

Registered number: 06361547
Charity number: 1121325

The Reece Foundation

(A company limited by guarantee)

Annual report

31 December 2021

The Reece Foundation
(A company limited by guarantee)

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The Reece Foundation

(A company limited by guarantee)

Reference and administrative details For the year ended 31 December 2021

Trustees

A D Reece, Chair
S P Gilroy
E Morgan
J Reece
D R Sandbach
P E O'Connell (appointed 4 September 2021)

Company registered number

06361547

Charity registered number

1121325

Registered office

Armstrong Works
Scotswood Road
Newcastle upon Tyne
NE15 6UX

Company secretary

A D Reece

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

The Reece Foundation

(A company limited by guarantee)

Trustees' report

For the year ended 31 December 2021

The trustees present their annual report together with the audited financial statements of the Foundation for the 1 January 2021 to 31 December 2021. The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Foundation qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

*** Policies and objectives**

The primary aim of the Foundation is to award grants to organisations and to directly sponsor activities that will, in the opinion of the trustees, increase the long term and sustainable prosperity of the North East of England primarily through the promotion of engineering and manufacturing. In particular we intend to focus increasingly on the levels and amount of training in engineering related skills throughout the region.

Other projects which, in the opinion of the trustees, are beneficial to the wellbeing of the region, or the country as a whole, particularly those associated with the conservation of wild land may also be supported.

The trustees are aware of the Charity Commission's guidance on public benefit and have regard to it when selecting those projects which receive grant funding.

Achievements and performance

*** Review of activities**

2021 continued to be impacted by Covid. Many schools were closed for some of the year and the usual activities supported by the Foundation were suspended. There continued to be online activities for kids and adults but combining those with getting schools back into full operation proved very difficult. There is no doubt that the pandemic has had a significant deleterious effect on many schoolchildren in the North East, right across the school range. Schools have struggled to counter these effects and have been reluctant or unable to continue with extra curricula activities of the sort funded by the Foundation.

However, despite this we have managed to get some activities going and the competitions are proving very popular – and some success has been won by North East schools. We are determined to increase the scope of these competitions as they provide a wide range of benefits for the kids that take part.

The Foundation has continued its support for the F1 in Schools competition locally. The regional final, held in February, is now the largest in the UK. However, there was no travel to national or global finals again this year. We also supported the development of Lego and Vex competitions. Again these are very popular with the kids, give an introduction to programming and control technology and also provide a forum for schools to mix with other schools. The number of schools completing has continued to grow throughout the region.

Several other competitions continued online – including the activities of The National Literacy Trust, Teen Tech and Primary Engineer. For some kids these presented a very welcome activity, but we are well aware that a number of children are excluded.

As well as the above the Foundation continued its support for teacher CPD, schools' participation in national events and a range of diverse other causes.

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Trustees' report (continued)

For the year ended 31 December 2021

Achievements and performance (continued)

There remains a lot to be done to bring the North East achievement levels up to national standards and new ideas and innovative projects are sought to increase the achievement of young people in Stem subjects, particularly maths, in the Region. We continued a project with RGS and Westfield schools to make available additional teaching and mentoring in these subjects to talented local pupils from state schools.

In October a week long "Mission Discovery" event took place in Newcastle with 400 kids from all over the region spending a week with NASA astronauts and science teachers working on projects connected with the International Space Station. With our support the majority of these kids received free places at the event which ended with one team being able to place their newly designed product in the ISS itself.

We looked further at the environment: it is clear that urgent action is needed to address the crises in both climate change and biodiversity. To participate in this effort the trustees are continuing their support of Northumberland National Park's Nature First programme across 5000 hectares of land in the Hadrians Wall area. It is also working with the National Trust at Wallington to restore priority habitats and to bring back beavers to Northumberland for the first time for hundreds of years. All being well beavers will be in residence in spring 2023. We bought 800 acres of former open cast mining land at West Chevington near Druridge Bay and gifted it to the Northumberland Wildlife Trust to rewild. In time this will become the hub of a wider area that will be devoted to increasing biodiversity in the area. Our ambitions include expanding the site to link up with the Wildlife Trusts other reserves at Druridge Bay to make this area a haven for wildlife and a healthier and more inspiring place to visit.

This project complements two other projects undertaken with the Wildlife Trust: one to bring nature to kids in urban area which operates across Tyneside and the other to advise and work with farmers to ensure more nature friendly farming practices. This latter project operates across Northumberland.

Our long-awaited study monitoring water quality in the Ouseburn Valley has found that there is a very unhealthy level of discharge of raw sewage into the waters – especially after rainfall. Given that the lower Ouseburn runs through Jesmond Dene, a park where kids often go paddling and swimming in the summer we have started a campaign to get these discharges stopped. We are working with Northumbrian Water Limited and other Agencies to try and ensure this happens.

Financial review

*** Review of the year**

The Foundation awarded grants during the year which resulted in a deficit before revaluation of investments of £2,012,877 (202: surplus of £50,687) . Expenditure is in line with trustees expectations and the intention is that the Foundation distributes its assets over a 10-year period.

*** Reserves policy**

As at 31 December 2021, the Foundation holds reserves of £35,206,192. Of these, £32,895,575 is invested for the longer term to provide a return for the Foundation in future years, with a further £49,978 held as programme related investments. Remaining total 'free' unrestricted reserves of £2,206,639 represent approximately one year of charitable expenditure held as cash, and is therefore not at risk of the fluctuations in investment values seen in recent months. The trustees believe these reserves are sufficient to support grants as they are agreed and other costs as they arise.

The Reece Foundation

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Trustees' report (continued)

For the year ended 31 December 2021

*** Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Foundation 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.

*** Plans for future periods**

During 2023 the trustees will continue to seek high profile projects within the region that promote education and careers development in STEM subjects.

The trustees do not anticipate the Covid-19 pandemic to impact on future grant making activities.

Structure, governance and management

*** Constitution**

The Foundation is constituted as a company limited by guarantee and was incorporated on 5 September 2007. It is a registered charity number 1121325. In the event of a winding up, every member who is a trustee, undertakes to contribute to the payment of liabilities such amount as may be required not exceeding the total of £10.

*** Methods of appointment or election of trustees**

New trustees are appointed by existing trustees. They all receive induction to the roles and responsibilities of a trustee and ongoing training based upon their individual needs.

*** Organisational structure and decision-making policies**

All decisions regarding the management of the assets of the Foundation and the awarding of grants are made collectively by the trustees.

*** Investment policy and performance**

The Foundation seeks to maximise its income from its asset base through a mixture of longer term investment in capital markets and short term bank deposits, whilst minimising its exposure to risk. The trustees will keep ongoing investment performance under review.

*** Risk management**

The trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to mitigate those major risks.

The principal risk is considered to be the management and performance of the investment assets, which is mitigated through the use of professional investment managers who report regularly to the trustees.

The Reece Foundation

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Trustees' report (continued) For the year ended 31 December 2021

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of trustees on 29 September 2022 and signed on their behalf by:

A handwritten signature in black ink that reads "A D Reece". The signature is written in a cursive, flowing style.

A D Reece
(Chair of Trustees)

The Reece Foundation

(A company limited by guarantee)

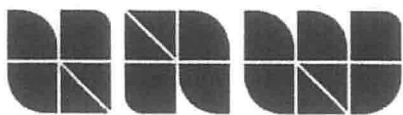
Statement of trustees' responsibilities For the year ended 31 December 2021

The trustees (who are also the directors of the foundation for the purposes of company law) 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).

Company law requires the trustees to prepare financial statements for each financial . Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the foundation 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 foundation will continue in business.

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



Independent auditor's report to the members of The Reece Foundation

Opinion

We have audited the financial statements of The Reece Foundation (the 'foundation') for the year ended 31 December 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 Companies Act 2006.

Basis for opinion

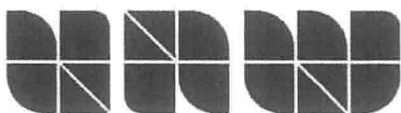
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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.



Independent auditor's report to the members of The Reece Foundation (continued)

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

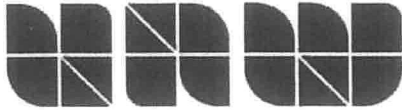
We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of The Reece Foundation (continued)

Auditor's 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.

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:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the charitable company's legal correspondence, and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

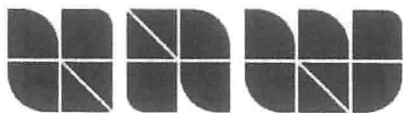
Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; data protection and certain aspects of company legislation, recognising the nature of the charitable company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Independent auditor's report to the members of The Reece Foundation (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Hallowell

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
For and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne
NE1 4JE

29 September 2022

The Reece Foundation
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	2	565,000	565,000	1,280,000
Investments	3	189,872	189,872	237,039
Total income		754,872	754,872	1,517,039
Expenditure on:				
Investment management fees		204,344	204,344	170,812
Charitable activities		2,563,405	2,563,405	1,295,540
Total expenditure		2,767,749	2,767,749	1,466,352
Net (expenditure)/income before net gains on investments		(2,012,877)	(2,012,877)	50,687
Net gains on investments		3,870,506	3,870,506	5,046,070
Net movement in funds		1,857,629	1,857,629	5,096,757
Reconciliation of funds:				
Total funds brought forward		33,348,563	33,348,563	28,251,806
Net movement in funds		1,857,629	1,857,629	5,096,757
Total funds carried forward		35,206,192	35,206,192	33,348,563

The notes on pages 15 to 23 form part of these financial statements.

The Reece Foundation
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Balance sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	6	32,489,575	31,154,536
Programme related investments	7	49,978	57,984
Total investments		32,539,553	31,212,520
Current assets			
Debtors	8	-	227,440
Cash at bank and in hand		3,422,596	3,257,549
		3,422,596	3,484,989
Creditors: amounts falling due within one year	9	(755,957)	(1,348,946)
Net current assets		2,666,639	2,136,043
Total assets less current liabilities		35,206,192	33,348,563
Total net assets		35,206,192	33,348,563
Charity funds			
Restricted funds	10	-	-
Unrestricted funds	10	35,206,192	33,348,563
Total funds		35,206,192	33,348,563

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 29 September 2022 and signed on their behalf by:



A D Reece

The notes on pages 15 to 23 form part of these financial statements.

The Reece Foundation
(A company limited by guarantee)

Balance sheet (continued)
As at 31 December 2021

Registered number: 06361547

The Reece Foundation
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Statement of cash flows
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash generated by / (used in) operating activities	11	(2,568,298)	(345,421)
Cash flows from investing activities			
Dividends, interests and rents from investments		189,872	237,039
Proceeds from sale of investments		7,785,569	4,637,672
Purchase of investments		(5,250,102)	(5,831,714)
Receipts from programme related investments		8,006	17,195
Net cash provided by/(used in) investing activities		2,733,345	(939,808)
Change in cash and cash equivalents in the year		165,047	(1,285,229)
Cash and cash equivalents at the beginning of the year		3,257,549	4,542,778
Cash and cash equivalents at the end of the year	12	3,422,596	3,257,549

The notes on pages 15 to 23 form part of these financial statements

The Reece Foundation

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Notes to the financial statements For the year ended 31 December 2021

1. Accounting policies

1.1 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in pounds sterling and are rounded to the nearest £1.

1.2 Company status

The Foundation is a company limited by guarantee. The members of the company are the trustees name on page 1. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation.

1.3 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 company and which have not been designated for other purposes.

1.4 Going concern

The Foundation holds substantial investment assets, but maintains sufficient cash reserves to allow it to meet its ongoing commitments. Despite the volatility in the investment market since the year end, investment values have recovered to be comparable with their levels at the balance sheet date and consequently 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.

1.5 Income

All income is recognised once the foundation 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 donations received under Gift Aid or deeds of the covenant is recognised at the time of the donation.

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

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Notes to the financial statements **For the year ended 31 December 2021**

1. Accounting policies (continued)

1.6 Expenditure

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.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Charitable activities include direct costs incurred on the company's grant-making operations and support costs incurred in running the charitable operations.

Expenditure on raising funds includes all expenditure incurred by the foundation to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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..

Support costs are those costs incurred directly in support of expenditure on the objects of the company, including those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.7 Interest receivable

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

1.8 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, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

1.9 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.

1.10 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.

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Notes to the financial statements For the year ended 31 December 2021

1. Accounting policies (continued)

1.11 Liabilities and provisions

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 Foundation 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.

1.12 Critical accounting measures and areas of judgement

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

In preparing these financial statements the directors do not consider there were any significant estimates or areas of judgement that were required in applying the company's accounting policies as set out above.

2. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	565,000	565,000	1,280,000

3. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from listed investments	187,995	187,995	227,845
Loan interest	1,147	1,147	763
Bank interest	730	730	8,431
	189,872	189,872	237,039
Total 2020	237,039	237,039	

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Notes to the financial statements For the year ended 31 December 2021

4. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Grants awarded (note 5)	2,556,322	7,083	2,563,405	1,295,540
Total 2020	1,291,653	3,887	1,295,540	

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Sundry expenses	150	287
Audit and professional fees	6,933	3,600
	7,083	3,887

The statutory audit fee for the year ended 31 December 2021 is £3,800 (2020: £3,600).

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Notes to the financial statements
For the year ended 31 December 2021

5. Grants awarded

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Beamish Museum	160,600	160,600	-
Blyth STEM	-	-	50,000
Calvert Trust	-	-	200,000
Centre for Life	-	-	10,000
Cranfield University	-	-	30,000
Discovery Museum	-	-	80,000
First Lego	-	-	38,650
IET	-	-	28,000
Kielder Observatory	-	-	25,000
Maggies Centre, Freeman Hospital	-	-	50,000
Mission Discovery	27,500	27,500	-
National Literacy Trus	-	-	30,362
NEIMME	100,000	100,000	-
Nissan	64,000	64,000	41,000
Northumberland National Park	100,000	100,000	250,000
Newcastle University	22,400	22,400	30,000
Northumberland Wildlife Trust	2,018,800	2,018,800	-
Primary Engineer programme	25,000	25,000	25,000
Scoutek Ltd	25,000	25,000	-
Sheffield University	-	-	14,000
Starlight Education	33,000	33,000	-
St Cuthberts School	-	-	21,000
Success for all	-	-	40,000
Teen Tech	33,000	33,000	36,000
RGS	-	-	85,000
The Sill	20,000	20,000	20,000
Tyne River Trust	-	-	70,000
Villiers Park	-	-	100,000
Other grants (below £20,000)	198,458	198,458	79,211
Grants from prior years released	(271,436)	(271,436)	(61,570)
	2,556,322	2,556,322	1,291,653

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Notes to the financial statements For the year ended 31 December 2021

6. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	31,154,536
Additions	5,250,102
Disposals	(7,785,569)
Revaluations	3,870,506
At 31 December 2021	<u>32,489,575</u>
Net book value	
At 31 December 2021	<u>32,489,575</u>
At 31 December 2020	<u>31,154,536</u>

7. Programme related investments

	Programme related investments £	Total £
Cost		
At 1 January 2021	57,984	57,984
Repayments	(8,006)	(8,006)
At 31 December 2021	<u>49,978</u>	<u>49,978</u>

8. Debtors

	2021 £	2020 £
Due within one year		
Amounts owed by related undertakings	-	226,903
Prepayments and accrued income	-	537
	<u>-</u>	<u>227,440</u>

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Notes to the financial statements
For the year ended 31 December 2021

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Grants awarded but not yet paid	752,157	1,345,346
Accruals and deferred income	3,800	3,600
	<u>755,957</u>	<u>1,348,946</u>

10. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
General funds	33,348,563	754,872	(2,767,749)	3,870,506	35,206,192

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
General funds	28,251,806	1,517,039	(1,466,352)	5,046,070	33,348,563

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For the year ended 31 December 2021

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	1,857,629	5,096,757
Adjustments for:		
Gains on investments	(3,870,506)	(5,046,070)
Dividends, interests and rents from investments	(189,872)	(237,039)
Decrease/(increase) in debtors	240,925	(227,440)
Increase/(decrease) in creditors	(606,474)	68,371
Net cash used in operating activities	(2,568,298)	(345,421)

12. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	3,422,596	3,257,549
Total cash and cash equivalents	3,422,596	3,257,549

13. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	3,257,549	165,047	3,422,596
	3,257,549	165,047	3,422,596

14. Grant commitments

At 31 December 2021 the trustees had approved in principle grants totalling £1,955,000 (2020: £227,000). These amounts have not been accrued within these financial statements as the conditions attached to them have not yet been met, and as such the trustees have not formalised the commitment.

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Notes to the financial statements

For the year ended 31 December 2021

15. Related party transactions

There were no related party transactions in either period.

