,465
Other income	5	11,000	-	-	11,000	6,444
Total Income		<u>2,210,338</u>	<u>510,624</u>	<u>-</u>	<u>2,720,962</u>	<u>2,944,308</u>
Expenditure on:						
Raising funds	6	(286,017)	-	-	(286,017)	(352,092)
Charitable activities	7	<u>(1,643,040)</u>	<u>(510,624)</u>	<u>-</u>	<u>(2,153,664)</u>	<u>(2,499,993)</u>
Total Expenditure		<u>(1,929,057)</u>	<u>(510,624)</u>	<u>-</u>	<u>(2,439,681)</u>	<u>(2,852,085)</u>
Gains/(losses) on investment assets		<u>(1,200,890)</u>	<u>-</u>	<u>(198,030)</u>	<u>(1,398,920)</u>	<u>5,810,115</u>
Net movement in funds		(919,609)	-	(198,030)	(1,117,639)	5,902,338
Reconciliation of funds						
Total funds brought forward		<u>59,205,499</u>	<u>-</u>	<u>9,763,149</u>	<u>68,968,648</u>	<u>63,066,310</u>
Total funds carried forward	19	<u>58,285,890</u>	<u>-</u>	<u>9,565,119</u>	<u>67,851,009</u>	<u>68,968,648</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 19.

Sir James Knott Trust

Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Income and Endowments from:					
Donations and legacies		31,671	782,728	-	814,399
Investment income	4	2,123,465	-	-	2,123,465
Other income		6,444	-	-	6,444
Total income		<u>2,161,580</u>	<u>782,728</u>	<u>-</u>	<u>2,944,308</u>
Expenditure on:					
Raising funds		(352,092)	-	-	(352,092)
Charitable activities		<u>(1,717,265)</u>	<u>(782,728)</u>	<u>-</u>	<u>(2,499,993)</u>
Total expenditure		<u>(2,069,357)</u>	<u>(782,728)</u>	<u>-</u>	<u>(2,852,085)</u>
Gains/(losses) on investment assets		<u>4,986,538</u>	<u>-</u>	<u>823,577</u>	<u>5,810,115</u>
Net income		<u>5,078,761</u>	<u>-</u>	<u>823,577</u>	<u>5,902,338</u>
Net movement in funds		5,078,761	-	823,577	5,902,338
Reconciliation of funds					
Total funds brought forward		<u>54,126,738</u>	<u>-</u>	<u>8,939,572</u>	<u>63,066,310</u>
Total funds carried forward	19	<u>59,205,499</u>	<u>-</u>	<u>9,763,149</u>	<u>68,968,648</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 19.

Sir James Knott Trust

(Registration number: 1001363)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	1,670	2,249
Investments	15	<u>65,573,838</u>	<u>67,285,042</u>
		<u>65,575,508</u>	<u>67,287,291</u>
Current assets			
Debtors	16	177,789	247,800
Cash at bank and in hand		<u>2,175,944</u>	<u>1,530,834</u>
		2,353,733	1,778,634
Creditors: Amounts falling due within one year	17	<u>(78,232)</u>	<u>(97,277)</u>
Net current assets		<u>2,275,501</u>	<u>1,681,357</u>
Net assets		<u>67,851,009</u>	<u>68,968,648</u>
Funds of the charity:			
Endowment funds		9,565,119	9,763,149
Unrestricted income funds			
Unrestricted funds		<u>58,285,890</u>	<u>59,205,499</u>
Total funds	19	<u>67,851,009</u>	<u>68,968,648</u>

The financial statements on pages 14 to 31 were approved by the trustees, and authorised for issue on 22/09/2023.... and signed on their behalf by:


Ben Speke 22 Sep 2023 12:07:50 BST (UTC +1)
.....
Mr B Speke DL
Trustee

Sir James Knott Trust

Cash Flow Statement for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		(1,117,639)	5,902,338
Adjustments to cash flows from non-cash items			
Depreciation	6	341	854
Investment income	4	(2,199,338)	(2,123,465)
Revaluation of investments		<u>1,261,734</u>	<u>(5,810,115)</u>
		(2,054,902)	(2,030,388)
Working capital adjustments			
Decrease/(increase) in debtors	16	70,011	(102,806)
(Decrease)/increase in creditors	17	<u>(19,045)</u>	<u>3,703</u>
Net cash flows from operating activities		<u>(2,003,936)</u>	<u>(2,129,491)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	2,199,338	2,123,465
Purchase of tangible fixed assets	14	(1,873)	-
Sale of tangible fixed assets		2,111	-
Purchase of investments	15	(6,320,908)	(15,600,907)
Sale of investments		<u>6,770,378</u>	<u>15,910,297</u>
Net cash flows from investing activities		<u>2,649,046</u>	<u>2,432,855</u>
Net increase in cash and cash equivalents		645,110	303,364
Cash and cash equivalents at 1 April		<u>1,530,834</u>	<u>1,227,470</u>
Cash and cash equivalents at 31 March		<u><u>2,175,944</u></u>	<u><u>1,530,834</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

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 Mea House, Ellison Place, Newcastle upon Tyne, NE1 8XS.

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Sir James Knott Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The functional currency is sterling.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

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.

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.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

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.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture 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 2023

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

Trade 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.

Cash and cash equivalents

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.

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.

Fund structure

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 2023

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Management have provided depreciation, prepayments, accruals and other cut-off adjustments. Whilst management believe that these estimates and judgements are accurate, there is every likelihood that they will not be exact.

These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

Operating leases

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

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.

3 Income from donations and legacies

	Restricted funds £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from Samares Investments Limited	510,624	510,624	782,728
Donations	-	-	31,671
	<u>510,624</u>	<u>510,624</u>	<u>814,399</u>

In 2022, £782,728 of the above income was restricted and £31,671 was unrestricted.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

4 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest received	6,763	6,763	314
Dividends income	2,162,066	2,162,066	2,003,400
Tax reclaimed on dividend income	30,509	30,509	119,751
	<u>2,199,338</u>	<u>2,199,338</u>	<u>2,123,465</u>

In 2022, all income received above was restricted.

5 Other income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Grants returned	11,000	11,000	6,025
Job retention scheme grants	-	-	419
	<u>11,000</u>	<u>11,000</u>	<u>6,444</u>

In 2022, all income received above was unrestricted.

6 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Investment management costs;			
Fees paid to investment manager	286,017	286,017	300,444
Fees for obtaining investment advice	-	-	51,648
	<u>286,017</u>	<u>286,017</u>	<u>352,092</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Payment of grants	1,460,157	510,624	1,970,781
Support Costs	182,883	-	182,883
	<u>1,643,040</u>	<u>510,624</u>	<u>2,153,664</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Payment of grants	1,532,742	782,728	2,315,470
Support Costs	184,523	-	184,523
	<u>1,717,265</u>	<u>782,728</u>	<u>2,499,993</u>
	Grant funding of activity £	Activity support costs £	2023 £
Payment of grants	1,970,781	-	1,970,781
Support costs	-	182,883	182,883
	<u>1,970,781</u>	<u>182,883</u>	<u>2,153,664</u>
	Grant funding of activity £	Activity support costs £	2022 £
Payment of grants	2,315,470	-	2,315,470
Support costs	-	184,523	184,523
	<u>2,315,470</u>	<u>184,523</u>	<u>2,499,993</u>

Further analysis of how the grants have been issued can be found within the trustees report.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs	Other support costs	Total 2023	Total 2022
	£	£	£	£
Wages and Salaries	-	75,476	75,476	71,984
Depreciation	-	341	341	854
Rent and rates	-	20,951	20,951	33,230
Insurance	-	406	406	2,437
Motor and travel	-	2,368	2,368	1,497
Office costs	-	-	-	2,076
IT Maintenance and repairs	-	14,161	14,161	15,933
Legal and professional	-	45,684	45,684	47,319
Bank charges	-	213	213	185
Sundry expenses	-	7,928	7,928	1,068
Sale of tangible fixed assets	-	2,112	2,112	-
Governance costs	13,243	-	13,243	7,940
	<u>13,243</u>	<u>169,640</u>	<u>182,883</u>	<u>184,523</u>

Governance costs

	Unrestricted funds General	Total 2023	Total 2022
	£	£	£
Audit fees			
Audit of the financial statements	11,280	11,280	7,658
Under provision of auditor's fees in prior year	1,462	1,462	-
Trustees meeting costs	501	501	282
	<u>13,243</u>	<u>13,243</u>	<u>7,940</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023	2022
	£	£
Audit fees	12,742	7,658
Depreciation of fixed assets	<u>341</u>	<u>854</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	68,320	67,715
Social security costs	2,256	3,148
Pension costs	4,900	1,121
	<u>75,476</u>	<u>71,984</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Support	1	1
Administration	1	1
	<u>2</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year

The total employee benefits of the key management personnel of the charity were £52,176 (2022 - £53,715).

12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>11,280</u>	<u>7,658</u>
Other fees to auditors		
Under provision of auditor's fee in prior year	<u>1,462</u>	<u>-</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

	Furniture and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2022	11,621	54,439	66,060
Additions	1,873	-	1,873
Disposals	(11,410)	(40,633)	(52,043)
At 31 March 2023	2,084	13,806	15,890
Depreciation			
At 1 April 2022	11,212	52,599	63,811
Charge for the year	167	174	341
Eliminated on disposals	(10,951)	(38,981)	(49,932)
At 31 March 2023	428	13,792	14,220
Net book value			
At 31 March 2023	1,656	14	1,670
At 31 March 2022	409	1,840	2,249

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Fixed asset investments

Investments

	Listed investments £	Unlisted investments £	Total £
Cost or Valuation			
At 1 April 2022	64,332,168	2,952,874	67,285,042
Additions	6,320,908	-	6,320,908
Disposals	(6,447,617)	(322,761)	(6,770,378)
Revaluation	<u>(1,261,734)</u>	<u>-</u>	<u>(1,261,734)</u>
At 31 March 2023	<u>62,943,725</u>	<u>2,630,113</u>	<u>65,573,838</u>
Net book value			
At 31 March 2023	<u>62,943,725</u>	<u>2,630,113</u>	<u>65,573,838</u>
At 31 March 2022	<u>64,332,168</u>	<u>2,952,874</u>	<u>67,285,042</u>

No individual investment exceeded 5% of the total market value as at the year end.

The historic cost of the investment portfolio was £50,687,641 (2022: £48,711,932).

16 Debtors

	2023 £	2022 £
Prepayments	238	15,418
Accrued income	170,795	222,082
Other debtors	<u>6,756</u>	<u>10,300</u>
	<u>177,789</u>	<u>247,800</u>

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	130	-
Other taxation and social security	-	1,890
Other creditors	156	3,000
Accruals	<u>77,946</u>	<u>92,387</u>
	<u>78,232</u>	<u>97,277</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

18 Commitments

Operating lease commitments

At 31 March 2023 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Within 1 year	<u>1,391</u>	<u>15,120</u>

Grant commitments

At 31 March 2023 the charity had commitments as follows:

Commitments in respect of grants approved for projects where the conditions have not yet been met and therefore which have not been accrued in the financial statements but will form part of future grants expenditure:

	2023 £	2022 £
Payable next year	864,103	507,643
Payable in 2 years	475,000	260,246
Payable in 3 years	<u>5,000</u>	<u>22,000</u>
	<u>1,344,103</u>	<u>789,889</u>

The charity has received a commitment from Samares Investments Limited to fund £340,124 of these future payments (2022: £250,451).

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

19 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds					
General	59,205,499	2,210,338	(1,929,057)	(1,200,890)	58,285,890
Restricted funds	-	510,624	(510,624)	-	-
Endowment funds					
Endowment funds	9,763,149	-	-	(198,030)	9,565,119
Total funds	<u>68,968,648</u>	<u>2,720,962</u>	<u>(2,439,681)</u>	<u>(1,398,920)</u>	<u>67,851,009</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General	54,126,738	2,161,580	(2,069,357)	4,986,538	59,205,499
Restricted funds	-	782,728	(782,728)	-	-
Endowment funds					
Endowment funds	8,939,572	-	-	823,577	9,763,149
Total funds	<u>63,066,310</u>	<u>2,944,308</u>	<u>(2,852,085)</u>	<u>5,810,115</u>	<u>68,968,648</u>

The specific purposes for which the funds are to be applied are as follows:

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

Samares Grant Reimbursed - During the year, Samares Investment Limited provided funding to the Trust in relation to grants of £510,624 (2022: £782,728) awarded. The key grants made were as follows: National Railway Museum at Shildon - £50,000, Northern Print - £50,000, St. Chad's College - £50,000, YMCA-North Tyneside - £30,000, Citizens' Advice Gateshead - £25,200, Milfield Reading Room - £20,000, Oasis Aquila Housing - £20,000, Blyth Tall Ship - £15,000, Citizens' Advice Hartlepool - £15,000, East Durham Partnership - £15,000, Triangular - £12,500. In addition 14 grants were awarded to branches of sea cadets in the North east amounting to £56,000.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

20 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 March 2023 £
Tangible fixed assets	1,670	-	1,670
Fixed asset investments	56,008,719	9,565,119	65,573,838
Current assets	2,353,733	-	2,353,733
Current liabilities	(78,232)	-	(78,232)
Total net assets	<u>58,285,890</u>	<u>9,565,119</u>	<u>67,851,009</u>
	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 March 2022 £
Tangible fixed assets	2,249	-	2,249
Fixed asset investments	57,521,893	9,763,149	67,285,042
Current assets	1,778,634	-	1,778,634
Current liabilities	(97,277)	-	(97,277)
Total net assets	<u>59,205,499</u>	<u>9,763,149</u>	<u>68,968,648</u>

21 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	<u>1,530,834</u>	<u>645,110</u>	<u>2,175,944</u>
Net funds	<u>1,530,834</u>	<u>645,110</u>	<u>2,175,944</u>
	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	<u>1,227,470</u>	<u>303,364</u>	<u>1,530,834</u>
Net funds	<u>1,227,470</u>	<u>303,364</u>	<u>1,530,834</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

22 Related party transactions

During the year the charity made the following related party transactions:

Samares Investments Limited

Samares Investments Limited is a philanthropic organisation with historical links to this Trust, based in Jersey. Note 19 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. At the balance sheet date the amount due from Samares Investments Limited was £7,500 (2022 - £4,000).

The Trust made grants to other charities with which Trustees have an association totalling £15,000 (2022 - £5,000).

THE SIR JAMES KNOTT TRUST

England & Wales - Charity number 1001363

Accounts

Charity registration number: 1001363

Sir James Knott Trust

Annual Report and Financial Statements
for the Year Ended 31 March 2022

Sir James Knott Trust

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Sir James Knott Trust

Reference and Administrative Details

Trustees	Mr B Speke DL, (Chair) Mr J A Baker-Cresswell Reverend F J Sample Sir W J B Riddell
Trust Secretary	Ms J Curry MBE, DL
Charity Registration Number	1001363
Principal Office	Mea House Ellison Place Newcastle upon Tyne Tyne and Wear NE1 8XS
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	HSBC Bank plc Newcastle Floor 3 Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Investment Advisors	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

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 March 2022.

Structure, governance and management

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 fourteen. 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 North East, with his wife Lady Margaret and settled in Jersey where he formed Samares Investments, to further his philanthropy. Sir James died in 1934, but his legacy lives on through the Trust and the thousands of charities that have benefited from the endowment that he created.

Sir James Knott established the original Trust in 1920 in Jersey, which was the final resting place of he and his wife Lady Knott. In 1990, the Jersey Trustees agreed to move a substantial proportion of that fund into an endowed trust under the governance of a registered charity named Sir James Knott 1990 Trust. In 1995 the name became 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.

Governance and Management

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

Trustees are appointed based upon experience and knowledge of charities and the North East of England in general and are expected to have an affinity with the aims of the Sir James Knott Trust. Trustees adopt areas of specific responsibility in terms of Risk, staffing and investments. Newly appointed Trustees 'shadow' a Trustee meeting prior to starting their trusteeship. They receive the Charity Commission's guidance on the roles and responsibilities of Trustees and key documents relating to the Trust. Ongoing training is available 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.

Trustees delegate the administration of grants and processing of applications to the Trust Secretary who is responsible for the management of the Trust. The Trust Secretary is supported by the Trust Administrator who together operate the charity on a day-to-day basis. The Trust also has a team of freelance assessors and a freelance finance manager. Staff are remunerated in line with roles and experience, and this is reviewed annually.

Risk Management

Trustees reviewed the Risk Framework which sets out major risks to which the Trust is exposed and have established systems to mitigate and insure against those risks. The Trust's investment activities represent its main financial risk. The Trust's investments made a full recovery following the pandemic; however, global markets have fluctuated largely due to instability in Eastern Europe.

In terms of key operational risks, applications for grants are assessed carefully to ensure full due diligence is carried out. 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.

Sir James Knott Trust

Trustees' Report

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.

Objectives and activities

Grant Making Policies

The Trust allocates grants principally to charities working to improve the lives of people living in Tyne & Wear, Northumberland, County Durham, and Hartlepool. Trustees 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 worthy causes. He was a man of faith and supported places and events that brought the community together.

The Trust is known primarily as a generalist grant funder, with the flexibility to provide grants for core running costs, projects, and capital expenditure. Trustees continue to 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. Trustees understand that this is where a real difference can be made. The Trust is prepared to join with other funders to make larger grants.

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

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 286 grants of between £500 and £100,000 to charitable organisations in the year to 31st March 2022.

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.

In respect of the late Sir James Knott's wishes to support young people, the Trust continued to underpin the of the High Sheriffs Award Schemes of Northumberland, Tyne & Wear and County Durham. The Trust was heartened to be included in the award evenings that celebrate and reward the achievements and community engagement undertaken by inspiring young people and their voluntary organisation leaders.

Achievements and Performance

In 2021/22 The Trust made grants in the North East totalling more than £2.3m. This is the highest amount recorded in the Trust's history. There is not a single area of the Trust's geographical area of benefit that gains less than £0.43 spend from the Trust per head of population.

Whilst the number of applications were down on last year, (355 compared to 446), the total value of requests was at its highest at just under £4.7m. The Trust is well networked and is visible to applicants. Coverage of the Trust's support for the Durham City-County of Culture 2025 bid and the significant award to Beamish was covered in the press.

Sir James Knott Trust

Trustees' Report

Supporting our armed forces and uniformed organisations

Reflecting Sir James Knott's appreciation of all things maritime, the Trust supports all sea cadet units across Northumberland, Tyne and Wear, County Durham, and Hartlepool. Twenty-six uniformed / service organisations were also supported to a value of £137,300.

Inspiring vibrant communities

Twenty-seven organisations received grants worth £209,400 that encouraged people to join in community events and activities, supporting organisations to ignite a sense of belonging. The Trust also funds the upkeep of community buildings so that people have a place to meet in their neighbourhoods.

Creating opportunities for a better future

Thirty-four organisations were supported to help people into employment, financial inclusion, debt management, education, and training. The Trust funded organisations that support people into secure housing. The total value of grants made came to £268,700.

This year the Trust was delighted to attend the opening of the Sir James Knott Cadaveric Centre at Sunderland University. A grant of £250,000 in 2020 supported the building of the anatomy unit at the University. It means that the first cohort of medical students have the opportunity to study in first class facilities and Sunderland University is now in a position to educate the surgeons of the future.

Promoting healthy, active fulfilling lives

One hundred and twenty-seven organisations were funded to provide services that supported people to stay healthy and active. The total value of grants made came to £871,700.

Championing the arts and heritage

Forty-two arts, culture and heritage organisations were supported with grants totalling £673,000.

Strengthening a diverse charity sector

The Trust recognises that for a diverse range of charities, social enterprises, and community groups to thrive, they need strong infrastructure support. In January 2021 Trustees reviewed the support that the Trust makes to local infrastructure organisations and made a commitment to fund infrastructure support in every Local Authority area across the Trust's area of benefit. The Trust made grants of £103,500 to 13 sector support organisations and minority ethnic groups.

Protecting the environment for future generations

Three environmental projects were funded to a value of £17,000. This is a theme in which the Trust traditionally receives fewer applications.

Crime Prevention and the rehabilitation of offenders

The Trust wishes to promote safer communities and recognises that people with a history of offending need support to live fulfilling law abiding lives. Eight crime prevention and rehabilitation projects were funded with a value of £60,500.

Sir James Knott Trust

Trustees' Report

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. The Charity does not solicit donations from the general public. "Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public benefit

The Sir James Knott Trust exists and operates for the public benefit. Through its grant making it works to strengthen charities, improve the community, and enrich the lives of people in Tyne & Wear, Northumberland, County Durham and Hartlepool. The Trustees confirm that they have referred to the guidance produced by the Charity Commission on public benefit when reviewing the aims and objectives, the grant making policies and in planning future activities, and are confident that the requirements are satisfied.

Investment policy and performance

The Sir James Knott Trust is a lasting testimony to the 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 can continue to award grants to charitable organisations across the North East of England for many years to come. As such the Trustees wish to maintain the capital value of the portfolio in real terms and 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.

The Trustees monitor the performance of the portfolio against an internal benchmark. The Investment Manager provides the Trust with quarterly financial reports and presents to the full body of Trustees twice yearly.

The Trust's capital performed well in the first 3 quarters of the year with a decline in quarter 4. At the end of the year the capital value of the fund was £64,332,168, and the income generated was £2,003,400. Trustees continue to monitor the performance of the Investment Manager actively and expect volatile markets to continue.

Policy on reserves

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. The level of reserves on 31st March 2022 was £1,778,634. The balance of unrestricted reserves mitigates against the volatility of the investment markets, anticipated reduction in dividends and on going commitments of the Trust.

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 £2,123,465 Investment management and custody fees of £300,444 were paid in accordance with the current fee structure. These charges are expensed against the unrestricted gains and losses of investment assets.

Support and governance costs were £184,523. Grants awarded (excluding grants from restricted funds) amounted to £1,532,742. Total income exceeded total expenditure by £92,223 before adjustment for investment gains of £5,810,115.

Sir James Knott Trust

Trustees' Report

Key Management Personnel

The Trust employs two members of staff. Salaries were benchmarked within the last 2 years and are reviewed annually.

Trustees Remuneration

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

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

Plans for future periods

Plans for the Future

The Trust will continue to provide grants to charities so that they may develop into strong vibrant organisations providing effective services to people in the North East. Trustees acknowledge that people in communities are struggling and that the costs associated with running services are increasing. In the coming year, Trustees will look to ensure that as much funding as possible goes to Charities in the North East of England and will look to reduce operating costs, utilise reserves and draw in resources from Samares Investment Management 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.

Trustees have noted the sharp decline in applications for small grants. This coincided with the pandemic and the move to an on-line applications process. The Trust will look to encourage applications for small grants and examine how the application process can be simplified.

We know that our funding can have the greatest impact if we work with other funders. We value the partnerships we have forged through networking with the North East Trusts Group, the North East Funders Forum, and the Association of Charitable Foundations.

Sir James Knott Trust

Trustees' Report

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 the incoming resources and application of resources of the charity 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Disclosure of information to auditor

Each trustee has taken 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 charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

MHA Tait Walker were appointed as auditors to the Charity during the year, replacing Ryecroft Glenton.

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the charity following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 23/11/2022..... and signed on its behalf by:


Ben Speke 23 Nov 2022 18:11:39 GMT (UTC +0)
.....
Mr B Speke DL
Trustee

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 2022, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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, except to the extent otherwise explicitly stated in our report, 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.

Sir James Knott Trust

Independent Auditor's Report to the Members of Sir James Knott Trust

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

Auditor 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 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Sir James Knott Trust

Independent Auditor's Report to the Members of Sir James Knott Trust

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business'.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: the Charities Act 2011.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available 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 trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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.



Simon Brown ACA (Senior Statutory Auditor)

For and on behalf of
Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 8/12/22

Azets Audit Services is a trading name of Azets Audit Services Limited

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Sir James Knott Trust

Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted £	Restricted £	Endowment £	Total 2022 £	Total 2021 £
Income and Endowments from:						
Donations and legacies	3	31,671	782,728	-	814,399	487,453
Investment income	4	2,123,465	-	-	2,123,465	1,453,626
Other income	5	6,444	-	-	6,444	17,156
Total Income		<u>2,161,580</u>	<u>782,728</u>	<u>-</u>	<u>2,944,308</u>	<u>1,958,235</u>
Expenditure on:						
Raising funds	6	(352,092)	-	-	(352,092)	(185,863)
Charitable activities	7	<u>(1,717,265)</u>	<u>(782,728)</u>	<u>-</u>	<u>(2,499,993)</u>	<u>(1,973,248)</u>
Total Expenditure		<u>(2,069,357)</u>	<u>(782,728)</u>	<u>-</u>	<u>(2,852,085)</u>	<u>(2,159,111)</u>
Gains/(losses) on investment assets		<u>4,986,538</u>	<u>-</u>	<u>823,577</u>	<u>5,810,115</u>	<u>11,828,007</u>
Net movement in funds		5,078,761	-	823,577	5,902,338	11,627,131
Reconciliation of funds						
Total funds brought forward		<u>54,126,738</u>	<u>-</u>	<u>8,939,572</u>	<u>63,066,310</u>	<u>51,439,179</u>
Total funds carried forward	19	<u>59,205,499</u>	<u>-</u>	<u>9,763,149</u>	<u>68,968,648</u>	<u>63,066,310</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 19.

Sir James Knott Trust

Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Income and Endowments from:					
Donations and legacies		-	487,453	-	487,453
Investment income	4	1,453,626	-	-	1,453,626
Other income		17,156	-	-	17,156
Total income		<u>1,470,782</u>	<u>487,453</u>	<u>-</u>	<u>1,958,235</u>
Expenditure on:					
Raising funds		(185,863)	-	-	(185,863)
Charitable activities		<u>(1,485,795)</u>	<u>(487,453)</u>	<u>-</u>	<u>(1,973,248)</u>
Total expenditure		(1,671,658)	(487,453)	-	(2,159,111)
Gains/(losses) on investment assets		<u>10,156,725</u>	<u>-</u>	<u>1,671,282</u>	<u>11,828,007</u>
Net income		<u>9,955,849</u>	<u>-</u>	<u>1,671,282</u>	<u>11,627,131</u>
Net movement in funds		9,955,849	-	1,671,282	11,627,131
Reconciliation of funds					
Total funds brought forward		<u>44,170,889</u>	<u>-</u>	<u>7,268,290</u>	<u>51,439,179</u>
Total funds carried forward	19	<u>54,126,738</u>	<u>-</u>	<u>8,939,572</u>	<u>63,066,310</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 19.

Sir James Knott Trust**(Registration number: 1001363)
Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	2,249	3,103
Investments	15	<u>67,285,042</u>	<u>61,784,317</u>
		<u>67,287,291</u>	<u>61,787,420</u>
Current assets			
Debtors	16	247,800	144,994
Cash at bank and in hand		<u>1,530,834</u>	<u>1,227,470</u>
		1,778,634	1,372,464
Creditors: Amounts falling due within one year	17	<u>(97,277)</u>	<u>(93,574)</u>
Net current assets		<u>1,681,357</u>	<u>1,278,890</u>
Net assets		<u>68,968,648</u>	<u>63,066,310</u>
Funds of the charity:			
Endowment funds		9,763,149	8,939,572
Unrestricted income funds			
Unrestricted funds		<u>59,205,499</u>	<u>54,126,738</u>
Total funds	19	<u>68,968,648</u>	<u>63,066,310</u>

The financial statements on pages 11 to 27 were approved by the trustees, and authorised for issue on 23/11/2022..... and signed on their behalf by:


Ben Speke 23 Nov 2022 18:11:39 GMT (UTC +0)

 Mr B Speke DL
 Trustee

Sir James Knott Trust

Cash Flow Statement for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		5,902,338	11,627,131
Adjustments to cash flows from non-cash items			
Depreciation	6	854	1,203
Investment income	4	(2,123,465)	(1,453,626)
Revaluation of investments		<u>(5,810,115)</u>	<u>(11,828,007)</u>
		(2,030,388)	(1,653,299)
Working capital adjustments			
Increase in debtors	16	(102,806)	(11,797)
Increase in creditors	17	<u>3,703</u>	<u>4,875</u>
Net cash flows from operating activities		<u>(2,129,491)</u>	<u>(1,660,221)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	2,123,465	1,453,626
Purchase of investments	15	(15,600,907)	(11,406,272)
Sale of investments		<u>15,910,297</u>	<u>11,559,675</u>
Net cash flows from investing activities		<u>2,432,855</u>	<u>1,607,029</u>
Net increase/(decrease) in cash and cash equivalents		303,364	(53,192)
Cash and cash equivalents at 1 April		<u>1,227,470</u>	<u>1,280,662</u>
Cash and cash equivalents at 31 March		<u><u>1,530,834</u></u>	<u><u>1,227,470</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Sir James Knott Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The functional currency is sterling.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

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.

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.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture 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 2022

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

Trade 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.

Cash and cash equivalents

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.

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.

Fund structure

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 2022

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Management have provided depreciation, prepayments, accruals and other cut-off adjustments. Whilst management believe that these estimates and judgements are accurate, there is every likelihood that they will not be exact.

These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

Operating leases

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

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.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from Samares Investments Limited	-	782,728	782,728	487,453
Donations	31,671	-	31,671	-
	<u>31,671</u>	<u>782,728</u>	<u>814,399</u>	<u>487,453</u>

4 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Interest received	314	314	1,001
Dividends income	2,003,400	2,003,400	1,452,625
Tax reclaimed on dividend income	119,751	119,751	-
	<u>2,123,465</u>	<u>2,123,465</u>	<u>1,453,626</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Other income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Grants returned	6,025	6,025	2,000
Job retention scheme grants	419	419	15,156
	<u>6,444</u>	<u>6,444</u>	<u>17,156</u>

6 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Investment management costs;			
Fees paid to investment manager	300,444	300,444	185,863
Fees for obtaining investment advice	51,648	51,648	-
	<u>352,092</u>	<u>352,092</u>	<u>185,863</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Payment of grants	1,532,742	782,728	2,315,470
Support Costs	184,253	-	184,253
	<u>1,716,995</u>	<u>782,728</u>	<u>2,499,723</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Payment of grants	1,224,316	487,453	1,711,769
Support Costs	261,479	-	261,479
	<u>1,485,795</u>	<u>487,453</u>	<u>1,973,248</u>

	Grant funding of activity £	Activity support costs £	2022 £
Payment of grants	2,315,470	-	2,315,470
Support costs	-	184,253	184,253
	<u>2,315,470</u>	<u>184,253</u>	<u>2,499,723</u>
	Grant funding of activity £	Activity support costs £	2021 £
Payment of grants	1,711,769	-	1,711,769
Support costs	-	261,479	261,479
	<u>1,711,769</u>	<u>261,479</u>	<u>1,973,248</u>

Further analysis of how the grants have been issued can be found within the trustees report.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total 2022 £	Total 2021 £
Wages and Salaries	-	71,984	71,984	119,696
Depreciation	-	854	854	1,203
Rent and rates	-	33,230	33,230	30,927
Insurance	-	2,437	2,437	4,827
Motor and travel	-	1,497	1,497	311
Office costs	-	2,076	2,076	1,776
IT Maintenance and repairs	-	15,933	15,933	15,431
Education and training	-	-	-	8,236
Legal and professional	-	47,319	47,319	62,397
Bank charges	-	185	185	138
Sundry expenses	-	1,068	1,068	137
Governance costs	7,940	-	7,940	16,400
	<u>7,940</u>	<u>176,583</u>	<u>184,523</u>	<u>261,479</u>

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Audit fees			
Audit of the financial statements	7,658	7,658	16,328
Trustees meeting costs	282	282	72
	<u>7,940</u>	<u>7,940</u>	<u>16,400</u>

9 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2022 £	2021 £
Audit fees	7,658	16,328
Depreciation of fixed assets	<u>854</u>	<u>1,203</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	67,715	111,434
Social security costs	3,148	4,744
Pension costs	1,121	3,518
	<u>71,984</u>	<u>119,696</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Support	1	1
Administration	1	1
	<u>2</u>	<u>2</u>

During the year, the charity made redundancy and/or termination payments which totalled £Nil (2021 - £30,000).

No employee received emoluments of more than £60,000 during the year

12 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>7,658</u>	<u>16,328</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

	Furniture and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2021	11,621	54,439	66,060
At 31 March 2022	11,621	54,439	66,060
Depreciation			
At 1 April 2021	11,146	51,811	62,957
Charge for the year	66	788	854
At 31 March 2022	11,212	52,599	63,811
Net book value			
At 31 March 2022	409	1,840	2,249
At 31 March 2021	475	2,628	3,103

15 Fixed asset investments

Investments

	Listed investments £	Cash held for investment £	Total £
Cost or Valuation			
At 1 April 2021	59,992,976	1,791,341	61,784,317
Additions	14,439,374	1,161,533	15,600,907
Disposals	(15,910,297)	-	(15,910,297)
Revaluation	5,810,115	-	5,810,115
At 31 March 2022	64,332,168	2,952,874	67,285,042
Net book value			
At 31 March 2022	64,332,168	2,952,874	67,285,042
At 31 March 2021	59,992,976	1,791,341	61,784,317

No individual investment exceeded 5% of the total market value as at the year end.

The historic cost of the investment portfolio was £48,711,932.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

16 Debtors

	2022 £	2021 £
Prepayments	15,418	5,096
Accrued income	222,082	133,504
Other debtors	10,300	6,394
	<u>247,800</u>	<u>144,994</u>

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	1,890	2,697
Other creditors - grants payable	3,000	-
Accruals	92,387	90,877
	<u>97,277</u>	<u>93,574</u>

18 Commitments

Operating lease commitments

At 31 March 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Within 1 year	<u>15,120</u>	<u>15,120</u>

Grant commitments

At 31 March 2022 the charity had commitments as follows:

Commitments in respect of grants approved for projects where the conditions have not yet been met and therefore which have not been accrued in the financial statements but will form part of future grants expenditure:

	2022 £	2021 £
Payable next year	507,643	424,200
Payable in 2 years	260,246	124,000
Payable in 3 years	22,000	7,000
	<u>789,889</u>	<u>555,200</u>

The charity has received a commitment from Samares Investments Limited to fund £250,451 of these future payments (2021: £187,500).

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

19 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General	54,126,738	2,161,580	(2,069,357)	4,986,538	59,205,499
Restricted funds	-	782,728	(782,728)	-	-
Endowment funds					
Endowment funds	8,939,572	-	-	823,577	9,763,149
Total funds	<u>63,066,310</u>	<u>2,944,308</u>	<u>(2,852,085)</u>	<u>5,810,115</u>	<u>68,968,648</u>
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General	44,170,889	1,470,782	(1,671,658)	10,156,725	54,126,738
Restricted funds	-	487,453	(487,453)	-	-
Endowment funds					
Endowment funds	7,268,290	-	-	1,671,282	8,939,572
Total funds	<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>

The specific purposes for which the funds are to be applied are as follows:

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

Samares Grant Reimbursed - During the year, Samares Investment Limited provided funding to the Trust in relation to grants of £782,728 awarded. The key grants made were as follows: Sage Gateshead - £50,000, Beamish Museum - £100,000, Samling Institute for Young Artists - £40,000, Disability North - £25,000, Children North East - £25,000, St Vincent de Paul - £30,000, The NET North Shields - £24,000, NE RAF Association - £30,448, St George's Church Fatfield - £30,000, YMCA North Tyneside - £30,000 and Oasis Aquilla - £33,453. In addition 13 grants were awarded to branches of sea cadets in the North east amounting to £52,000.

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 March 2022 £
Tangible fixed assets	2,249	-	2,249
Fixed asset investments	57,521,893	9,763,149	67,285,042
Current assets	1,778,634	-	1,778,634
Current liabilities	(97,277)	-	(97,277)
Total net assets	<u>59,205,499</u>	<u>9,763,149</u>	<u>68,968,648</u>
	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 March 2021 £
Tangible fixed assets	3,103	-	3,103
Fixed asset investments	52,844,745	8,939,572	61,784,317
Current assets	1,372,464	-	1,372,464
Current liabilities	(93,574)	-	(93,574)
Total net assets	<u>54,126,738</u>	<u>8,939,572</u>	<u>63,066,310</u>

Sir James Knott Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,227,470	303,364	1,530,834
Net funds	1,227,470	303,364	1,530,834

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

22 Related party transactions

During the year the charity made the following related party transactions:

Samares Investments Limited

Samares Investments Limited is a philanthropic organisation with historical links to this Trust, based in Jersey. Note 18 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. At the balance sheet date the amount due from Samares Investments Limited was £4,000 (2021 - £Nil).

The Trust made grants to other charities with which Trustees have an association totalling £5,000 (2021 - £5,000).

THE SIR JAMES KNOTT TRUST

England & Wales - Charity number 1001363

Accounts

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
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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:

DocuSigned 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.

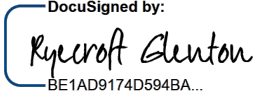
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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.

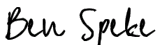
The notes on pages 14 to 34 form part of these financial statements.

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)	(1,360,872)
Cash flows from investing activities			
Dividends, interest from investments		1,441,301	1,825,666
Purchase of tangible fixed assets		-	(1,229)
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	817,097
Cash and cash equivalents at the end of the year	26	1,227,470	1,280,662

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

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	<u>1,711,769</u>	<u>1,711,769</u>

	<i>Grants to Institutions 2020 £</i>	<i>Total funds 2020 £</i>
Payment of grants	<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
Deafink 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
	1,670,387
Grants under £1,001 (46 grants)	41,382
Grand Total - Grants to institutions	
	1,711,769

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
	222	1,711,769	100	100

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
	222	100	1,711,769	100

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

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

12. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 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	<u>1,582,671</u>	<u>249,635</u>	<u>1,832,306</u>

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 £	2020 £
Auditor's remuneration	16,328	15,450
Trustees meeting costs	72	364
	16,400	15,814

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

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 No.	2020 No.
Support	1	1
Administration	1	1
	2	2

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	11,621	54,439	66,060
Depreciation			
At 1 April 2020	11,071	50,683	61,754
Charge for the year	75	1,128	1,203
At 31 March 2021	11,146	51,811	62,957
Net book value			
At 31 March 2021	475	2,628	3,103
At 31 March 2020	550	3,756	4,306

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 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	59,992,976	47,839,169

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
Endowment funds					
Endowment Funds	7,823,044	-	-	(554,754)	7,268,290
Restricted funds					
Sea Cadets Grant	-	56,000	(56,000)	-	-
Samares Grants reimbursed	-	90,800	(90,800)	-	-
	-	146,800	(146,800)	-	-
Total of funds	55,459,169	1,979,466	(2,066,693)	(3,932,763)	51,439,179

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)	-	-
	51,439,179	1,958,235	(2,159,111)	11,828,007	63,066,310

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>

SIR JAMES KNOTT TRUST

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

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

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

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).