

UNIVERSITY OF SUNDERLAND DEVELOPMENT TRUST

England & Wales · Charity number 1041658

Details

Status Registered

Legal form Other

Registered 1994-10-26

Register [View on the Charity Commission register](#)

Contact

Address University Of Sunderland
Chester Road
Sunderland
SR1 3SD

Phone 01915152000

Email legal@sunderland.ac.uk

Website <https://alumni.sunderland.ac.uk/>

Activities

Objects: 3. ObjectsThe Trustees shall hold the capital and income of the Trust Fund upon trust and shall apply the income and all of such part or parts of the capital at such times in such manner as the Trustees in their absolute discretion think fit for the following purposes for the benefit of the public:3.1 to advance the education of the students at the University by providing and assisting in the provision of facilities for potential future students and present students who study (or may want to study) at the University;3.2 for the public benefit to promote education in such ways as the charity trustees think fit, including by:3.2.1 awarding to such persons scholarships, maintenance allowances or grants tenable at the University of Sunderland or such other institutions as the Trustees see fit; and3.2.2 furthering education by assisting people to prepare for entry to any occupation, trade or profession on leaving any educational establishment;3.3 to assist and support the University to:3.3.1 promote the advancement of education including but not limited to the promotion of research and knowledge exchange; and3.3.2 promote civic engagement in areas of social and economic deprivation.

Activities: The Trust seeks to underpin the University's commitment to remaining a high quality civic university, in a city & region that is reinventing itself, by offering life-changing opportunities & transformation.Over the next 3 years the Trust will continue to seek funds from a range of sources but establish three giving programmes focusing on major gifts, legacies & its alumni giving programme.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Other Charitable Purposes
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** UNIVERSITY OF SUNDERLAND
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£490,708	£570,729	-	-
2024-07-31	£428,757	£557,974	-	-
2023-07-31	£3,932,078	£328,616	£6,363,326	0
2022-07-31	£179,295	£494,110	-	-
2021-07-31	£549,309	£144,926	£3,202,793	0

Trustees

Name	Role	Appointed
Alex Hallimond		2021-10-05
Alison Thain		2025-11-17
Margaret Fay CBE DL		2020-08-01
Sir David Robert Bell KCB		2018-11-05
Susan Margaret Forster		2020-06-01

Accounts

UNIVERSITY OF SUNDERLAND DEVELOPMENT TRUST

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2025

Registered charity No. 1041658

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University of Sunderland Development Trust
(Registered charity number: 1041658)

Reference and administrative details

Trustees

Mrs M Fay CBE DL
Sir D R Bell, KCB DL
Mr M McArdle, BEng (Hons)
Ms S Forster (Honorary Treasurer)
Mr A Hallimond

Charity registered office

The Trust's registered office is:

Edinburgh Building
University of Sunderland
Chester Road
SUNDERLAND
SR1 3SD

Trust Secretary

Mrs D Reveley (resigned 15th August 2025)

Independent Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Barclays Bank plc
53 Fawcett Street
SUNDERLAND
SR1 1SD

Investment Managers

Brewin Dolphin Ltd
Time Central
Gallowgate
NEWCASTLE UPON TYNE
NE1 4SR

CCLA Fund Managers Limited
Senator House
85 Queen Victoria Street
LONDON
EC4V 4ET

Trustees' Report

The Trustees present their annual report for the year ended 31 July 2025. The accounts have been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management of the Trust

Trust Objectives

The University of Sunderland Development Trust is a charitable trust established by deed dated 9 August 1994. Its objective is to assist and promote the development of the University of Sunderland. It seeks to achieve this objective by raising funds from donations, giving and gift agreements, sponsorships, legacies and other gifts and applying them for appropriate purposes.

The original 1994 Declaration of Trust was drafted in line with practices current that year. In the intervening years there have been three Deeds of Variation.

The Trust Deed was amended on 10 December 2024 and was approved by the Charity Commission on 22 April 2025, subject to approval of revised trust charitable objects. These revised objects were approved by the Trust Board in June 2025, following which the Trustees approved the final deed of variation and the new Declaration of Trust, and this has been duly signed, witnessed and lodged with the Charity Commission.

The revised charitable objects of the Trust are as follows:-

The Trustees shall hold the capital and income of the Trust Fund upon trust and shall apply the income and all such part, or parts, of the capital at such times in such manner as the Trustees in their absolute discretion think fit for the following purposes for the benefit of the public:

3.1 to advance the education of the students at the University by providing and assisting in the provision of facilities for potential future students and present students who study (or may want to study) at the University;

3.2 for the public benefit to promote education in such ways as the charity trustees think fit, including by:

3.2.1 awarding to such persons scholarships, maintenance allowances or grants tenable at the University of Sunderland or such other institutions as the Trustees see fit: and

3.2.2 furthering education by assisting people to prepare for entry to any occupation, trade or profession on leaving any educational establishment;

3.3 to assist and support the University to:

3.3.1 promote the advancement of education including but not limited to the promotion of research and knowledge exchange; and

3.3.2 promote civic engagement in areas of social and economic deprivation.

The new deed also sets out more clearly how the Trust will exercise its powers and sets out other changes in order to reflect current legislation and good governance practice.

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Recruitment and appointment of Trustees

Trustees are recruited as required from the University of Sunderland's stakeholder groups. These include the Board of Governors, staff, alumni, patrons of the City of Sunderland and the local business community.

Trustees are appointed for a term not exceeding three years, for a maximum of three successive terms.

The Development Trust is required to have a minimum of three, and no more than nine, Trustees. Should the number of Trustees fall below three due to events beyond the control of the Trustees, any Trustee who ought to be retiring, or is ineligible for further re-appointment due to terms already served, will be granted a further 12 months term of office to enable new Trustees to be recruited. Training and familiarisation are provided as required.

All new Trustees have an induction meeting with the Honorary Secretary or the Governance Officer. The authority to make decisions such as grants is made by awarding panels. The verification of fundraising projects is agreed by the University and reported back to the Trust quarterly. For an individual gift / grant / donation acceptance:

- Up to £50,000, excluding gift aid, can be accepted by the Development and Alumni Office. With the exception of the University Executive, other University staff are not permitted to accept any donations to the Trust; and
- Over £50,000, excluding gift aid, is referred to the University Vice Chancellor and the Chair of the Development Trust to verify acceptance.

Relationship with the University of Sunderland

The Trust exists to support the University of Sunderland and its students and as such co-operates with the University in pursuit of its aims and objectives. To this end the University makes a gift in kind of staff and resources to the Trust to pursue its objectives and the Trust reimburses the University for a proportion of these expenses. The University and its students are the beneficiaries of the Trust's grant-making activities.

Relationships with external bodies

The Trust is registered with the Fundraising Regulator and as such must meet certain minimum requirements as to its ethical behaviour. These are encapsulated in the Trust's ethical policy, a copy of which is available upon request. No third parties have undertaken any fundraising on behalf of the Trust or the University.

Organisational Structure

Day to day operational issues relating to the Development Trust are managed by the University's Development and Alumni Office, which comes under the portfolio of the Director of External Relations, reporting to the University Secretary. The Board met on three occasions during the financial year.

Public Benefit

The Board of Trustees has referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the University of Sunderland Development Trust and is satisfied that it meets the public benefit requirements.

Aims, Activities and Performance of the Trust

Aims of the Trust

The Development Trust seeks to support the University's ambitions to be regarded as a high-quality civic university, in a city and region that is re-inventing itself, offering life-changing opportunities and transformation.

Fundraising Activities

The Development Trust supports three key areas of fundraising activity:

- Capital development at the University;
- Student support through scholarships; and
- Opportunity funding and discrete projects linked to the University's strategic aims and objectives.

Achievements and Performance during the year

The Development Office continues to oversee a wide range of philanthropic activity, including the management of undergraduate, postgraduate and graduate scholarships.

During the year, a total of £297,085 was raised in support of the University of Sunderland Development Trust and the University, enabling us to deliver on our mission to be "*student focused, professions facing and society shaping*". Donations and grants were received to support scholarships, community initiatives and strategic projects, providing direct benefits to students and strengthening the University's wider impact.

Highlights during the year include the following:

£10,000 from an individual donor to launch a pilot Film Summer School to be delivered in 2026. Designed to develop the filmmaking skills of Year 12 students across the North East, this project will raise the profile of Sunderland's film programmes and support the region's screen industry growth. The initiative also introduces progression opportunities into higher education for participants.

£3,405 raised by alumnus Mark Learmouth through his participation in the TCS London Marathon 2025. Mark, a graduate in Pharmacy (2014) and Clinical Pharmacy (MSc), overcame a life-threatening illness and fundraised to help students access fulfilling careers. His efforts mark the start of a broader programme of challenge-event fundraising, including University participation in the 2026 London Marathon with four charitable places to be filled.

£9,998 from Film Hub North to deliver a programme of 20 community film screenings at our newly refurbished cinema. The project built on the University's long-running Cine Club, expanding its reach and celebrating regional talent in performance, writing, directing, production and location filming.

In addition, the Development and Alumni office administered over 30 scholarships and multiple prizes with a total of 114 scholarships and awards valued at £310,674 distributed during the year. These include our flagship scheme, *The Futures Fund* (supporting excellence, experience and employability), as well as named awards such as *The Douglas Clasper Awards*, *The Sir Tom Cowie Sunderland Awards*, *The John and Sam Dawson PhD Scholarship Programme*, *The Mike Davies Scholarship Programme* and the *Helen McArdle Scholarship Programme*.

These achievements demonstrate the continued generosity of our donors and partners, whose contributions directly enhance opportunities for students and advance the University's strategic ambitions.

The Trustees encourage feedback from beneficiaries, and they have received a number of letters and reports from students who have received scholarships or bursaries from the Trust, all of which were very appreciative. Extracts from a few of these are included here:

"I am extremely grateful to have been awarded the scholarship. This scholarship has been instrumental in supporting my endeavours, from covering entry fees for competitions in England, to covering the expenses and entry fees for international competitions, the scholarship has paid for protective equipment which must be pristine for international competitions, and the scholarship has also helped with my recovery from

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injury. I was able to compete in the K1 karate youth league competitions, which are international tournaments, regarded as the most high-level competitions in the world, besides the world championships. In these past 6 months or so, I attended the Venice and Guadalajara competitions, held in Italy and Spain respectively. This gave me the opportunity to test my skills on the international stage, where I gained valuable experience, by covering costs of flights and entry fees. " Douglas Clasper Elite Athlete Scholar Y1 2024-25.

"Firstly, this scholarship provided much-needed financial relief so I put all my focus on what was most important, my studies and work experience. As a mature student balancing university with parenting and freelance work, the award eased the pressure of needing to take on extra hours of paid work, allowing me to dedicate more focused time to my studies, final year projects, and developing my personal brand. Academically, this support helped me maintain the momentum and motivation to aim high. I'm proud to share that I am on track to graduate with a First-Class Honours degree. The recognition of academic excellence boosted my confidence and reminded me that hard work, commitment, and resilience are seen and valued. Personally, receiving this scholarship was a milestone - it affirmed that returning to study later in life, while raising a child and building a business, was not only possible but meaningful. It has inspired me to continue pursuing ambitious goals and to one day pay it forward by supporting others in similar situations." Futures Fund Excellence Scholar 2024-25

"Overall, the Excellence Scholarship from Sunderland University has been amazing for me. It allowed me to work less, so I could focus on my placement, get better grades, and take care of myself. It's been key in helping me reach my goals, and I am extremely grateful for it. I feel more confident and motivated to keep doing my best in everything I do and will hopefully return to Sunderland University one day to work." Futures Fund Excellence Scholar 2024-25

Financial Review 2024/25

Income from Donations to the Trust

For the financial year ended 31 July 2025, donations of £297,085 (2024: £284,817) were recognised demonstrating that the Trust maintains a reliable recurrent income.

All endowments are held in the accounts of the University's Investment Managers - CCLA and Brewin Dolphin - and will generate investment income in future years.

Expenditure

Expenditure on charitable activities increased slightly by £2,389 in the previous financial year to £549,425.

The Trust has no employees and receives support from the University to cover the majority of its running costs. The Development Trust makes a payment of £3,850 to the University per annum as a contribution towards administrative costs. £2,000 relates to accountancy costs and £1,850 represents a contribution to office running costs.

Investment Performance

Under the provisions of the Trust Deed, the Trustees have discretionary powers to invest or apply monies in investments or property of any nature. All investments are made in accordance with those powers. The Trustees consider that the performance of the Investment Managers is satisfactory given the current market conditions.

Investment income of £193,623 is an increase of £49,683 compared to the previous financial year. Additionally, the fair value of investments held increased during the financial year by £135,294. For the endowments, the increase in fair value of investments was £87,575, with a £29,446 loss attributable to the investment held with CCLA, and a gain on the Brewin Dolphin investment of £117,021. Restricted funds benefitted from an increase in fair value of investments of £25,960 and the unrestricted funds fair value of investments increased by £21,759. Both of these investment funds are held with Brewin Dolphin.

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The Trust's investment strategy is to hold these funds long-term, with a view to increasing their value, and the increases compared to the previous year reflect prevailing market conditions.

Overall Financial Position

The overall result for the year is a net gain in funds of £55,273 in comparison to the net gain in funds of £118,116 recorded in the previous financial year.

The decline in the overall underlying result of £62,843 between years is primarily due to lower unrealised gains on investments, offset by increased investment income and donations. The Trust is well-placed to continue to meet its charitable objectives.

Overall, the financial performance of the Trust is positive and comparable with the previous financial year, demonstrating the Trust's resilience and providing confidence in the ability of the Trust to meet its charitable objectives.

Investment Policy

The Trust's Investment Managers, currently CCLA and Brewin Dolphin, are instructed to produce the best financial return within an acceptable level of risk. The Trust holds assets to fund income and capital expenditure with the intention that existing assets will be applied as such over the next five years. Therefore, assets are invested to limit risk to capital although some volatility in both capital and income can be tolerated if consistent with expectations.

The Trust's assets can be invested widely in accordance with the Trust's general power of investment as set out above but are deposited with institutions with a minimum Standard & Poor long-term credit rating of A- or diversified by asset class which can include cash, bonds, equities and any other asset that the Trustees deem suitable.

Reserves Policy

The trustees have adopted a reserves policy with the objective to protect the Trust and its charitable activities by ensuring there is adequate liquidity, to allow the organisation to adjust to any short-term changes in its financial and operating environment.

Changes might include:

- Provision for unforeseen events; or
- A fall in the income receivable on endowments or restricted funds held by the Trust.

There are three types of reserves: unrestricted £517,069 (2024: £463,756), restricted £1,839,584 (2024: £1,927,291) and endowments £4,180,062 (2024: £4,090,395).

The majority of the funds held by the Trust are 'ring fenced', however, the unrestricted reserves are available at the discretion of the Trustees to support the University activities. The Trust can designate some of its unrestricted reserves for specific projects at the University and aims to work with the University to develop unrestricted reserves in support of major strategic projects. The Trust acknowledges that it must also respond to donor wishes and that some funds may be restricted for specific purposes.

Of the £517,069 unrestricted reserves, £43,994 is designated for specific funding purposes and will be used to support University projects in future years. The remaining £473,075 of unrestricted funds are free reserves which are available to meet the Trust's ongoing operational expenditure. The Trust receives support from the University to cover the majority of its running costs, however, the Trust makes an annual payment of £3,850 to the University towards administrative costs. The free reserves are deemed appropriate to meet future operational commitments.

The primary focus of fundraising activity in the coming years will be to raise funds to provide undergraduate and postgraduate students with a transformational education, and also ongoing support for capital developments, which will enhance the student experience and support the University's strategic ambitions.

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Details of the individual funds that constitute the restricted and endowments reserves are given in note 8 of the financial statements.

Risk Assessment

The main risks to the Development Trust are loss of investment value and reduction in donation income. Rising inflation and decreasing household income in real terms have continued to contribute to a decline in market confidence, which negatively impacts the value of investments held. The Trust's investment strategy is to invest long-term and therefore the Trustees expect that any adverse impact on investments caused by market conditions, such as those caused by the geopolitical unrest, will be ameliorated in the long-term. Donation income was slightly higher in 2024/25 compared to the previous year.

The Trust has a risk register in place, which feeds into the University's wider risk management process. The risk assessment from the register is reported to the Trustees annually to enable them to review risk. The day-to-day risks are managed in line with the University's own risk management procedures.

Future plans

The Vice Chancellor provides a regular briefing to the Trustees at each meeting about current development at the University to ensure the Trust is well placed to decide on where it can best support future activities. The work of the Trust is focusing on building regular income to support scholarships, particularly via the Futures Fund.

Going Concern Policy

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate. The Charity has funds available in the unrestricted reserves to meet the awards the Trustees have planned, and the restricted fund and endowments are monitored on a regular basis, with quarterly reports produced for the Trustees. Awards and payments are governed by a panel with Trustees' oversight and are only made where money is already held so there is no risk of the Trust becoming insolvent.

The Charity is in a net asset position of £6.5m at the year-end and is in a strong cash position, with longer term investments made with well-established investment managers.

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due until at least 31 July 2027 and consequently have prepared the financial statements on a going concern basis.

External Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the trust's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

RSM UK Audit LLP offer themselves for re-appointment.

Approved by the Trustees and signed on their behalf



Trustee Signature

Name & Position Margaret Fay CBE DL, Chair of University of Sunderland Development Trust
Board of Trustees

Date: 3 December 2025

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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 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 income and expenditure 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 accounting 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 and unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which 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.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

Opinion

We have audited the financial statements of The University of Sunderland Development Trust (the 'charity') for the year ended 31 July 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 FRS 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 July 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' 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.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

Matters on which we are required to report by exception

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:

- 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 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 Statement of Trustees' responsibilities set out on page 9, 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'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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the charity's trust deed. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries throughout the period and other adjustments and evaluating the impact of significant exceptional transactions.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 the Charities Act 2011. 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.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date: 04/12/25

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of Financial Activities
Year ended 31 July 2025

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2025 £	Total funds 2024 £
	<i>Note</i>					
Income:						
Donations		113,367	183,718	-	297,085	284,817
Investment income		10,331	130,817	52,475	193,623	143,940
Total income	2	123,698	314,535	52,475	490,708	428,757
Expenditure:						
Cost of raising funds	3	(4,579)	(3,180)	(13,545)	(21,304)	(10,938)
Expenditure on charitable activities	4	(87,565)	(425,022)	(36,838)	(549,425)	(547,036)
Total expenditure		(92,144)	(428,202)	(50,383)	(570,729)	(557,974)
Net income/(expenditure) before gains and losses on investments		31,554	(113,667)	2,092	(80,021)	(129,217)
Net gain on investments	5	21,759	25,960	87,575	135,294	247,333
Transfers between funds	8	-	-	-	-	-
Net movements in funds	8	53,313	(87,707)	89,667	55,273	118,116
Reconciliation of funds:						
Total funds brought forward	8	463,756	1,927,291	4,090,395	6,481,442	6,363,326
Total funds carried forward	8	517,069	1,839,584	4,180,062	6,536,715	6,481,442

All operations are continuing.

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Balance Sheet
As at 31 July 2025

		2025		2024	
		£	£	£	£
	<i>Note</i>				
Fixed assets					
Investments	5		5,025,640		4,833,506
Current assets					
Debtors	6	21,629		16,566	
Amounts Due from the University	6	16,854		15,750	
Cash at bank and in hand		<u>1,670,278</u>		<u>1,772,567</u>	
		1,708,761		1,804,883	
Creditors: amounts falling due within one year	7	<u>(197,686)</u>		<u>(156,947)</u>	
Net current assets			<u>1,511,075</u>		<u>1,647,936</u>
Total net assets			<u><u>6,536,715</u></u>		<u><u>6,481,442</u></u>
Funds					
Unrestricted funds	8		517,069		463,756
Restricted funds	8		1,839,584		1,927,291
Endowment funds	8		<u>4,180,062</u>		<u>4,090,395</u>
			<u>6,536,715</u>		<u>6,481,442</u>

The notes at pages 16 to 27 form part of these accounts.

Approved by the Trustees on 17 November 2025 and signed on their behalf by



Trustees Signature

Name & Position Margaret Fay CBE DL, Chair of University of Sunderland Development Trust
Board of Trustees

Date: 3 December 2025

University of Sunderland Development Trust
(Registered charity number: 1041658)

Statement of Cash Flows
Year ended 31 July 2025

		Year ended 31 July 2025	Year ended 31 July 2024
		£	£
	<i>Note</i>		
Cash flow from operating activities			
Net movement on funds		55,273	118,116
Adjustment for non-cash items			
(Gain) on investments	5	(135,294)	(247,333)
Increase in Intercompany balance	6	(1,104)	(4,720)
Decrease in Prepayments and Accrued Income		-	2,022,500
Increase in creditors	7	40,739	120,855
Adjustment for investing or financing activities			
Investment Income		(193,623)	(143,940)
Investment management fees on assets		19,386	8,973
Net cash outflow from operating activities		(214,623)	1,874,451
Cash flows from investing activities			
Payments made for fixed asset investments	5	-	(2,000,000)
Net investment income	5	112,334	106,009
		112,334	(1,893,991)
(Decrease) in cash and cash equivalents in the year		(102,289)	(19,540)
Cash and cash equivalents at beginning of the year		1,772,567	1,792,107
Cash and cash equivalents at the end of the year		1,670,278	1,772,567

Notes to the Financial Statements

1 Accounting Policies

Basis of accounting

The entity is registered as a Charity with the Charities Commission (registered number 1041658). Details of its registered office can be found on page 2 and details of its key operations and activities can be found in the Trustees' Report starting on page 3.

The accounts have been prepared under the historical cost convention as modified by the inclusion of investments at fair value. The financial statement have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

Accounts are prepared in Pounds Sterling and rounded to the nearest whole pound.

Going concern

The financial statements have been prepared on a going concern basis, which the Trustees consider to be appropriate for the following reasons.

The Trust continues to have a steady income stream supported by "regular giving" donations, alongside plans in place for future fundraising campaigns, which will create larger, "one-off" donations to support specific initiatives. Payments are made from existing funds held, and are not made in anticipation of any monies to be received, so there will never be a deficit.

Cash flow forecasts are reviewed on an ongoing basis and are based on known regular giving donations and committed expenditure, alongside uncommitted anticipated student awards. This prudent approach to forecasting ensures that the Trust will always have sufficient cash to meet its expenditure needs. The forecasts do not include predictions of any larger, one-off donations or donations from planned fundraising campaigns; as such the cash flow forecasts are considered to be a worst-case scenario and it is considered that in reality the income will be higher than forecast. The forecasts are made in relation to the unrestricted funds only.

The current cash flow forecasts to 31 July 2027 show a positive closing cash balance in the unrestricted funds.

The Trustees review the investments held on a continuous basis and make necessary changes to investment fund managers to ensure that all funds are held in optimal portfolios, which are anticipated to provide a sustainable future income stream despite the disruption to global markets. The Trustees remain committed to reviewing investments proactively to mitigate risks as they arise.

The nature of the Trust means that it has a low fixed cost base and has the ability to flex its expenditure based on the amount of income received, by reducing awards made to students if necessary; however, the Trustees do not envisage that this will be necessary based on the most recent performance as noted above.

Based on the above, the Trustees consider that the Trust is a going concern to at least 31 July 2027.

1 Accounting Policies (continued)

Income

All income is accounted for 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.

Investment income represents amounts receivable from cash deposits and equity shares (dividends received) and is allocated to restricted and unrestricted funds according to the nature of the investment from which it is derived.

Resources expended

Resources expended comprise the costs of supporting charitable activities and projects. Applications for funding for a particular project are made by the University and approved by the Trustees prior to a major fundraising campaign beginning. Grants payable are accounted for when approved.

Costs of generating funds include bank charges and publicity costs. They also include the charity's office running costs. These are borne by the University of Sunderland and a recharge is made to the charity to represent a notional charge for these services which is a flat rate of £3,850 per annum.

Costs of charitable activities consist of grants made by the charity to support its charitable aims and objectives. They also include the charity's governance costs. Governance costs comprise statutory audit fees and the costs of accounts preparation. The costs of preparing the accounts are borne by the University of Sunderland, and an agreed sum is charged to the charity for this service. The allocation of governance costs is analysed in note 4.

Grants payable

Grants payable are payments made to the University of Sunderland or its students, in furtherance of the charitable objectives of the funds held on trust, primarily to assist and promote the University.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant.
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the Trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

1 Accounting Policies (continued)

Fixed Asset Investments

Investment assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the year end, being their market value. Movements in the value of investments are shown in the Statement of Financial Activities. Realised gains or losses on fixed asset investments comprise the difference between sales proceeds and opening market value (or purchase price if later). Unrealised gains or losses comprise the increase or decrease in value between the year-end and the opening balance sheet date (or purchase price if later). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Short term investments

Short term investments comprise deposit accounts in which funds are invested up to a maximum of three months.

Debtors

Debtors are amounts owed to the Trust. They are measured on the basis of their recoverable amount.

Prepayments and Accrued Income

Where a donation is promised, but not yet received, the amount is recognised as accrued income in the year of the confirmed donation, in line with the latest financial reporting standards.

Creditors

Creditors are amounts owed by the Trust. They are measured at the amount the Trust expects to have to pay to settle the debt. Amounts which are owed in more than one year are shown as long-term liabilities.

Taxation

No provision has been made for taxation as the Development Trust's charitable status renders it exempt from UK direct taxation. Gift aid tax reclaimable from HM Revenue and Customs is shown as a debtor in the accounts.

Gifts in kind

Where gifts in kind can be reasonably quantified, they are included within the income and expenditure.

Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure, imposed by the donor, or through the terms of an appeal.

Permanent endowments are held as a permanent capital fund to generate future income. The capital element cannot be utilised for any other purpose other than income generation. The use of the future income is restricted by the donor and is documented in a permanent endowment agreement, which has been authorised by the donor and Trustees.

1 Accounting Policies (continued)

Funds structure (continued)

Expendable endowments are held as a capital fund to generate income, until the Trustees decide to expend it. At the point at which the Trustees exercise the power to spend or apply the capital of the expendable endowment, the relevant funds become unrestricted funds or restricted income funds depending on whether the terms of the gift permit expenditure for any of the Trust's purposes, or only for specific purposes.

Judgements and key sources of estimation uncertainty

The Trustees consider that there are no key areas of judgement or estimation in respect of preparation of these financial statements.

2 Income

In total, donations for the year were £297,085 (2024: £284,817) of which £183,718 was restricted (2024: £132,472); £113,367 was unrestricted (2024: £150,028); and £nil (2024: £2,317) was in the form of an endowment.

Investment income totalled £193,623 (2024: £143,940), of which £130,817 (2024: £11,428) was restricted; £10,331 (2024: £9,579) was unrestricted; and £52,475 (2024: £122,933) was from endowment funds.

3 Cost of raising funds

	2025	2024
	£	£
Office running costs	1,850	1,850
Investment Manager Fees	19,386	8,972
Bank charges	68	116
	21,304	10,938

There were no employees during the period. Management, development, treasury and administrative services have been provided by the University of Sunderland and £1,850 (2024: £1,850) was recharged to the charity as office running costs in respect of this. These were charged to the unrestricted funds.

4 Expenditure on charitable activities

The total support cost attributable to charitable activities is apportioned pro rata to the value of grants awarded. All governance costs were unrestricted (2024: all).

These are detailed in the table below:

University of Sunderland Development Trust
(Registered charity number: 1041658)

4 Expenditure on charitable activities (continued)

	Grants: student £	Grants: staff £	Grants: University £	Total 2025 £	Total 2024 £
Grants	310,674	-	219,897	530,571	529,286
Support and governance costs:					
Preparation of accounts	1,171	-	829	2,000	2,000
Audit fee	9,869	-	6,985	16,854	15,750
	321,714	-	227,711	549,425	547,036

Grants: student represent grants provided by the Trust to students of the University of Sunderland. Grants: staff represent grants provided by the Trust to the employees of the University of Sunderland. Grants: University represent grants provided by the Trust to the University of Sunderland.

The costs are allocated on the percentage of the total cost of grants paid out split between students, staff and the University. For 2024/25 this was 58.6% to students, 0% to staff and 41.4% to the University. In 2023/24 the costs were split with 51.7% to students, 0% to staff and 48.3% to the University.

There were no employees during the period. Accountancy services have been provided by the University of Sunderland and £2,000 (2024: £2,000) was recharged to the charity in respect of this.

The auditor's remuneration of £16,854 (2024: £15,750) related solely to the external audit. No non-audit services were provided by the External Auditors. Audit fees are shown inclusive of irrecoverable VAT. The University will bear the cost of the external audit.

5 Fixed asset investments

Movement in fixed asset investments	2025 £	2024 £
Existing fixed asset investments at 1 August	4,833,506	2,557,468
Fixed asset investments purchased at cost	-	2,000,000
Net gain/(loss) on market value of investments	135,294	247,333
Investment management charges	(19,386)	(8,973)
Investment income	76,226	37,678
Fixed asset investment disposals	-	-
Market value at 31 July	5,025,640	4,833,506

5 Fixed asset investments (continued)

The fixed asset investments held at 31 July 2025 stated at their market value were:

Movement in fixed asset investments	2025	2024
	£	£
CCLA COIF Charities Investment Fund	1,816,839	1,846,286
Brewin Dolphin Limited	3,208,801	2,987,220
Market value at 31 July	5,025,640	4,833,506

All fixed asset investments are classified as assets within the United Kingdom.

All fixed asset investments are stated at their fair value at 31 July 2025. Valuations are supplied by the external investment managers, Brewin Dolphin Limited, and CCLA Fund Managers Limited. All fixed asset investments are listed on a recognised stock exchange.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in capital markets, which can cause the capital value of the Trust's portfolio to fluctuate. Such fluctuations are normal for portfolios designed to maintain their spending power in the face of inflation over the long term, because investments will be focused on assets such as company shares, that can go down as well as up, in value. These fluctuations in capital value do not directly affect the portfolio's ability to generate a reliable income distribution for charitable expenditure from year to year.

The Trust's investment strategy is to invest long-term. The unrealised gain in 2024/25 adds to the 2023/24 gain as markets continue to be positive in the medium-term, as expected by the Trustees.

The Trust manages investment risks by retaining expert advisers, and it does not make use of derivatives or similar complex financial instruments.

6 Debtors

	2025	2024
	£	£
Accrued interest	21,629	16,566
Amounts due from the University	16,854	15,750
	38,483	32,316

University of Sunderland Development Trust
(Registered charity number: 1041658)

7 Creditors

	2025 £	2024 £
Amounts due to University of Sunderland	105,291	76,025
Accruals	16,854	38,087
Accrued grants payable to students	75,541	42,835
	197,686	156,947

8 Analysis of funds

Restricted funds relate to donations received which the donor has requested to be applied in support specific activities or academic departments of the University.

Analysis of fund movements for the year ended 31 July 2025

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfer between funds £	Closing fund balance £
Unrestricted	463,756	123,698	(92,144)	21,759	-	517,069
Restricted	1,927,291	314,535	(428,202)	25,960	-	1,839,584
Endowment	4,090,395	52,475	(50,383)	87,575	-	4,180,062
	6,481,442	490,708	(570,729)	135,294	-	6,536,715

Analysis of fund movements for the year ended 31 July 2024

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfer between funds £	Closing fund balance £
Unrestricted	471,027	159,607	(155,162)	25,744	(37,460)	463,756
Restricted	2,046,588	143,900	(331,373)	30,716	37,460	1,927,291
Endowment	3,845,711	125,250	(71,439)	190,873	-	4,090,395
	6,363,326	428,757	(557,974)	247,333	-	6,481,442

8 Analysis of funds (continued)

	Unrestricted £	Restricted £	Endowment £	Total £
Fund balances at 31 July 2025	517,069	1,839,584	4,180,062	6,536,715

Represented by:

Fixed asset investments	438,436	523,101	4,064,103	5,025,640
Cash at bank and in hand	183,924	1,392,024	94,330	1,670,278
Debtors	16,854	-	21,629	38,483
Creditors	(122,145)	(75,541)	-	(197,686)
	517,069	1,839,584	4,180,062	6,536,715

	Unrestricted £	Restricted £	Endowment £	Total £
Fund balances at 31 July 2024	463,756	1,927,291	4,090,395	6,481,442

Represented by:

Fixed asset investments	409,009	487,991	3,936,506	4,833,506
Cash at bank and in hand	153,109	1,482,135	137,323	1,772,567
Debtors	15,750	-	16,566	32,316
Creditors	(114,112)	(42,835)	-	(156,947)
	463,756	1,927,291	4,090,395	6,481,442

Endowment funds relate to:

- A £1.5 million permanent endowment, which was donated by Helen McArdle CBE in 2019. The capital is to be held in perpetuity to generate income that will fund scholarships, prizes and PhD studentships, which are all restricted to nursing education and training, as specified within the permanent endowment agreement. The endowment is now valued at £1.9m.
- A £20,000 expendable endowment, which was donated from the estate of Peter Rushton in July 2021 and was invested with Brewin Dolphin in March 2022. The value of the fund remaining at 31 July 2025 is £19,491. This is to provide an annual prize for the most scholarly undergraduate social studies dissertation which incorporates historical or archival research and/or which celebrates the history and culture of the North East of England.
- The £2m permanent endowment from John Dawson received in December 2023. This generates income to support a PhD scholarship programme, funding four PhD studentships.

8 Analysis of funds (continued)

Restricted funds include donations to:

Futures Fund - a fund set up to support students by providing access grants, bursaries and scholarships, as well as grants to alleviate student hardship and awards for initial career and personal development. This fund has accumulated to a high value over the years, and as such a selection of donors granted permission for their original donations to be designated to the wider unrestricted purposes of the Trust during the financial year. Furthermore, the Trustees have increased the value of the awards available to students under this fund.

Silver Fund - set up in 2016/17 to enhance and enrich the University, and the life of its students, with a resource which can be allocated to priority areas, in line with the broader objectives of the Trust.

Hope Winch Benevolence Fund - The Hope Winch Society is the Alumni association for graduates from the University's School of Pharmacy. The fund was established to support Pharmacy and Pharmacology students who face financial hardship and is supported by donations from Alumni.

Mike Davies Charitable Trust Scholarship Fund - A fund to provide scholarship opportunities to those students studying glass and ceramics and to provide a rolling programme of Master Class activity promoting excellence in the Arts. This fund is supported by a pledged gift over a 5-year period.

Global Challenges Scholarship - This scholarship supports students with up to £1,000 award to undertake a project or opportunity to develop creative practice for the potential benefit of others whilst tackling current global challenges.

Sir Tom Cowie Scholarship Fund - The Cowie scholarship fund provides support for two excellence awards in the fields of education, engineering or business. This Fund is supported by a three-year pledged gift from the Cowie Charitable Trust.

The Horace Robson Fund – This fund support students in the areas of Glass and Ceramics, Fine Art, Photography, and Curating and Foundation Courses, making annual awards to students undertaking a live project or opportunity which compliments their current studies, and to students undertaking Masters level of study.

The Dovre Alumni Excellence Scholarship – The Dovre Alumni Community agrees to donate funds to support this scholarship. This programme provides one or two awards per year in the sum of £1,000 in support of two penultimate year undergraduate students. Preference is given to Norwegian students studying on Sunderland campus and to students studying in subject areas linked to the Department of Engineering.

Emeli Sande Award – This scholarship supports two University of Sunderland School of Medicine students. A cash scholarship of £5,000 is awarded as £1,000 over five years of study for the students who already hold an undergraduate degree. This scholarship is awarded in recognition of the additional costs of studying medicine for students who already hold an undergraduate degree.

Archer Award – To provide support for twenty students to receive the “Mary & Brian Archer Opportunity Scholarship”. This programme of scholarships will provide four scholarships per year with each award being the sum of £750. The programme will run for a period of five years.

Richard Studham Ceramics Award – This award offers up to £2,000 for final year students wishing to study MA Visual Practice.

8 Analysis of funds (continued)

Sanderson Foundation – This fund support artist’s time, clay materials and kiln costs, along with refreshments for each of the engagement and workshops and for the celebration event as part of the Warm Spaces project which ran from February - June 2023.

Aziz Foundation – to establish Masters scholarships to support students who are actively engaged in British Muslim communities, and who wish to study at the University. In doing so, the Parties wish to improve access for individuals from social groupings who historically have been underrepresented at the University.

Sir Bob Murray – This scholarship aims to support five eligible first-year undergraduate psychology students per year, prioritising students currently underrepresented in higher education.

Douglas Clasper Awards Programme – The programme will run for a period of six years from September 2023 – July 2029. The donation will provide support for undergraduate students in the chosen subject areas of Arts, Business and Sport.

Dawson Drug Discovery Institute – Income in this fund is to be used for the set-up of the John Dawson Drug Discovery, Development and Delivery Research Institute, including support for staff and research projects.

The movement on restricted funds for the year ended 31 July 2025 was:

	Opening fund balance	Incoming resources	Outgoing resources	Gains & losses	Closing fund balance
	£	£	£	£	£
Futures Fund	428,947	70,045	(70,213)	18,102	446,881
Silver Fund	6,848	137	2,200	289	9,474
Hope Winch Benevolence Fund	30,896	20,024	(19,660)	1,304	32,564
Mike Davies Charitable Trust					
Scholarship Fund	41,262	55,827	(32,928)	1,741	65,902
Global Challenges	659	13	(662)	28	38
Sir Tom Cowie Memorial Scholarship Fund	264	24,005	(20,001)	11	4,279
Horace Robson Fund	21,448	17,493	(12,111)	905	27,735
The Dovre Alumni Excellence Scholarship	875	818	(805)	37	925
Emeli Sande Award	4,120	82	(2,021)	174	2,355
Archer Award	7,091	143	(3,109)	299	4,424
Richard Studham Ceramics Award	2,473	50	(2,013)	104	614
Sanderson Foundation	11,075	1,222	(6,057)	467	6,707
Aziz Foundation	255	5	(1)	11	270
Sir Bob Murray	5,000	5,100	(5,026)	211	5,285
Douglas Clasper Awards Programme	53,937	4,893	(11,779)	2,276	49,327
Dawson Drug Discovery Institute	1,312,141	114,678	(244,016)	1	1,182,804
	1,927,291	314,535	(428,202)	25,960	1,839,584

University of Sunderland Development Trust
(Registered charity number: 1041658)

8 Analysis of funds (continued)

The movement on restricted funds for the year ended 31 July 2024 was:

	Opening fund balance	Incoming resources	Outgoing resources	Gains & losses	Transfer between funds	Closing fund balance
	£	£	£	£	£	£
Futures Fund	370,953	49,932	(35,779)	20,381	23,460	428,947
Silver Fund	9,239	175	(3,036)	470	-	6,848
Hope Winch Benevolence Fund	38,047	10,897	(20,029)	1,981	-	30,896
Mike Davies Charitable Trust						
Scholarship Fund	38,862	10,736	(10,315)	1,979	-	41,262
Global Challenges	-	189	(10,039)	509	10,000	659
Sir Tom Cowie Memorial						
Scholarship Fund	-	16,076	(20,016)	204	4,000	264
Horace Robson Fund	17,192	16,188	(11,932)	-	-	21,448
The Dovre Alumni Excellence						
Scholarship	0	2,000	(2,000)	875	-	875
Emeli Sande Award	8,000	152	(4,032)	-	-	4,120
Archer Award	9,295	176	(2,787)	407	-	7,091
Richard Studham Ceramics						
Award	-	2,000	-	473	-	2,473
Sanderson Foundation	5,000	6,095	(20)	-	-	11,075
Aziz Foundation	-	5,600	(5,600)	255	-	255
Sir Bob Murray	-	10,000	(5,000)	-	-	5,000
Douglas Clasper Awards						
Programme	50,000	13,684	(9,747)	-	-	53,937
Dawson Drug Discovery						
Institute	1,500,000	-	(191,041)	3,182	-	1,312,141
	<u>2,046,588</u>	<u>143,900</u>	<u>(331,373)</u>	<u>30,716</u>	<u>37,460</u>	<u>1,927,291</u>

The movement on endowment funds for the year ended 31 July 2025 was:

	Opening fund balance	Incoming resources	Outgoing resources	Gains & losses	Closing fund balance
	£	£	£	£	£
McArdle endowment	1,965,754	(1,092)	(36,338)	(29,445)	1,898,879
Peter Rushton endowment	18,541	509	(631)	1,072	19,491
Dawson Endowment	2,106,100	53,058	(13,414)	115,948	2,261,692
	<u>4,090,395</u>	<u>52,475</u>	<u>(50,383)</u>	<u>87,575</u>	<u>4,180,062</u>

The movement on endowment funds for the year ended 31 July 2024 was:

University of Sunderland Development Trust
(Registered charity number: 1041658)

	Opening fund balance	Incoming resources	Outgoing resources	Gains & losses	Closing fund balance
	£	£	£	£	£
McArdle endowment	1,827,825	73,021	(66,315)	131,223	1,965,754
Peter Rushton endowment	17,886	-	(613)	1,268	18,541
Dawson Endowment	2,000,000	52,229	(4,511)	58,382	2,106,100
	<u>3,845,711</u>	<u>125,250</u>	<u>(71,439)</u>	<u>190,873</u>	<u>4,090,395</u>

9 Trustees remuneration

No Trustees were entitled to, or received, any remuneration or expenses for their services to the Charity during the year (2024: £nil).

10 Related Parties

The Trust works closely with the University, from whom it received many services at no cost. In addition, the University benefits from the Trust, being the main beneficiary of its fundraising and grant making. During the year the Trust paid the University of Sunderland £3,850 (2023/24: £3,850) towards office running costs. The University of Sunderland will pay the Trust £16,854 (2023/24: £15,750) to cover the audit fees.

The University of Sunderland students also benefitted from grants awarded in year of £310,674 (2023/24: £273,530), of which £75,541 (2023/24: £42,835) will be paid out in the 2025/26 financial year.

The University is considered to exercise control (as the ultimate controlling party), by being the sole beneficiary of the work of the Trust, exercising operational oversight as described above and through the Vice Chancellor of the University being a Trustee, and a further three Trustees being appointed by the Board of Governors of the University as described on page 3.

The officers who support the Trust are University employed and ensure good coordination between the University and the Trust.

The purpose of the University is to provide higher education and further education, and to carry out and publish research. A number of the Trustees are or have been members of the University's Board of Governors. The Vice-Chancellor is an ex-officio member of the Board of Governors.

No donations were made from Trustees to the year ended 31 July 2025.

Donations from Trustees are shown net of associated gift-aid claims, where applicable.

Grants are awarded to students of the University by reference to their eligibility for such support.

11 Parent entity

The parent entity is the University of Sunderland and is a registered Higher Education Institution regulated by the Office for Students, classified as an Exempt Charity. It is registered as a UK Learning Provider under number 10007159.

The consolidated financial statements of the University are available on the University website www.sunderland.ac.uk or a copy can be obtained from:

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Edinburgh Building
City Campus
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SR1 3SD
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Accounts

UNIVERSITY OF SUNDERLAND DEVELOPMENT TRUST

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2024

Registered charity No. 1041658

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University of Sunderland Development Trust
(Registered charity number: 1041658)

Reference and administrative details

Trustees

Mrs M Fay CBE DL (Chair)
Hon J D A Ramsbotham, CBE DL (Resigned 20th November 2023)
Sir D R Bell, KCB DL
Mr M McArdle, BEng (Hons)
Ms S Forster (Honorary Treasurer)
Mr A Hallimond

Charity registered office

The Trust's registered office is:

Edinburgh Building
University of Sunderland
Chester Road
SUNDERLAND
SR1 3SD

Trust Secretary

Mrs D Reveley

Independent Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Barclays Bank plc
53 Fawcett Street
SUNDERLAND
SR1 1SD

Investment Managers

Brewin Dolphin Ltd
Time Central
Gallowgate
NEWCASTLE UPON TYNE
NE1 4SR

CCLA Fund Managers Limited
Senator House
85 Queen Victoria Street
LONDON
EC4V 4ET

Trustees' Report

The Trustees present their annual report for the year ended 31 July 2024. The accounts have been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management of the Trust

Trust Objectives

The University of Sunderland Development Trust is a charitable trust established by deed dated 9 August 1994. Its objective is to assist and promote the development of the University of Sunderland. It seeks to achieve this objective by raising funds from donations, giving and gift agreements, sponsorships, legacies and other gifts and applying them for appropriate purposes.

The Trust Deed is currently being updated and a draft was approved by the Board of Trustees in November 2024. The update adds further clarity to the objectives of the Trust by explicitly setting out the ability of the Trust to cover the provision of facilities for future as well as present students, to award scholarships and assist people to prepare for entry to work, and to generally support the University to promote the advancement of education. Approval by the Charities Commission is outstanding, but once received, the Deed will come into force, however this is not expected to be before these accounts are signed.

Recruitment and appointment of Trustees

Trustees are recruited as required from the University of Sunderland's stakeholder groups. These include the Board of Governors, staff, alumni, patrons of the City of Sunderland and the local business community.

Trustees are appointed for a term not exceeding three years, for a maximum of three successive terms.

The Development Trust is required to have a minimum of three, and no more than nine, Trustees. Should the number of Trustees fall below three due to events beyond the control of the Trustees, any Trustee who ought to be retiring, or is ineligible for further re-appointment due to terms already served, will be granted a further 12 month term of office to enable new Trustees to be recruited. Training and familiarisation are provided as required.

The power of appointment and removal as to three of the Trustees (excluding the Vice-Chancellor) is vested in the Board of Governors of the University and as to any additional number of Trustees in the surviving or continuing Trustees (excluding any retiring Trustees). All new Trustees have an induction meeting with the Honorary Secretary or the Governance Officer. The authority to make decisions such as grants is made by awarding panels. The verification of fundraising projects is agreed by the University and reported back to the Trust quarterly. For gift / grant / donation acceptance:

- Up to £50,000, excluding gift aid, can be accepted by the Development and Alumni Office. With the exception of the University Executive, other University staff are not permitted to accept any donations to the Trust; and
- Over £50,000, excluding gift aid, are referred to the University Vice Chancellor and the Chair of the Development Trust to verify acceptance.

Relationship with the University of Sunderland

The Trust exists to support the University of Sunderland and its students and as such co-operates with the University in pursuit of its aims and objectives. To this end the University makes a gift in kind of staff and resources to the Trust to pursue its objectives and the Trust reimburses the University for a proportion of these expenses. The University and its students are the beneficiaries of the Trust's grant-making activities.

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Relationships with external bodies

The Trust is registered with the Fundraising Regulator and as such must meet certain minimum requirements as to its ethical behaviour. These are encapsulated in the Trust's ethical policy, a copy of which is available upon request. No third parties have undertaken any fundraising on behalf of the Trust or the University.

Organisational Structure

Day to day operational issues relating to the Development Trust are managed by the University's Development and Alumni Office, which comes under the portfolio of the Director of External Relations, reporting to the University Secretary. The Board met on three occasions during the financial year.

Public Benefit

The Board of Trustees has referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the University of Sunderland Development Trust and is satisfied that it meets the public benefit requirements.

Aims, Activities and Performance of the Trust

Aims of the Trust

The Development Trust seeks to support the University's ambitions to be regarded as a high-quality civic university, in a city and region that is re-inventing itself, offering life-changing opportunities and transformation.

Fundraising Activities

The Development Trust supports three key areas of fundraising activity:

- Capital development at the University;
- Student support through scholarships; and
- Opportunity funding and discrete projects linked to the University's strategic aims and objectives.

Achievements and Performance during the year

The Development Office manages a number of philanthropic scholarships available for undergraduates, masters and recently graduated students.

Over the past year, we have raised £284,817 for The University of Sunderland Development Trust and the University itself, for the purpose of supporting The University of Sunderland.

A number of donations and grants have been received in support of scholarships, projects and capital work. The funds raised have enabled the University to meet its objectives to be student focussed, professions facing and society shaping.

Notable gifts include:

- **£2,000,000**- the final instalment of the largest donation ever received to the University from alum John Dawson. This part of the gift will establish the permanent endowment to support bi-annual PhD scholarships in perpetuity. This amount was accrued for in the 2022/23 financial statements;
- **£22,000** pledged (£11,000 received) from Archives Revealed (The National Archives) to catalogue all of Kate Adie's work - held by the University Library as part of its [Special Collections](#). The funding includes support for the employment of a dedicated Project Archivist, Dr Ellie Clewlow, for 12 months, whose work will make the Kate Adie Collection available for future teaching, learning, research and the wider community. The University will also embark on a programme of engagement activity promoting the Kate Adie Collection to a wide audience; and
- **£10,000** from the Rothley Trust supporting eight-week medical elective placements open to all year 5 Medical students for up to 10 students.

The Development and Alumni office continues to manage over 34 scholarships available for undergraduates, masters and alumni and this year awarded 163 scholarships and awards to individuals

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totalling £343,343. The scholarships include established funds such as The Futures Fund (supporting excellence, experience and employability) and the Sir Tom Cowie Scholarships (honouring the wishes of Sir Tom Cowie, a major benefactor to the University) as well as new gifts.

The Trustees encourage feedback from beneficiaries, and they have received a number of letters and reports from students who have received scholarships or bursaries from the Trust, all of which were very appreciative. Extracts from a few of these are included here:

“The Tom Cowie scholarship, is the biggest achievement I've had in the whole three years. I don't think I would have actually done as well in my overall classification if I hadn't have had that scholarship. I'm delighted that I have secured a job following graduation”. Sir Tom Cowie Sunderland Award Scholar 2023-24.

“I can't explain the joy, relief, shock and gratitude I felt when receiving the scholarship. The money went towards several bills including gas & electric – which meant I could afford to keep myself and daughter warm, wi-fi – enabling me to research, prepare, and complete university work, maintaining a first accreditation, mobile phone costs so I could carry out and complete work for university anywhere, keeping in touch with lecturers, family/friends and my children. This money also went towards buying essential books, printing costs, travel to university and food.” Futures Fund Excellence Scholar 2023-24

“I have very much enjoyed my first year of study at the institute, I feel that not only has my chemistry and overall scientific knowledge expanded but that I am developing in a more professional capacity as well, through conferencing, presenting my work, assisting in the development of younger students and liaising with reps from various scientific companies. I am excited for the year ahead to continue my progress, testing the compounds I have synthesised, and analyse subsequent data to look at how these chemical probes can translate to prodrug development.” John and Sam Dawson PhD Scholar 2024.

This year we officially inducted six donors into our Chancellor's Circle acknowledging lifetime giving in excess of £250,000. The circle is the highest level of recognition the University can bestow upon its donors.

Financial Review 2023/24

Income from Donations to the Trust

For the financial year ended 31 July 2024, donations of £284,817 (2023: £3,872,295) were recognised. In the previous year a one-off donation of £3,500,000 from John Dawson to the Trust to set up the John Dawson Drug Discovery and Development Research Institute was recognised. This demonstrates that the Trust maintains a reliable recurrent income stream in addition to the income generated from larger fundraising campaigns.

All endowments are held in the accounts of the University Investment Managers - CCLA and Brewin Dolphin - and will generate investment income in future years.

Expenditure

Expenditure on charitable activities increased by £224,682 in the previous financial year to £547,036 as the Trust has looked to better promote the grants available to students and staff and to simplify the application process, which should increase the number awarded.

The Trust has no employees and receives in-kind support from the University to cover the majority of its running costs. The Development Trust makes a payment of £3,850 to the University per annum as a contribution towards administrative costs. £2,000 relates to accountancy costs and £1,850 represents a contribution to office running costs.

Investment Performance

Under the provisions of the Trust Deed, the Trustees have discretionary powers to invest or apply monies in investments or property of any nature. All investments are made in accordance with those powers. The

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Trustees consider that the performance of the Investment Managers is satisfactory given the current market conditions.

Investment income of £143,940 is an increase of £84,157 compared to the previous financial year, with the fair value of investments held increasing during the financial year by £247,333 in total. For the endowments the increase was £190,873, with £131,223 of the increase attributable to the investment held with CCLA, and a gain on the Brewin Dolphin investment of £59,650. Restricted funds benefitted from an increase in value of £30,716 and the unrestricted funds increased in value by £25,744. Both of these investment funds are held with Brewin Dolphin.

The Trust's investment strategy is to hold these funds long-term, with a view to increasing their value, and the increases compared to the previous year reflect prevailing market conditions.

Overall Financial Position

The overall result for the year is a net gain in funds of £118,116, in comparison to the net gain in funds of £3,574,950 recorded in the previous financial year. The difference is mainly due to the donation from John Dawson in the previous year.

When non-recurrent transactions are removed from the respective financial years, the result is a net gain of £118,116 in the current financial year, compared with a net gain of £74,950 in the previous financial year. The improvement in the overall underlying result of £43,166 between years is primarily due to increased investment income and unrealised gains on investments, offset by increased expenditure on charitable activities. The Trust is well-placed to continue to meet its charitable objectives.

Overall, the financial performance of the Trust is positive and comparable with the previous financial year, demonstrating the Trust's resilience and providing confidence in the ability of the Trust to meet its charitable objectives.

Investment Policy

The Trust's Investment Managers, currently CCLA and Brewin Dolphin, are instructed to produce the best financial return within an acceptable level of risk. The Trust holds assets to fund income and capital expenditure with the intention that existing assets will be applied as such over the next five years. Therefore, assets are invested to limit risk to capital although some volatility in both capital and income can be tolerated if consistent with expectations.

The Trust's assets can be invested widely in accordance with the Trust's general power of investment as set out above but are deposited with institutions with a minimum Standard & Poor long-term credit rating of A- or diversified by asset class which can include cash, bonds, equities and any other asset that the Trustees deem suitable.

Reserves Policy

The trustees have adopted a reserves policy with the objective to protect the Trust and its charitable activities by ensuring there is adequate liquidity, to allow the organisation to adjust to any short-term changes in its financial and operating environment. The Trust can also designate some of its unrestricted reserves for specific projects at the University.

Changes might include:

- Provision for unforeseen events; or
- A fall in the income receivable on endowments or restricted funds held by the Trust.

The majority of the funds held by the Trust are 'ring fenced', but as at 31 July 2024 the Trust had £464k in unrestricted reserves (2023: £471k).

The Trust aims to work with the University to develop unrestricted reserves in support of major strategic projects at the University. The Trust acknowledges that it must also respond to donor wishes and that some funds may be restricted for specific purposes. The primary focus of fundraising activity in the coming

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years will be to raise funds to provide undergraduate and postgraduate students with a transformational education, and also ongoing support for capital developments, which will enhance the student experience and support the University's strategic ambitions.

There are three types of reserves: unrestricted £463,756 (2023: £471,027), restricted £1,927,291 (2023: £2,046,588) and endowments £4,090,395 (2023: £3,845,711). The unrestricted reserves are available at the discretion of the Trustees to support the University activities. Details of the individual funds that constitute the restricted and endowments reserves are given in note 9 of the financial statements.

Risk Assessment

The main risks to the Development Trust are loss of investment value and reduction in donation income. Rising inflation and decreasing household income in real terms have continued to contribute to a decline in market confidence, which negatively impacts the value of investments held. The Trust's investment strategy is to invest long-term and therefore the Trustees expect that any adverse impact on investments caused by market conditions (such as those which occurred in 2022/23) will be ameliorated in the long-term. Donation income was lower in 2023/24 compared to the previous year, primarily due to a single large donation of several million pounds to the Trust and the University in 2022/23. Donations of such generosity are relatively rare, and the Trust takes a cautious approach to reliance on donation income when planning its financial forecasts and future spend.

The Trust has a risk register in place, which feeds into the University's wider risk management process. The risk assessment from the register is reported to the Trustees annually to enable them to review risk. The day-to-day risks are managed in line with the University's own risk management procedures.

Future plans

The Vice Chancellor provides a regular briefing to the Trustees at each meeting about current development at the University to ensure the Trust is well placed to decide on where it can best support future activities. The work of the Trust is focusing on building regular income to support scholarships, particularly via the Futures Fund.

Going Concern Policy

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate. The Charity has funds available in the unrestricted reserves to meet the awards the Trustees have planned, and the restricted fund and endowments are monitored on a regular basis, with quarterly reports produced for the Trustees. Awards and payments are governed by a panel with Trustees' oversight and are only made where money is already held so there is no risk of the Trust becoming insolvent.

The Charity is in a net asset position of £6.5m at the year-end and is in a strong cash position, with longer term investments made with well-established investment managers.

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due until at least 31 July 2026 and consequently have prepared the financial statements on a going concern basis.

External Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the trust's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

RSM UK Audit LLP were appointed as auditor on 5 June 2023 and offer themselves for re-appointment.

Approved by the Trustees and signed on their behalf

University of Sunderland Development Trust
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Trustee Signature

Name & Position

Margaret Fay, Chair of the University of Sunderland Development Trust Board of Trustees

Date:

5 March 2025

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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 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 income and expenditure 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 accounting 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 and unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which 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.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

Opinion

We have audited the financial statements of The University of Sunderland Development Trust (the 'charity') for the year ended 31 July 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 FRS 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 July 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' 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.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

Matters on which we are required to report by exception

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:

- 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 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 Statement of Trustees' responsibilities set out on page 9, 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'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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the charity's trust deed. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries throughout the period and other adjustments and evaluating the impact of significant exceptional transactions.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 the Charities Act 2011. 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.

RSM UK Audit LLP

**RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD**

Date: 07/03/25

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

University of Sunderland Development Trust
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Statement of Financial Activities
Year ended 31 July 2024

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2024 £	Total funds 2023 £
	<i>Note</i>					
Income:						
Donations		150,028	132,472	2,317	284,817	3,872,295
Investment income		9,579	11,428	122,933	143,940	59,783
Total income	2	159,607	143,900	125,250	428,757	3,932,078
Expenditure:						
Cost of raising funds	3	(3,933)	(2,381)	(4,624)	(10,938)	(6,262)
Expenditure on charitable activities	4	(151,229)	(328,992)	(66,815)	(547,036)	(322,354)
Total expenditure		(155,162)	(331,373)	(71,439)	(557,974)	(328,616)
Net income/(expenditure) before gains and losses on investments		4,445	(187,473)	53,811	(129,217)	3,603,462
Net gain/(loss) on investments	5	25,744	30,716	190,873	247,333	(28,512)
Transfers between funds	9	(37,460)	37,460	-	-	-
Net movements in funds	9	(7,271)	(119,297)	244,684	118,116	3,574,950
Reconciliation of funds:						
Total funds brought forward	9	471,027	2,046,588	3,845,711	6,363,326	2,788,376
Total funds carried forward	9	463,756	1,927,291	4,090,395	6,481,442	6,363,326

All operations are continuing.

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Balance Sheet
As at 31 July 2024

		2024		2023	
		£	£	£	£
	<i>Note</i>				
Fixed assets					
Investments	5		4,833,506		2,557,468
Current assets					
Debtors	6	16,566		16,313	
Amounts Due from the University	6	15,750		11,030	
Prepayments and Accrued Income	7	-		2,022,500	
Cash at bank and in hand		1,772,567		1,792,107	
		1,804,883		3,841,950	
Creditors: amounts falling due within one year	8	(156,947)		(36,092)	
Net current assets			1,647,936		3,805,858
Total net assets			6,481,442		6,363,326
Funds					
Unrestricted funds	9		463,756		471,027
Restricted funds	9		1,927,291		2,046,588
Endowment funds	9		4,090,395		3,845,711
			6,481,442		6,363,326

The notes at pages 16 to 26 form part of these accounts.

Approved by the Trustees on 3 March 2025 and signed on their behalf by

Trustees Signature



Name & Position Margaret Fay, Chair of the University of Sunderland Development Trust Board of Trustees

Date 5 March 2025

Statement of Cash Flows
Year ended 31 July 2024

		Year ended 31 July 2024	Year ended 31 July 2023
		£	£
	<i>Note</i>		
Cash flow from operating activities			
Net income before losses and gains on investments		118,116	3,574,950
Adjustment for non-cash items			
(Gain)/ Loss on investments	5	(247,333)	28,512
(Increase)/Decrease in debtors	6	(253)	90
Increase in Intercompany balance	6	(4,720)	(11,030)
Decrease/(Increase) in Prepayments and Accrued Income	7	2,022,500	(2,022,500)
Increase/(Decrease) in creditors	8	120,855	(6,455)
Adjustment for investing or financing activities			
Endowment income		(122,933)	51,360
Net cash inflow from operating activities		1,886,232	1,614,927
Cash flows from investing activities			
Payments made for fixed asset investments	5	(2,022,500)	(8,611)
Disposal of fixed asset investments	5	(6,205)	4,365
Endowment income		122,933	(51,360)
		(1,905,772)	(55,606)
(Decrease)/Increase in cash and cash equivalents in the year		(19,540)	1,559,321
Cash and cash equivalents at beginning of the year		1,792,107	232,786
Cash and cash equivalents at the end of the year		1,772,567	1,792,107

Notes to the Financial Statements

1 Accounting Policies

Basis of accounting

The entity is registered as a Charity with the Charities Commission (registered number 1041658). Details of its registered office can be found on page 2 and details of its key operations and activities can be found in the Trustees' Report starting on page 3.

The accounts have been prepared under the historical cost convention as modified by the inclusion of investments at fair value. The financial statement have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

Accounts are prepared in Pounds Sterling and rounded to the nearest whole pound.

Going concern

The financial statements have been prepared on a going concern basis, which the Trustees consider to be appropriate for the following reasons.

The Trust continues to have a steady income stream supported by "regular giving" donations, alongside plans in place for future fundraising campaigns, which will create larger, "one-off" donations to support specific initiatives. Payments are made from existing funds held, and are not made in anticipation of any monies to be received, so there will never be a deficit.

Cash flow forecasts are reviewed on an ongoing basis and are based on known regular giving donations and committed expenditure, alongside uncommitted anticipated student awards. This prudent approach to forecasting ensures that the Trust will always have sufficient cash to meet its expenditure needs. The forecasts do not include predictions of any larger, one-off donations or donations from planned fundraising campaigns; as such the cash flow forecasts are considered to be a worst-case scenario and it is considered that in reality the income will be higher than forecast. The forecasts are made in relation to the unrestricted funds only.

The current cash flow forecasts to 31 July 2026 show a positive closing cash balance in the unrestricted funds.

The Trustees review the investments held on a continuous basis and make necessary changes to investment fund managers to ensure that all funds are held in optimal portfolios, which are anticipated to provide a sustainable future income stream despite the disruption to global markets. The Trustees remain committed to reviewing investments proactively to mitigate risks as they arise.

The nature of the Trust means that it has a low fixed cost base and has the ability to flex its expenditure based on the amount of income received, by reducing awards made to students if necessary; however, the Trustees do not envisage that this will be necessary based on the most recent performance as noted above.

Based on the above, the Trustees consider that the Trust is a going concern to at least 31 July 2026.

1 Accounting Policies (continued)

Income

All income is accounted for 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.

Investment income represents amounts receivable from cash deposits and equity shares (dividends received) and is allocated to restricted and unrestricted funds according to the nature of the investment from which it is derived.

Resources expended

Resources expended comprise the costs of supporting charitable activities and projects. Applications for funding for a particular project are made by the University and approved by the Trustees prior to a major fundraising campaign beginning. Grants payable are accounted for when approved.

Costs of generating funds include bank charges and publicity costs. They also include the charity's office running costs. These are borne by the University of Sunderland and a recharge is made to the charity to represent a notional charge for these services which is a flat rate of £3,850 per annum.

Costs of charitable activities consist of grants made by the charity to support its charitable aims and objectives. They also include the charity's governance costs. Governance costs comprise statutory audit fees and the costs of accounts preparation. The costs of preparing the accounts are borne by the University of Sunderland, and an agreed sum is charged to the charity for this service. The allocation of governance costs is analysed in note 4.

Grants payable

Grants payable are payments made to the University of Sunderland or its students, in furtherance of the charitable objectives of the funds held on trust, primarily to assist and promote the University.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant.
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the Trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is

uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

1 Accounting Policies (continued)

Fixed Asset Investments

Investment assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the year end, being their market value. Movements in the value of investments are shown in the Statement of Financial Activities. Realised gains or losses on fixed asset investments comprise the difference between sales proceeds and opening market value (or purchase price if later). Unrealised gains or losses comprise the increase or decrease in value between the year-end and the opening balance sheet date (or purchase price if later). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Short term investments

Short term investments comprise deposit accounts in which funds are invested up to a maximum of three months.

Debtors

Debtors are amounts owed to the Trust. They are measured on the basis of their recoverable amount.

Prepayments and Accrued Income

Where a donation is promised, but not yet received, the amount is recognised as accrued income in the year of the confirmed donation, in line with the latest financial reporting standards.

Creditors

Creditors are amounts owed by the Trust. They are measured at the amount the Trust expects to have to pay to settle the debt. Amounts which are owed in more than one year are shown as long-term liabilities.

Taxation

No provision has been made for taxation as the Development Trust's charitable status renders it exempt from UK direct taxation. Gift aid tax reclaimable from HM Revenue and Customs is shown as a debtor in the accounts.

Gifts in kind

Where gifts in kind can be reasonably quantified, they are included within the income and expenditure.

Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure, imposed by the donor, or through the terms of an appeal.

Permanent endowments are held as a permanent capital fund to generate future income. The capital element cannot be utilised for any other purpose other than income generation. The use of the future income is restricted by the donor and is documented in a permanent endowment agreement, which has been authorised by the donor and Trustees.

1 Accounting Policies (continued)

Funds structure (continued)

Expendable endowments are held as a capital fund to generate income, until the Trustees decide to expend it. At the point at which the Trustees exercise the power to spend or apply the capital of the expendable endowment, the relevant funds become unrestricted funds or restricted income funds depending on whether the terms of the gift permit expenditure for any of the Trust's purposes, or only for specific purposes.

Judgements and key sources of estimation uncertainty

The Trustees consider that there are no key areas of judgement or estimation in respect of preparation of these financial statements.

2 Income

In total, donations for the year were £284,817 (2023: £3,872,295), of which £132,472 was restricted (2023: £1,714,070); £150,028 was unrestricted (2023: £158,225); and £2,317 (2023: £2,000,000) was in the form of an endowment.

Investment income totalled £143,940 (2023: £59,783), of which £11,428 (2023: £4,583) was restricted; £9,579 (2023: £3,840) was unrestricted; and £122,933 (2023: £51,360) was from endowment funds.

3 Cost of raising funds

	2024	2023
	£	£
Office running costs	1,850	1,850
Investment Manager Fees	8,972	4,366
Bank charges	116	46
	10,938	6,262

There were no employees during the period. Management, development, treasury and administrative services have been provided by the University of Sunderland and £1,850 (2023: £1,850) was recharged to the charity as office running costs in respect of this. These were charged to the unrestricted funds.

4 Expenditure on charitable activities

The total support cost attributable to charitable activities is apportioned pro rata to the value of grants awarded. All governance costs were unrestricted (2023: all).

These are detailed in the table below:

4 Expenditure on charitable activities (continued)

	Grants: student £	Grants: staff £	Grants: University £	Total 2024 £	Total 2023 £
Grants	273,530	-	255,756	529,286	305,474
Support and governance costs:					
Preparation of accounts	1,034	-	966	2,000	2,000
Audit fee	8,139	-	7,611	15,750	14,880
	282,703	-	264,333	547,036	322,354

- Grants: student represent grants provided by the Trust to students of the University of Sunderland;
- Grants: staff represent grants provided by the Trust to the employees of the University of Sunderland; and
- Grants: University represent grants provided by the Trust to the University of Sunderland.

The costs are allocated on the percentage of the total cost of grants paid out split between students, staff and the University. For 2023/24 this was 51.7% to students, 0% to staff and 48.3% to the University. In 2022/23 the costs were split with 61.7% to students, 1.4% to staff and 36.9% to the University.

There were no employees during the period. Accountancy services have been provided by the University of Sunderland and £2,000 (2023: £2,000) was recharged to the charity in respect of this.

The auditor's remuneration of £15,750 (2023: £14,880) related solely to the external audit. No non-audit services were provided by the External Auditors. Audit fees are shown inclusive of irrecoverable VAT. The University will bear the cost of the external audit.

5 Fixed asset investments

Movement in fixed asset investments	2024 £	2023 £
Existing fixed asset investments at 1 August	2,557,468	2,581,734
Fixed asset investments purchased at cost	2,022,500	8,611
Net gain/(loss) on market value of investments	247,333	(28,512)
Fixed asset investment disposals	6,205	(4,365)
Market value at 31 July	4,833,506	2,557,468

The fixed asset investments held at 31 July 2024 stated at their market value were:

Movement in fixed asset investments	2024 £	2023 £
CCLA COIF Charities Investment Fund	1,846,286	1,715,062

University of Sunderland Development Trust
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Brewin Dolphin Limited	2,987,220	842,406
Market value at 31 July	4,833,506	2,557,468

All fixed asset investments are classified as assets within the United Kingdom.

All fixed asset investments are stated at their fair value at 31 July 2024. Valuations are supplied by the external investment managers, Brewin Dolphin Limited, and CCLA Fund Managers Limited. All fixed asset investments are listed on a recognised stock exchange.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in capital markets, which can cause the capital value of the Trust's portfolio to fluctuate. Such fluctuations are normal for portfolios designed to maintain their spending power in the face of inflation over the long term, because investments will be focused on assets such as company shares, that can go down as well as up, in value. These fluctuations in capital value do not directly affect the portfolio's ability to generate a reliable income distribution for charitable expenditure from year to year.

The Trust's investment strategy is to invest long-term. The unrealised gain in 2023/24 reversed the unrealised loss in 2022/23 as markets improved, as expected by the Trustees.

The Trust manages investment risks by retaining expert advisers, and it does not make use of derivatives or similar complex financial instruments.

6 Debtors

	2024	2023
	£	£
Accrued interest	16,566	16,313
Amounts due from the University	15,750	11,030
	32,316	27,343

7 Prepayments and Accrued Income

	2024	2023
	£	£
Accrued income – Dawson Donation	-	2,022,500

The previous year balance relates to a donation for a permanent endowment received in December 2023 and a tax rebate due from HMRC on the initial donation.

8 Creditors

	2024	2023
	£	£
Amounts due to University of Sunderland	76,025	-
Accruals	38,087	14,880
Accrued grants payable to students	42,835	21,212
	156,947	36,092

9 Analysis of funds

Restricted funds relate to donations received which the donor has requested to be applied in support specific activities or academic departments of the University.

Analysis of fund movements for the year ended 31 July 2024

	Opening fund balance	Incoming resources	Outgoing resources	Gains and losses	Transfer between funds	Closing fund balance
	£	£	£	£	£	£
Unrestricted	471,027	159,607	(155,162)	25,744	(37,460)	463,756
Restricted	2,046,588	143,900	(331,373)	30,716	37,460	1,927,291
Endowment	3,845,711	125,250	(71,439)	190,873	-	4,090,395
	6,363,326	428,757	(557,974)	247,333	-	6,481,442

Analysis of fund movements for the year ended 31 July 2023

	Opening fund balance	Incoming resources	Outgoing resources	Gains and losses	Closing fund balance
	£	£	£	£	£
Unrestricted	440,035	162,065	(133,431)	2,358	471,027
Restricted	489,743	1,718,653	(164,621)	2,813	2,046,588
Endowment	1,858,598	2,051,360	(30,564)	(33,683)	3,845,711
	2,788,376	3,932,078	(328,616)	(28,512)	6,363,326

	Unrestricted £	Restricted £	Endowment £	Total £
Fund balances at 31 July 2024	463,756	1,927,291	4,090,395	6,481,442

Represented by:

Fixed asset investments	409,009	487,991	3,936,506	4,833,506
Cash at bank and in hand	153,109	1,482,135	137,323	1,772,567
Debtors	15,750	-	16,566	32,316
Creditors	(114,112)	(42,835)	-	(156,947)
	463,756	1,927,291	4,090,395	6,481,442

9 Analysis of funds (continued)

	Unrestricted £	Restricted £	Endowment £	Total £
Fund balances at 31 July 2023	471,027	2,046,588	3,845,711	6,363,326
Represented by:				
Fixed asset investments	259,356	519,162	1,778,950	2,557,468
Cash at bank and in hand	215,521	1,548,638	27,948	1,792,107
Debtors	11,030	-	2,038,813	2,049,843
Creditors	(14,880)	(21,212)	-	(36,092)
	471,027	2,046,588	3,845,711	6,363,326

Endowment funds relate to:

- A £1.5 million permanent endowment, which was donated by Helen McArdle CBE in 2019. The capital is to be held in perpetuity to generate income that will fund scholarships, prizes and PhD studentships, which are all restricted to nursing education and training, as specified within the permanent endowment agreement. The endowment is now valued at £1.97 million.
- A £20,000 expendable endowment, which was donated from the estate of Peter Rushton in July 2021 and was invested with Brewin Dolphin in March 2022. The value of the fund remaining at 31 July 2024 is £18,541. This is to provide an annual prize for the most scholarly undergraduate social studies dissertation which incorporates historical or archival research and/or which celebrates the history and culture of the North East of England.
- The £2m permanent endowment from John Dawson received in December 2023. This generates income to support a PhD scholarship programme, funding three PhD studentships.

Restricted funds include donations to:

Futures Fund - a fund set up to support students by providing access grants, bursaries and scholarships, as well as grants to alleviate student hardship and awards for initial career and personal development. This fund has accumulated to a high value over the years, and as such a selection of donors granted permission for their original donations to be designated to the wider unrestricted purposes of the Trust during the financial year. Furthermore, the Trustees have increased the value of the awards available to students under this fund.

Silver Fund - set up in 2016/17 to enhance and enrich the University, and the life of its students, with a resource which can be allocated to priority areas, in line with the broader objectives of the Trust.

Hope Winch Benevolence Fund - The Hope Winch Society is the Alumni association for graduates from the University's School of Pharmacy. The fund was established to support Pharmacy and Pharmacology students who face financial hardship and is supported by donations from Alumni.

Mike Davies Charitable Trust Scholarship Fund - A fund to provide scholarship opportunities to those students studying glass and ceramics and to provide a rolling programme of Master Class

9 Analysis of funds (continued)

activity promoting excellence in the Arts. This fund is supported by a pledged gift over a 5-year period.

Global Challenges Scholarship - This scholarship supports students with up to £1,000 award to undertake a project or opportunity to develop creative practice for the potential benefit of others whilst tackling current global challenges.

Sir Tom Cowie Scholarship Fund - The Cowie scholarship fund provides support for two excellence awards in the fields of education, engineering or business. This Fund is supported by a three-year pledged gift from the Cowie Charitable Trust.

The Horace Robson Fund – This fund support students in the areas of Glass and Ceramics, Fine Art, Photography, and Curating and Foundation Courses, making annual awards to students undertaking a live project or opportunity which compliments their current studies, and to students undertaking Masters level of study.

The Dovre Alumni Excellence Scholarship – The Dovre Alumni Community agrees to donate funds to support this scholarship. This programme provides one or two awards per year in the sum of £1,000 in support of two penultimate year undergraduate students. Preference is given to Norwegian students studying on Sunderland campus and to students studying in subject areas linked to the Department of Engineering.

Emeli Sande Award – This scholarship supports two University of Sunderland School of Medicine students. A cash scholarship of £5,000 is awarded as £1,000 over five years of study for the students who already hold an undergraduate degree. This scholarship is awarded in recognition of the additional costs of studying medicine for students who already hold an undergraduate degree.

Archer Award – To provide support for twenty students to receive the “Mary & Brian Archer Opportunity Scholarship”. This programme of scholarships will provide four scholarships per year with each award being the sum of £750. The programme will run for a period of five years.

Richard Studham Ceramics Award – This award offers up to £2,000 for final year students wishing to study MA Visual Practice.

Sanderson Foundation – This fund support artist’s time, clay materials and kiln costs, along with refreshments for each of the engagement and workshops and for the celebration event as part of the Warm Spaces project running from February - June 2023.

Aziz Foundation – to establish Masters scholarships to support students who are actively engaged in British Muslim communities, and who wish to study at the University. In doing so, the Parties wish to improve access for individuals from social groupings who historically have been underrepresented at the University.

Sir Bob Murray – This scholarship aims to support five eligible first-year undergraduate psychology students per year, prioritising students currently underrepresented in higher education.

Douglas Clasper Awards Programme – The programme will run for a period of six years from September 2023 – July 2029. The donation will provide support for undergraduate students in the chosen subject areas of Arts, Business and Sport.

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Dawson Drug Discovery Institute – Income in this fund is to be used for the set-up of the John Dawson Drug Discovery, Development and Delivery Research Institute, including support for staff and research projects.

9 Analysis of funds (continued)

The movement on restricted funds for the year ended 31 July 2024 are as follows:

Movement on restricted funds	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfers between funds £	Closing fund balance £
Futures Fund	370,953	49,932	(35,779)	20,381	23,460	428,947
Silver Fund	9,239	175	(3,036)	470	-	6,848
Hope Winch Benevolence Fund	38,047	10,897	(20,029)	1,981	-	30,896
Mike Davies Charitable Trust Scholarship Fund	38,862	10,736	(10,315)	1,979	-	41,262
Global Challenges	-	189	(10,039)	509	10,000	659
Sir Tom Cowie Memorial Scholarship Fund	-	16,076	(20,016)	204	4,000	264
Horace Robson Fund	17,192	16,188	(11,932)	-	-	21,448
The Dovre Alumni Excellence Scholarship	-	2,000	(2,000)	875	-	875
Emeli Sande Award	8,000	152	(4,032)	-	-	4,120
Archer Award	9,295	176	(2,787)	407	-	7,091
Richard Studham Ceramics Award	-	2,000	-	473	-	2,473
Sanderson Foundation	5,000	6,095	(20)	-	-	11,075
Aziz Foundation	-	5,600	(5,600)	255	-	255
Sir Bob Murray	-	10,000	(5,000)	-	-	5,000
Douglas Clasper Awards Programme	50,000	13,684	(9,747)	-	-	53,937
Dawson Drug Discovery Institute	1,500,000	-	(191,041)	3,182	-	1,312,141
	2,046,588	143,900	(331,373)	30,716	37,460	1,927,291

The movement on restricted funds for the year ended 31 July 2023 was:

Movement on restricted funds	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
Futures Fund	369,321	32,495	(33,676)	2,813	370,953
Silver Fund	3,068	10,333	(4,162)	-	9,239
Hope Winch Benevolence Fund	49,827	26,470	(38,250)	-	38,047
Mike Davies Charitable Trust Scholarship Fund	34,094	18,000	(13,232)	-	38,862
Sir Tom Cowie Memorial Scholarship Fund	(3,821)	47,821	(44,000)	-	-
Horace Robson Fund	15,254	15,734	(13,796)	-	17,192
The Dovre Alumni Excellence Scholarship	-	2,000	(2,000)	-	-
Emeli Sande Award	10,000	-	(2,000)	-	8,000
Archer Award	12,000	-	(2,705)	-	9,295
Sanderson Foundation	-	5,000	-	-	5,000
Aziz Foundation	-	10,800	(10,800)	-	-
Douglas Clasper Awards Programme	-	50,000	-	-	50,000
Dawson Drug Discovery Institute	-	1,500,000	-	-	1,500,000
	489,743	1,718,653	(164,621)	2,813	2,046,588

The endowment funds balance of £4,090,395 (2023: £3,845,711) at the year-end (of which £nil is committed but not yet received (2023: £2,000,000)), together with an analysis of movements on the endowment funds during the year, are as follows:

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
McArdle endowment	1,827,825	73,021	(66,315)	131,223	1,965,754
Peter Rushton endowment	17,886	-	(613)	1,268	18,541
Dawson endowment	2,000,000	52,229	(4,511)	58,382	2,106,100
	3,845,711	125,250	(71,439)	190,873	4,090,395

10 Trustees remuneration

No Trustees were entitled to, or received, any remuneration or expenses for their services to the Charity during the year (2023: £nil).

11 Related Parties

The Trust works closely with the University, from whom it received many services at no cost. In addition, the University benefits from the Trust, being the main beneficiary of its fundraising and grant making. During the year the Trust paid the University of Sunderland £3,850 (2022/23: £3,850) towards office running costs. The University of Sunderland paid the Trust £15,750 (2022/23: £14,880) to cover the audit fees.

The University of Sunderland students also benefitted from the grants paid out in year of £273,530. In 2022/23 the grants paid out totalled £305,474. There were no outstanding balances at the year-end (2022/23: £nil).

The University is considered to exercise control (as the ultimate controlling party), by being the sole beneficiary of the work of the Trust, exercising operational oversight as described above and through the Vice Chancellor of the University being a Trustee, and a further three Trustees being appointed by the Board of Governors of the University as described on page 3. The officers who support the Trust are University employed and ensure good coordination between the University and the Trust.

The purpose of the University is to provide higher education and further education, and to carry out and publish research. A number of the Trustees are or have been members of the University's Board of Governors. The Vice-Chancellor is an ex-officio member of the Board of Governors.

No donations were made from Trustees to the year ended 31 July 2024.

Donations from Trustees are shown net of associated gift-aid claims, where applicable.

Grants are awarded to students of the University by reference to their eligibility for such support.

12 Parent entity

The parent entity is the University of Sunderland and is a registered Higher Education Institution regulated by the Office for Students, classified as an Exempt Charity. It is registered as a UK Learning Provider under number 10007159.

The consolidated financial statements of the University are available on the University website www.sunderland.ac.uk or a copy can be obtained from:

University of Sunderland
Edinburgh Building
City Campus
Chester Road
Sunderland
SR1 3SD
Telephone +44 (0) 191 515 2463

Accounts

UNIVERSITY OF SUNDERLAND DEVELOPMENT TRUST

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2023

Registered charity No. 1041658

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University of Sunderland Development Trust
(Registered charity number: 1041658)

Reference and administrative details

Trustees

Mrs M Fay CBE DL
Hon J D A Ramsbotham, CBE DL (retired 20 November 2023)
Sir D R Bell, KCB DL
Mr M McArdle, BEng (Hons)
Ms S Forster (Treasurer)
Mr A Hallimond

Charity registered office

The Trust's registered office is:

Edinburgh Building
University of Sunderland
Chester Road
SUNDERLAND
SR1 3SD

Trust Secretary

Mrs D Reveley

Independent Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Barclays Bank plc
53 Fawcett Street
SUNDERLAND
SR1 1SD

Investment Managers

Brewin Dolphin Ltd
Time Central
Gallowgate
NEWCASTLE UPON TYNE
NE1 4SR

CCLA Fund Managers Limited
Senator House
85 Queen Victoria Street
LONDON
EC4V 4ET

Trustees' Report

The Trustees present their annual report for the year ended 31 July 2023. The accounts have been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management of the Trust

Trust Objectives

The University of Sunderland Development Trust is a charitable trust established by deed dated 9 August 1994. Its objective is to assist and promote the development of the University of Sunderland. It seeks to achieve this objective by raising funds from donations, giving and gift agreements, sponsorships, legacies and other gifts and applying them for appropriate purposes.

The Trust Deed is currently being updated and a draft has been approved by the Board of Trustees. Once it has been approved by the Charities Commission it will come into force, but this is not expected to be before these accounts are signed.

Recruitment and appointment of Trustees

Trustees are recruited as required from the University of Sunderland's stakeholder groups. These include the Board of Governors, staff, alumni, patrons of the City of Sunderland and the local business community.

Trustees are appointed for a term not exceeding three years, for a maximum of three successive terms.

The Development Trust is required to have a minimum of three, and no more than nine, Trustees. Should the number of Trustees fall below three due to events beyond the control of the Trustees, any Trustee who ought to be retiring, or is ineligible for further re-appointment due to terms already served, will be granted a further 12 months term of office to enable new Trustees to be recruited.

The power of appointment and removal as to three of the Trustees (excluding the Vice-Chancellor) is vested in the Board of Governors of the University and as to any additional number of Trustees in the surviving or continuing Trustees (excluding any retiring Trustees). All new Trustees have an induction meeting with the Honorary Secretary or the Governance Officer. The authority to make decisions such as grants is made by awarding panels. The verification of fundraising projects is agreed by the University and reported back to the Trust quarterly. For gift / grant / donation acceptance:

- Up to £50,000, excluding gift aid, can be accepted by the Development and Alumni Office. With the exception of the University Executive, other University staff are not permitted to accept any donations to the Trust.
- Over £50,000, excluding gift aid, are referred to the University Vice Chancellor and the Chair of the Development Trust to verify acceptance.

Relationship with the University of Sunderland

The Trust exists to support the University of Sunderland and its students and as such co-operates with the University in pursuit of its aims and objectives. To this end the University makes a gift in kind of staff and resources to the Trust to pursue its objectives and the Trust reimburses the University for a proportion of these expenses. The University and its students are the beneficiaries of the Trust's grant-making activities.

Relationships with external bodies

The Trust is registered with the Fundraising Regulator and as such must meet certain minimum requirements as to its ethical behaviour. These are encapsulated in the Trust's ethical policy, a copy of which is available upon request. No third parties have undertaken any fundraising on behalf of the Trust or the University.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Organisational Structure

Day to day operational issues relating to the Development Trust are managed by the University's Development and Alumni Office, which comes under the portfolio of the Director of External Relations, reporting to the University Secretary. The Board met on three occasions during the financial year.

Public Benefit

The Board of Trustees has referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the University of Sunderland Development Trust and is satisfied that it meets the public benefit requirements.

Aims, Activities and Performance of the Trust

Aims of the Trust

The Development Trust seeks to support the University's ambitions to be regarded as a high-quality civic university, in a city and region that is re-inventing itself, offering life-changing opportunities and transformation.

Fundraising Activities

The Development Trust supports three key areas of fundraising activity:

- Capital development at the University;
- Student support through scholarships; and
- Opportunity funding and discrete projects linked to the University's strategic aims and objectives.

Achievements and Performance during the year

The Development Office manages a number of philanthropic scholarships available for undergraduates, masters and recently graduated students.

Over the past year, we have raised £5,475,228 for The University of Sunderland Development Trust and the University itself, for the purpose of supporting The University of Sunderland. £3,872,295 has been received directly into the Trust, £1,500,000 was received from John Dawson directly into the University and there was £102,933 received into the University of Sunderland for restricted programme activities and a gift in kind in the form of equipment.

A number of donations and grants have been received in support of scholarships, projects and capital work. The funds raised have enabled the University to meet its objectives to be student focussed, professions facing and society shaping.

Notable gifts include:

£5,000,000 - the largest donation ever received to the University from alumni John Dawson. This gift will establish the John Dawson Drug Discovery and Development Research Institute, as well as making a permanent endowment to support bi-annual PhD scholarships in perpetuity. £3.5m of the donation is recognised in this set of accounts and £1.5m is in the University 2022/23 accounts.

£75,000 from three Trusts and Foundations to support the Giant Mars and Moons Project in partnership with The Aldrin Family Foundation, to support the Widening and Participation Team's outreach work in local primary schools; and

Our 'We Care at Christmas' appeal ran for the third time in December 2022 helping the University's strategic widening participation goals to support care-experienced and estranged students at its Sunderland and London campuses, raising over **£5,000**.

The Development and Alumni office continues to manage over 31 scholarships available for undergraduates, masters and alumni and this year awarded 53 scholarships and awards totalling **£47,961**. The scholarships include established funds such as The Futures Fund (supporting excellence and opportunity) and the Sir Tom Cowie Scholarships (honouring the wishes of Sir Tom Cowie, a major

University of Sunderland Development Trust
(Registered charity number: 1041658)

Achievements and Performance during the year (continued)

benefactor to the University) as well as new gifts including The Global Challenges Scholarships and the Sir Bob Murray Health Scholarships.

The Trustees encourage feedback from beneficiaries, and they have received a number of letters and reports from students who have received scholarships or bursaries from the Trust, all of which were very appreciative. Extracts from a few of these are included here:

“I had been experiencing financial hardship, forcing me to work even on the days that I had to attend classes at the university. After receiving the funds, I made the decision to give my whole attention to university instead of working physically and mentally exhausting shifts in factories, keeping only my Saturday part-time job in a pharmacy to get additional experience. The scholarship has also given me the peace of mind and stability I need to fully enjoy my academic pursuits. I no longer worry about whether I will be able to afford my rent or pay for the necessities of life”. **Hope Winch Scholarship Recipient 2022**

“Attaining this award has strongly impacted my studies and business plan. My confidence, resilience, motivation, and skills have grown immensely. I am so grateful for the opportunities the University of Sunderland have given me.” **Mike Davies Innovation scholar 2022**

“Santander’s Funding is not just funding. It is not just digits in my bank account. It is time... and more. To earn one thousand pounds, one may have to work even up to one hundred hours. Job applications are significantly more stressful and time consuming, in comparison to a Santander Funding application. Never mind the preparation needed prior to work, or the nightmare of commuting. Uniform maintenance and potential work training that need to be done in our free time. Commuting is not cheap, often the necessary work uniform is not provided, or is incomplete. Thanks to Santander, I was spared all of this during a very uncertain and sometimes volatile first year of Medicine. I didn’t have to worry about looking for a part time job. I was saved the stress of being torn between responsibilities. I could save my attendance and days off from university for more important family and health matters.” **Santander scholarship recipient 2022.**

This year also established the Circle of Benefactors to thank our donors. The circle is an expansion of the existing Vice Chancellor’s circle and provides a stewardship plan to thank all donors giving more than £5,000 in their lifetime.

Financial Review 2022/23

Income from Donations to the Trust

For the financial year ended 31 July 2023, donations of £3,872,295 were recognised. A one-off donation of £3,500,000 was committed from John Dawson to the Trust to set up the John Dawson Drug Discovery and Development Research Institute. Other donations totalled £372,295 which is an increase of £256,045 on the previous year and some of these have been detailed above. This demonstrates that the Trust maintains a reliable recurrent income stream in addition to the income generated from larger fundraising campaigns.

Donations have increased by £3,756,045 from the previous financial year, which is mainly due to the very generous donation from John Dawson. This is to be made up of two endowments: one for the set-up of the Drug Discovery Institute and the other (when received in December 2023) will fund PhD students bi-annually. All endowments are held in the accounts of the University Investment Managers, CCLA and Brewin Dolphin and will generate investment income in future years.

Expenditure

Expenditure on charitable activities has reduced by £163,620 from the previous financial year but the Trust is looking to better promote the grants available to students and staff, and to simplify the application process, which should increase the number awarded.

The Trust has no employees and receives in-kind support from the University to cover the majority of its running costs. The Development Trust makes a payment of £3,850 to the University per annum as a contribution towards administrative costs.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Investment Performance

Under the provisions of the Trust Deed, the Trustees have discretionary powers to invest or apply monies in investments or property of any nature. All investments are made in accordance with those powers. The Trustees consider that the performance of the Investment Managers is satisfactory given the current market conditions.

Investment income of £59,783 is a decrease of £3,262 as compared to the previous financial year, with the fair value of investments held declining during the financial year by £28,512 in total. For the endowments the decrease was £33,683, with £33,799 of the decline attributable to the investment held with CCLA, which has been offset by a gain on the Brewin Dolphin investment of £116. Restricted funds benefitted from an increase in value of £2,813 and the unrestricted funds increased in value by £2,358. Both of these investment funds are held with Brewin Dolphin.

The market conditions are improving, and it is anticipated that there will be a positive return on the investments in both companies. The decline in the fair value of investments is disappointing but is less than in the previous financial year, and the Trustees acknowledge that it is to be expected in the short term given the current economic climate. It is also important to note that the reduction in fair value is an unrealised loss and because the Trust's investment strategy is to hold these funds long-term, there is currently no adverse impact on the Trust's financial position as a result of this. The Trustees are cautiously optimistic that the value of investments will stabilise and improve over the longer-term.

Overall Financial Position

The overall result for the year is a net gain in funds of £3,574,950, in comparison to the net loss in funds of £414,417 recorded in the previous financial year. This is mainly due to the donation from John Dawson.

When non-recurrent transactions are removed from the respective financial years, the result is a net gain of £74,950 in the current financial year, compared with a net loss of £79,417 in the previous financial year. The improvement in the overall result of £154,367 between the current and previous financial year is primarily due to increased donations, offset by the unrealised loss on investments, however this does not impact on the ability of the Trust to continue to meet its charitable objectives.

Overall, the financial performance of the Trust is positive and comparable with the previous financial year, demonstrating the Trust's resilience and providing confidence in the ability of the Trust to meet its charitable objectives.

Investment policy

The Trust's Investment Managers, currently CCLA and Brewin Dolphin, are instructed to produce the best financial return within an acceptable level of risk. The Trust holds assets to fund income and capital expenditure with the intention that existing assets will be applied as such over the next five years. Therefore, assets are invested to limit risk to capital although some volatility in both capital and income can be tolerated if consistent with expectations.

The Trust's assets can be invested widely in accordance with the Trust's general power of investment as set out above but are deposited with institutions with a minimum Standard & Poor long-term credit rating of A- or diversified by asset class which can include cash, bonds, equities and any other asset that the Trustees deem suitable.

Reserves Policy

The Trust aims to work with the University to develop unrestricted reserves in support of major strategic projects at the University. The Trust acknowledges that it must also respond to donor wishes and that some funds may be restricted for specific purposes. The primary focus of fundraising activity in the coming years will be to raise funds to provide undergraduate and postgraduate students with a transformational education, and also ongoing support for capital developments, which will enhance the student experience and support the University's strategic ambitions.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Reserves Policy (continued)

There are three types of reserves: unrestricted (£471,027), restricted (£2,046,588) and endowments (£3,845,711). The unrestricted reserves are available at the discretion of the Trustees to support the University activities. Details of the individual funds that constitute the restricted and endowments reserves are given in note 9 of the financial statements.

Risk Assessment

The main risks to the Development Trust are loss of investment value and reduction in donation income. Rising inflation and decreasing household income in real terms have continued to contribute to a decline in market confidence, which negatively impacts the value of investments held. The Trust's investment strategy is to invest long-term and therefore the Trustees expect that the adverse impact on investments caused by current market conditions will be ameliorated in the long-term. Although donation income was relatively high in 2022/23, this was primarily due to a single donation of several million pounds to the Trust and the University. Donations of such generosity are relatively rare, and the Trust takes a cautious approach to reliance on donation income when planning its financial forecasts and future spend.

The Trust has a risk register in place, which feeds into the University's wider risk management process. The risk assessment from the register is reported to the Trustees annually to enable them to review risk. The day-to-day risks are managed in line with the University's own risk management procedures.

Future plans

The Vice Chancellor provides a regular briefing to the Trustees at each meeting about current development at the University to ensure the Trust is well placed to decide on where it can best support future activities.

In June 2022, a piece of consultancy work was carried out by Cairney and Company looking at producing a compelling "Case for Support" within the context of the University Strategy. This consultancy followed a previous project by the same company in 2021, looking at how the processes of the Development and Alumni Office could be enhanced to improve fundraising for the Trust.

In the shorter-term, the team are working with the Executive and the new Director of External Relations to embed the verification of fundraising projects into the planning processes to help with cross-organisational collaboration.

Going Concern policy

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate. The Charity has funds available in the unrestricted reserves to meet the awards the Trustees have planned, and the restricted fund and endowments are monitored on a regular basis, with quarterly reports produced for the Trustees. Awards and payments out are governed by a panel, with Trustees oversight and are only made where money is already held so there is no risk of the Trust becoming insolvent.

The Charity is in a net asset position of £6.4m at the year-end and is in a strong cash position, with longer term investments made with well-established investment managers.

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due until at least 31 July 2026 and consequently have prepared the financial statements on a going concern basis.

University of Sunderland Development Trust
(Registered charity number: 1041658)

External Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the trust's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

RSM UK Audit LLP were appointed as auditor on 5 June 2023 and offer themselves for re-appointment.

Approved by the Trustees and signed on their behalf



Trustee Signature

Name & Position Margaret Fay CBE DL, Chair of the Trustees

Date: 24 November 2023

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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 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 income and expenditure 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 accounting 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 and unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which 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.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

Opinion

We have audited the financial statements of The University of Sunderland Development Trust (the 'charity') for the year ended 31 July 2023 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 FRS 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 July 2023 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

Other information (continued)

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 where the Charities Act 2011 requires 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 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 Statement of Trustees' responsibilities set out on page 9, 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'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.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the charity's trust deed. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries throughout the period and other adjustments and evaluating the impact of significant exceptional transactions.

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

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. 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.

RSM UK Audit LLP

**RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD**

Date: 11/12/23

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Statement of Financial Activities
Year ended 31 July 2023

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2023 £	Total funds 2022 £
	<i>Note</i>					
Income:						
Donations		158,225	1,714,070	2,000,000	3,872,295	116,250
Investment income		3,840	4,583	51,360	59,783	63,045
Total income	2	162,065	1,718,653	2,051,360	3,932,078	179,295
Expenditure:						
Cost of raising funds	3	(3,835)	(2,331)	(96)	(6,262)	(8,136)
Expenditure on charitable activities	4	(129,596)	(162,290)	(30,468)	(322,354)	(485,974)
Total expenditure		(133,431)	(164,621)	(30,564)	(328,616)	(494,110)
Net income/(expenditure) before gains and losses on investments		28,634	1,554,032	2,020,796	3,603,462	(314,815)
Net gain/(loss) on investments	5	2,358	2,813	(33,683)	(28,512)	(99,602)
Transfers between funds	9	-	-	-	-	-
Net movements in funds	9	30,992	1,556,845	1,987,113	3,574,950	(414,417)
Reconciliation of funds:						
Total funds brought forward	9	440,035	489,743	1,858,598	2,788,376	3,202,793
Total funds carried forward	9	471,027	2,046,588	3,845,711	6,363,326	2,788,376

All operations are continuing.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Balance Sheet
As at 31 July 2023

		2023	2022
		£	£
	<i>Note</i>		
Fixed assets			
Investments	5	2,557,468	2,581,734
Current assets			
Debtors	6	16,313	16,403
Amounts Due from the University	6	11,030	-
Prepayments and Accrued Income	7	2,022,500	-
Cash at bank and in hand		<u>1,792,107</u>	<u>232,786</u>
		3,841,950	249,189
Creditors: amounts falling due within one year	8	<u>(36,092)</u>	<u>(42,547)</u>
Net current assets		<u>3,805,858</u>	<u>206,642</u>
Total net assets		<u><u>6,363,326</u></u>	<u><u>2,788,376</u></u>
Funds			
Unrestricted funds	9	471,027	440,035
Restricted funds	9	2,046,588	489,743
Endowment funds	9	<u>3,845,711</u>	<u>1,858,598</u>
	9	<u>6,363,326</u>	<u>2,788,376</u>

The notes at pages 17 to 28 form part of these accounts.

Approved by the Trustees and signed on their behalf by

Trustees Signature



Name & Position Margaret Fay CBE DL, Chair of Trustees

Date 24 November 2023

Statement of Cash Flows
Year ended 31 July 2023

		Year ended 31 July 2023 £	Year ended 31 July 2022 £
	<i>Note</i>		
Cash flow from operating activities			
Net income before losses and gains on investments		3,574,950	(414,417)
Adjustment for non-cash items			
Loss on investments	9	28,512	99,602
Decrease in debtors	6	90	8,642
Increase in Intercompany balance	6	(11,030)	-
Increase in Prepayments and Accrued Income	7	(2,022,500)	-
Decrease in creditors	8	(6,455)	(4,132)
Adjustment for investing or financing activities			
Endowment income	9	51,360	49,318
Net cash inflow from operating activities		1,614,927	(260,987)
Cash flows from investing activities			
Payments made for fixed asset investments	5	(8,611)	(33,848)
Disposal of fixed asset investments	5	4,365	6,229
Endowment payments	9	(30,564)	(20,732)
Endowment income	9	(51,360)	(49,318)
		(86,170)	(97,669)
Cash flows from financing activities			
Endowment payments	9	30,564	20,732
		30,564	20,732
Increase in cash and cash equivalents in the year		1,559,321	(337,924)
Cash and cash equivalents at beginning of the year		232,786	570,710
Cash and cash equivalents at the end of the year		1,792,107	232,786

Notes to the Financial Statements

1 Accounting Policies

Basis of accounting

The entity is registered as a Charity with the Charities Commission (registered number 1041658). Details of its registered office can be found on page 2 and details of its key operations and activities can be found in the Trustees' Report starting on page 3.

The accounts have been prepared under the historical cost convention as modified by the inclusion of investments at fair value. The financial statement have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

Going concern

The financial statements have been prepared on a going concern basis, which the Trustees consider to be appropriate for the following reasons.

The Trust continues to have a steady income stream supported by "regular giving" donations, alongside plans in place for future fundraising campaigns, which will create larger, "one-off" donations to support specific initiatives. Payments are made from existing funds held, and are not made in anticipation of any monies to be received, so there will never be a deficit.

Cash flow forecasts are reviewed on an ongoing basis and are based on known regular giving donations and committed expenditure, alongside uncommitted anticipated student awards. This prudent approach to forecasting ensures that the Trust will always have sufficient cash to meet its expenditure needs. The forecasts do not include predictions of any larger, one-off donations or donations from planned fundraising campaigns; as such the cash flow forecasts are considered to be a worst-case scenario and it is considered that in reality the income will be higher than forecast. The forecasts are made in relation to the unrestricted funds only.

The current cash flow forecasts to 31 July 2026, show a closing cash balance of £110,000, in the unrestricted funds, which is around the Trust's average annual expenditure.

The Trustees review the investments held on a continuous basis and make necessary changes to investment fund managers to ensure that all funds are held in optimal portfolios, which are anticipated to provide a sustainable future income stream despite the disruption to global markets. The Trustees remain committed to reviewing investments proactively to mitigate risks as they arise.

The nature of the Trust means that it has a low fixed cost base and has the ability to flex its expenditure based on the amount of income received, by reducing awards made to students if necessary; however, the Trustees do not envisage that this will be necessary based on the most recent performance as noted above.

Based on the above, the Trustees consider that the Trust is a going concern to at least 31 July 2026.

1 Accounting Policies (continued)

Income

All income is accounted for 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.

Investment income represents amounts receivable from cash deposits and equity shares (dividends received) and is allocated to restricted and unrestricted funds according to the nature of the investment from which it is derived.

Resources expended

Resources expended comprise the costs of supporting charitable activities and projects. Applications for funding for a particular project are made by the University and approved by the Trustees prior to a major fundraising campaign beginning. Grants payable are accounted for when approved.

Costs of generating funds include bank charges and publicity costs. They also include the charity's office running costs. These are borne by the University of Sunderland and a recharge is made to the charity to represent a notional charge for these services which is a flat rate of £3,850 per annum.

Costs of charitable activities consist of grants made by the charity to support its charitable aims and objectives. They also include the charity's governance costs. Governance costs comprise statutory audit fees and the costs of accounts preparation. The costs of preparing the accounts are borne by the University of Sunderland, and an agreed sum is charged to the charity for this service. The allocation of governance costs is analysed in note 4.

Grants payable

Grants payable are payments made to the University of Sunderland or its students, in furtherance of the charitable objectives of the funds held on trust, primarily to assist and promote the University.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant.
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the Trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

1 Accounting Policies (continued)

Cash flow

Because the income of the Trust exceeds £500,000, under FRS 102, the Trust is required to prepare a cash flow statement. This has been included in the accounts with the comparative year included.

Fixed Asset Investments

Investment assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the year end, being their market value. Movements in the value of investments are shown in the Statement of Financial Activities. Realised gains or losses on fixed asset investments comprise the difference between sales proceeds and opening market value (or purchase price if later). Unrealised gains or losses comprise the increase or decrease in value between the year-end and the opening balance sheet date (or purchase price if later). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Short term investments

Short term investments comprise deposit accounts in which funds are invested up to a maximum of three months.

Debtors

Debtors are amounts owed to the Trust. They are measured on the basis of their recoverable amount.

Prepayments and Accrued Income

Where a donation is promised, but not yet received, the amount is recognised as accrued income in the year of the confirmed donation, in line with the latest financial reporting standards.

Creditors

Creditors are amounts owed by the Trust. They are measured at the amount the Trust expects to have to pay to settle the debt. Amounts which are owed in more than one year are shown as long-term liabilities.

Taxation

No provision has been made for taxation as the Development Trust's charitable status renders it exempt from UK direct taxation. Gift aid tax reclaimable from HM Revenue and Customs is shown as a debtor in the accounts.

Gifts in kind

Where gifts in kind can be reasonably quantified, they are included within the income and expenditure.

Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure, imposed by the donor, or through the terms of an appeal.

Permanent endowments are held as a permanent capital fund to generate future income. The capital element cannot be utilised for any other purpose other than income generation. The use of the future income is restricted by the donor and is documented in a permanent endowment agreement, which has been authorised by the donor and Trustees.

1 Accounting Policies (continued)

Funds structure (continued)

Expendable endowments are held as a capital fund to generate income, until the Trustees decide to expend it. At the point at which the Trustees exercise the power to spend or apply the capital of the expendable endowment, the relevant funds become unrestricted funds or restricted income funds depending on whether the terms of the gift permit expenditure for any of the Trust's purposes, or only for specific purposes.

Judgements and key sources of estimation uncertainty

The Trustees consider that there are no key areas of judgement or estimation in respect of preparation of these financial statements.

2 Income

In total, donations for the year were £3,872,295 (2022: £116,250), of which £1,714,070 was restricted (2022: £69,994); £158,225 was unrestricted (2022: £46,256); and £2,000,000 (2022: £nil) was in the form of an endowment, some of which will be received post year end.

Investment income totalled £59,783 (2022: £63,045), of which £4,583 (2022: £7,468) was restricted; £3,840 (2022: £6,259) was unrestricted; and £51,360 (2022: £49,318) was from endowment funds.

3 Cost of raising funds

	2023	2022
	£	£
Office running costs	1,850	1,850
Investment Manager Fees	4,366	6,163
Bank charges	46	123
	6,262	8,136

There were no employees during the period. Management, development, treasury and administrative services have been provided by the University of Sunderland and £1,850 (2022: £1,850) was recharged to the charity as office running costs in respect of this. These were charged to the unrestricted funds.

4 Expenditure on charitable activities

The total support cost attributable to charitable activities is apportioned pro rata to the value of grants awarded. All governance costs were unrestricted (2022: all).

These are detailed in the table below:

4 Expenditure on charitable activities (continued)

	Grants: student £	Grants: staff £	Grants: University £	Total 2023 £	Total 2022 £
Grants	188,597	4,162	112,715	305,474	476,174
Support and governance costs:					
Preparation of accounts	1,235	27	738	2,000	2,000
Audit fee	9,187	203	5,490	14,880	7,800
	<u>199,019</u>	<u>4,392</u>	<u>118,943</u>	<u>322,354</u>	<u>485,974</u>

Grants: student represent grants provided by the Trust to students of the University of Sunderland.

Grants: staff represent grants provided by the Trust to the employees of the University of Sunderland.

Grants: University represent grants provided by the Trust to the University of Sunderland.

The costs are allocated on the percentage of the total cost of grants paid out split between students, staff and the University. For 2022/23 this was 61.7% to students, 1.4% to staff and 36.9% to the University. In 2021/22 the costs were split with 22.0% to students, 0.8% to staff and 77.2% to the University.

There were no employees during the period. Accountancy services have been provided by the University of Sunderland and £2,000 (2022: £2,000) was recharged to the charity in respect of this.

The auditor's remuneration of £14,880 (2022: £7,800) related solely to the external audit. No non-audit services were provided by the External Auditors. Audit fees are shown inclusive of irrecoverable VAT. The University will bear the cost of the external audit.

5 Fixed asset investments

Movement in fixed asset investments	2023 £	2022 £
Existing fixed asset investments at 1 August	2,581,734	2,653,717
Fixed asset investments purchased at cost	8,611	33,848
Net loss on market value of investments	(28,512)	(99,602)
Fixed asset investment disposals	(4,365)	(6,229)
Market value at 31 July	<u>2,557,468</u>	<u>2,581,734</u>

The fixed asset investments held at 31 July 2023 stated at their market value were:

	2023 £	2022 £
CCLA COIF Charities Investment Fund	1,715,062	1,748,862
Brewin Dolphin Limited	<u>842,406</u>	<u>832,872</u>

5	Market value at 31 July	<u>2,557,468</u>	<u>2,581,734</u>
	Fixed asset investments (continued)		

All fixed asset investments are classified as assets within the United Kingdom.

All fixed asset investments are stated at their fair value at 31 July 2023. Valuations are supplied by the external investment managers, Brewin Dolphin Limited, and CCLA Fund Managers Limited. All fixed asset investments are listed on a recognised stock exchange.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in capital markets, which can cause the capital value of the Trust's portfolio to fluctuate. Such fluctuations are normal for portfolios designed to maintain their spending power in the face of inflation over the long term, because investments will be focused on assets such as company shares, that can go down as well as up, in value. These fluctuations in capital value do not directly affect the portfolio's ability to generate a reliable income distribution for charitable expenditure from year to year.

The Trust's investment strategy is to invest long-term and therefore the Trustees expect that the unrealised loss will be reversed in the future, when markets improve.

The Trust manages investment risks by retaining expert advisers, and it does not make use of derivatives or similar complex financial instruments.

6 Debtors

	2023	2022
	£	£
Accrued interest	16,313	16,403
Amounts Due from the University	11,030	-
	<u>27,343</u>	<u>16,403</u>

7 Prepayments and Accrued Income

	2023	2022
	£	£
Accrued Income – Dawson Donation	<u>2,022,500</u>	-

This relates to a donation for a permanent endowment to be received in December 2023 and a tax rebate due from HMRC on the initial donation.

8 Creditors

	2023 £	2022 £
Amounts due to University of Sunderland	-	11,050
Accruals	14,880	7,800
Accrued grants payable to students	21,212	23,697
	<u>36,092</u>	<u>42,547</u>

9 Analysis of funds

Restricted funds relate to donations received which the donor has requested to be applied in support of specific activities or academic departments of the University.

Analysis of fund movements for the year ended 31 July 2023

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
Unrestricted	440,035	162,065	(133,431)	2,358	471,027
Restricted	489,743	1,718,653	(164,621)	2,813	2,046,588
Endowment	1,858,598	2,051,360	(30,564)	(33,683)	3,845,711
	<u>2,788,376</u>	<u>3,932,078</u>	<u>(328,616)</u>	<u>(28,512)</u>	<u>6,363,326</u>

Analysis of fund movements for the year ended 31 July 2022

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
Unrestricted	478,959	52,515	(55,778)	(35,661)	440,035
Restricted	872,428	77,462	(417,600)	(42,547)	489,743
Endowment	1,851,406	49,318	(20,732)	(21,394)	1,858,598
	<u>3,202,793</u>	<u>179,295</u>	<u>(494,110)</u>	<u>(99,602)</u>	<u>2,788,376</u>

9 Analysis of funds (continued)

	Unrestricted £	Restricted £	Endowment £	Total £
Fund balances as at 31 July 2023	471,027	2,046,588	3,845,711	6,363,326
Represented by:				
Fixed asset investments	259,356	519,162	1,778,950	2,557,468
Cash at bank and in hand	215,521	1,548,638	27,948	1,792,107
Debtors	11,030	-	2,038,813	2,049,843
Creditors	(14,880)	(21,212)	-	(36,092)
	471,027	2,046,588	3,845,711	6,363,326
Fund balances as at 31 July 2022	440,035	489,743	1,858,598	2,788,376
Represented by:				
Fixed asset investments	371,425	443,149	1,767,160	2,581,734
Cash at bank and in hand	89,710	68,041	75,035	232,786
Debtors	-	-	16,403	16,403
Creditors	(21,100)	(21,447)	-	(42,547)
	440,035	489,743	1,858,598	2,788,376

Endowment funds relate to:

- A £1.5 million permanent endowment, which was donated by Helen McArdle CBE in 2019. The capital is to be held in perpetuity to generate income that will fund scholarships, prizes and PhD studentships, which are all restricted to nursing education and training, as specified within the permanent endowment agreement. The endowment is now valued at £1.72 million.
- A £20,000 expendable endowment, which was donated from the estate of Peter Rushton in July 2021 and was invested with Brewin Dolphin in March 2022. The value of the fund remaining at 31 July 2023 is £17,886. This is to provide an annual prize for the most scholarly undergraduate social studies dissertation which incorporates historical or archival research and/or which celebrates the history and culture of the North East of England.
- The £2m permanent endowment from John Dawson will be received in December 2023. This will generate income to support a PhD scholarship programme, funding three PhD studentships.

Restricted funds include donations to:

Futures Fund - a fund set up to support students by providing access grants, bursaries and scholarships, as well as grants to alleviate student hardship and awards for initial career and personal development. This fund has accumulated to a high value over the years, and as such a selection of donors granted permission for their original donations to be designated to the wider unrestricted purposes of the Trust during the financial year. Furthermore the Trustees have increased the value of the awards available to students under this fund.

9 Analysis of funds (continued)

Silver Fund - set up in 2016/17 to enhance and enrich the University, and the life of its students, with a resource which can be allocated to priority areas, in line with the broader objectives of the Trust.

Hope Winch Benevolence Fund - The Hope Winch Society is the Alumni association for graduates from the University's School of Pharmacy. The fund was established to support Pharmacy and Pharmacology students who face financial hardship, and is supported by donations from Alumni.

Mike Davies Charitable Trust Scholarship Fund - A fund to provide scholarship opportunities to those students studying glass and ceramics and to provide a rolling programme of Master Class activity promoting excellence in the Arts. This fund is supported by a pledged gift over a 5 year period.

Sir Tom Cowie Young Innovators Fund – the Young Innovators programme, supports utilisation of the FabLab, at Hope Street XChange.

Sir Tom Cowie Scholarship Fund - The Cowie scholarship fund provides support for two excellence awards in the fields of education, engineering or business. This Fund is supported by a three year pledged gift from the Cowie Charitable Trust.

The Horace Robson Fund – This fund support students in the areas of Glass and Ceramics, Fine Art, Photography, and Curating and Foundation Courses, making annual awards to students undertaking a live project or opportunity which compliments their current studies, and to students undertaking Masters level of study.

University of Sunderland Building Projects –Income in this fund is transferred to the University of Sunderland to support various building projects within the University. No building projects were supported in 2022/23.

The Dovre Alumni Excellence Scholarship – The Dovre Alumni Community agrees to donate funds to support this scholarship. This programme provides one or two awards per year in the sum of £1,000 in support of two penultimate year undergraduate students. Preference is given to Norwegian students studying on Sunderland campus and to students studying in subject areas linked to the Department of Engineering.

Emeli Sande Award – This scholarship supports two University of Sunderland School of Medicine students. A cash scholarship of £5,000 is awarded as ££1,000 over five years of study for the students who already hold an undergraduate degree. This scholarship is awarded in recognition of the additional costs of studying medicine for students who already hold an undergraduate degree.

Archer Award – To provide support for twenty students to receive the “Mary & Brian Archer Opportunity Scholarship”. This programme of scholarships will provide four scholarships per year with each award being the sum of £750. The programme will run for a period of five years.

Sanderson Foundation – to support artist's time, clay materials and kiln costs, along with refreshments for each of the engagement and workshops and for the celebration event as part of the Warm Spaces project running from February - June 2023.

Aziz Foundation – to establish Masters scholarships to support students who are actively engaged in British Muslim communities, and who wish to study at the University. In doing so, the Parties wish to improve access for individuals from social groupings who historically have been underrepresented at the University.

9 Analysis of funds (continued)

Douglas Clasper Awards Programme – The programme will run for a period of six years (6) from September 2023 – July 2029. The donation will provide support for undergraduate students in the chosen subject areas of Arts, Business and Sport.

Dawson Drug Discovery Institute – Income in this fund is to be used for the set up of the John Dawson Drug Discovery, Development and Delivery Research Institute, including support for staff and research projects.

The movement on restricted funds are as follows:

Movement on restricted funds	Opening fund balance	Incoming resources	Outgoing resources	Gains and losses	Closing fund balance
	£	£	£	£	£
Futures Fund	369,321	32,495	(33,676)	2,813	370,953
Silver Fund	3,068	10,333	(4,162)	-	9,239
Hope Winch Benevolence Fund	49,827	26,470	(38,250)	-	38,047
Mike Davies Charitable Trust Scholarship Fund	34,094	18,000	(13,232)	-	38,862
Sir Tom Cowie Memorial Scholarship Fund	(3,821)	47,821	(44,000)	-	-
Horace Robson Fund	15,254	15,734	(13,796)	-	17,192
The Dovre Alumni Excellence Scholarship	-	2,000	(2,000)	-	-
Emeli Sande Award	10,000	-	(2,000)	-	8,000
Archer Award	12,000	-	(2,705)	-	9,295
Sanderson Foundation	-	5,000	-	-	5,000
Aziz Foundation	-	10,800	(10,800)	-	-
Clasper	-	50,000	-	-	50,000
Dawson Drug Discovery Institute	-	1,500,000	-	-	1,500,000
	489,743	1,718,653	(164,621)	2,813	2,046,588

For the year ended 31 July 2022:

Movement on restricted funds	Opening fund balance	Incoming resources	Outgoing resources	Gains and losses	Closing fund balance
	£	£	£	£	£
Futures Fund	432,141	10,681	(30,954)	(42,547)	369,321
Silver Fund	(3,166)	10,000	(3,766)	-	3,068
Hope Winch Benevolence Fund	47,146	4,681	(2,000)	-	49,827
Mike Davies Charitable Trust Scholarship Fund	35,794	15,100	(16,800)	-	34,094
Sir Tom Cowie Memorial Scholarship Fund	(7,821)	20,000	(16,000)	-	3,821
Horace Robson Fund	18,334	5,000	(8,080)	-	15,254
University of Sunderland Building Projects	335,000	0	(335,000)	-	0
The Dovre Alumni Excellence Scholarship	-	2,000	(2,000)	-	-
Emeli Sande Award	-	10,000	0	-	10,000
Archer Award	15,000	-	(3,000)	-	12,000
Sanderson Foundation	-	0	-	-	-
Aziz Foundation	-	0	0	-	-
Clasper	-	0	-	-	-
Dawson Drug Discovery Institute	-	0	-	-	-
	872,428	77,462	(417,600)	(42,547)	489,743

9 Analysis of funds (continued)

The endowment funds balance of £5,345,711 (2022: £1,858,598) at the year-end (of which £2,000,000 is committed but not yet received (2022: £nil)), together with an analysis of movements on the endowment funds during the year, are as follows:

Movement on endowment funds	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
McArdle endowment	1,840,233	51,360	(29,969)	(33,799)	1,827,825
Peter Rushton endowment	18,365	-	(595)	116	17,886
Dawson endowment	-	2,000,000	-	-	2,000,000
	1,858,598	2,051,360	(30,564)	(33,683)	3,845,711

10 Trustees remuneration

No Trustees were entitled to, or received, any remuneration or expenses for their services to the Charity during the year (2022: £nil).

11 Related Parties

The Trust works closely with the University, from whom it received many services at no cost. In addition, the University benefits from the Trust, being the main beneficiary of its fundraising and grant making. During the year the Trust paid the University of Sunderland £3,850 (2021/22: £3,850) towards office running costs. The University of Sunderland paid the Trust £14,880 (2021/22: £18,850) to cover the audit fees.

The University of Sunderland students also benefitted from the grants paid out in year of £305,475, split between unrestricted funds of £112,716, restricted funds of £162,291 and from the endowments of £30,468. In 2021/22 the grants paid out totalled £476,173, split between unrestricted funds of £41,287, restricted funds of £414,220 and from the endowments of £20,666. There were no outstanding balances at the year end (2021/22: £nil).

The University is considered to exercise control (as the ultimate controlling party), by being the sole beneficiary of the work of the Trust, exercising operational oversight as described above and through the Vice Chancellor of the University being a Trustee, and a further three Trustees being appointed by the Board of Governors of the University as described on page 3. The officers who support the Trust are University employed and ensure good coordination between the University and the Trust.

The purpose of the University is to provide higher education and further education, and to carry out and publish research. A number of the Trustees are or have been members of the University's Board of Governors. The Vice-Chancellor is an ex-officio member of the Board of Governors.

No donations were made from Trustees to the year ended 31 July 2023.

Donations from Trustees are shown net of associated gift-aid claims, where applicable. Grants are awarded to students of the University by reference to their eligibility for such support.

12 Events after the reporting date

There were no events to report.

13 Parent entity

The parent entity is the University of Sunderland and is a registered Higher Education Institution regulated by the Office for Students, classified as an Exempt Charity. It is registered as a UK Learning Provider under number 10007159.

The consolidated financial statements of the University are available on the University website www.sunderland.ac.uk or a copy can be obtained from:

University of Sunderland
Edinburgh Building
City Campus
Chester Road
Sunderland
SR1 3SD
Telephone +44 (0) 191 515 2463

Accounts

UNIVERSITY OF SUNDERLAND DEVELOPMENT TRUST

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2022

Registered charity No. 1041658

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University of Sunderland Development Trust
(Registered charity number: 1041658)

Reference and administrative details

Trustees

Mrs M Fay CBE DL (appointed Chair 4 October 2021)
Hon J D A Ramsbotham, CBE DL
Sir D R Bell, KCB DL
Mr M McArdle, BEng (Hons)
Ms S Forster (Treasurer)
Mr A Hallimond (appointed 5 October 2021)
Mr S Keppie (resigned 31 August 2021)
Mr J Cuthbert, OBE DL (Chair– resigned 4 October 2021)
Mr J Wood, CBE DL (resigned 4 October 2021)

Charity registered office

The Trust's registered office is:

Edinburgh Building
University of Sunderland
Chester Road
SUNDERLAND
SR1 3SD

Trust Secretary

Mrs D Reveley

Independent Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Bankers

Barclays Bank plc
53 Fawcett Street
SUNDERLAND
SR1 1SD

Investment Managers

Brewin Dolphin Ltd
Time Central
Gallowgate
NEWCASTLE UPON TYNE
NE1 4SR

CCLA Fund Managers Limited
Senator House
85 Queen Victoria Street
LONDON
EC4V 4ET

Trustees' Report

The Trustees present their annual report for the year ended 31 July 2022. The accounts have been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management of the Trust

Trust Objectives

The University of Sunderland Development Trust is a charitable trust established by deed dated 9 August 1994. Its objective is to assist and promote the development of the University of Sunderland. It seeks to achieve this objective by raising funds from donations, subscriptions, covenants, sponsorships, legacies and other gifts and applying them for appropriate purposes.

Recruitment, appointment of Trustees

Trustees are recruited as required from the University of Sunderland's stakeholder groups; these include the Board of Governors, staff, alumni, patrons of the City of Sunderland and the local business community.

Trustees are appointed for a term not exceeding three years, for a maximum of three successive terms.

The Development Trust is required to have a minimum of three, and no more than nine Trustees. Should the number of Trustees fall below three due to events beyond the control of the Trustees, any Trustee who ought to be retiring, or is ineligible for further re-appointment due to terms already served, will be granted a further 12 months term of office to enable new Trustees to be recruited.

The power of appointment and removal as to three of the Trustees (excluding the Vice-Chancellor) is vested in the Board of Governors of the University and as to any additional number of Trustees, in the surviving or continuing Trustees (excluding any retiring Trustees).

Relationship with the University of Sunderland

The Trust exists to support the University of Sunderland and its students and as such co-operates with the University in pursuit of its aims and objectives. To this end the University makes a gift in kind of staff and resources to the Trust to pursue its objectives and the Trust re-imburses the University for a proportion of these expenses. The University and its students are the beneficiaries of the Trust's grant-making activities.

Relationships with external bodies

The Trust is registered with the Fundraising Regulator and as such must meet certain minimum requirements as to its ethical behaviour. These are encapsulated in the Trust's ethical policy, a copy of which is available upon request.

Organisational Structure

Day to day operational issues relating to the Development Trust are managed by the University's Development and Alumni Office, which comes under the portfolio of the Pro-Vice Chancellor (External Relations). The Board met on three occasions during the financial year.

Public Benefit

The Board of Trustees has referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the University of Sunderland Development Trust and is satisfied that they meet the public benefit requirements.

Aims, Activities and Performance of the Trust

Aims of the Trust

The Development Trust seeks to support the University's ambitions to be regarded as a high-quality civic university, in a city and region that is re-inventing itself, offering life-changing opportunities and transformation.

Fundraising Activities

The Development Trust supports three key areas of fundraising activity:

- Capital development at the University;
- Student support through scholarships; and
- Opportunity funding and discrete projects linked to the University's strategic aims and objectives.

The Development Trust operates a number of funds each with their own aims and objectives. Achievements and performance during the year are outlined below.

Achievements and Performance during the year

The Development Office manages a number of philanthropic scholarships available for undergraduates, masters and recently graduated students.

These include:

- **The Silver Fund:** created to enhance and enrich the University, and the life of its students, with a resource which can be allocated to priority areas, in line with the broader objectives of the Trust. From supporting students to take part in social mobility projects, funding equipment and facilities for student spaces, enabling academics to bring world class speakers to the University, and supporting innovative teaching or community engagement projects; the Silver Fund aims to give students a transformational education.
- **The Futures Fund:** supports excellence and opportunity for those studying at the University. These opportunities are many and varied, however the Futures Fund provides particular support for professional development and academic excellence. It aims to help students explore professional career paths, broaden their horizons, and empower Sunderland as a region, to build success and prosperity.
- **The Helen McArdle Nursing Scholarship programme** provides financial support to five student nurses each year. Each student will be able to receive £1,200 each year during their three-year course.
- **The Hope Winch Benevolence Fund** provides annual scholarships to current undergraduate pharmacy students who may be experiencing serious financial challenges impacting upon their academic potential.
- **The Sir Tom Cowie Memorial Scholarship** honours the memory and motivations of Sir Tom, who was a long-term benefactor of the University.
- **The Horace Robson Fund** allows University staff to support current students in the areas of Glass and Ceramics, Fine Art, Photography, and Curating and Foundation Courses.
- **The Mike Davies Innovation Scholarship** allows students to undertake a project or opportunity which will lead to innovative uses of glass and ceramic materials for creative use.
- **The Mike Davies Scholars** supports five first year students embarking on a 'maker' course of undergraduate studies with a financial and mentoring package with Mike Davies CBE. Our first cohort of Scholars graduated in Summer 2022, all receiving first class honours.

University of Sunderland Development Trust
(Registered charity number: 1041658)

- **The Dovre Alumni Excellence Scholarship** Funded by our Norwegian alumni group 'The Dovre Alumni Community', this programme will award up to two annual scholarships of £1,000 per student. This opportunity is open to full time undergraduate students studying engineering related subjects.
- **Santander Universities UK** funds a variety of initiatives creating enhanced opportunities for both students and graduates to make the most of their higher education experience and to improve their employability prospects. Santander's financial support enables students to develop their entrepreneurial skills and launch their own businesses in conjunction with the established and successful programmes within the University's Centre for Enterprise and Innovation – Hope Street Xchange – on its city centre campus.
- **University of Sunderland Building Projects** –Income in this fund is transferred to the University of Sunderland to support various building projects within the University. In 2021/22, the building projects supported were the construction of the Marie and Robert Bell Memorial Garden.

Other Scholarship and Award Funds

The Development and Alumni Office facilitates the award of additional scholarships to students of the University of Sunderland in line with the particular restrictions outlined by each benefactor. Projects supported included a £75,000 grant secured from the NE Local Enterprise Partnership's Project Development Accelerator Fund, to support the cost of consultancy reports assessing the viability of replacing the roof and reimagining the National Glass Centre. Our '*We Care at Christmas*' appeal ran for the second time in December 2021 helping the University's strategic widening participation goals to support care-experienced and estranged students at its Sunderland and London campuses raising over £10,000.

Financial Review 2021/22

Income from Donations

For the financial year ended 31 July 2022, donations of £116,250 were received. Although this is a reduction of £374,223 from the previous financial year, it should be noted that in 2020/21 there was a campaign to raise income of £335,000 specifically aimed to support the University's Cadaveric Facility and the Midwifery Facility.

The remainder of the decrease is due to several non-recurrent donations received in the previous financial year, such as income raised by the Hope Winch Centenary campaign (£10,000), the Archer donation (£12,000), and a £20,000 endowment from the estate of Peter Rushton.

To provide a more accurate comparison between years, it is necessary to remove the above non-recurrent items, from the income from donations in 2020/21. When this is done, the current financial year shows a small increase in income from donations of £2,777 (2%), when compared with the previous financial year. This demonstrates that the Trust maintains a reliable recurrent income stream in addition to the income generated from larger fundraising campaigns.

Expenditure

Expenditure on charitable activities has increased by £348,809 from the previous financial year. This is primarily due to the income of £335,000 raised in the previous financial year to support completion of the University's Cadaveric Facility and Midwifery Facility being awarded to the University in October 2021.

As with income, in order to make a true comparison of expenditure on charitable activities between the current and previous financial years, it is necessary to strip out the non-recurrent expenditure streams described above. When this is done, the increase in expenditure on charitable activities is £13,809 (10%). This is attributable to an increase in awards made to students to fund activities that were curtailed during the Covid-19 pandemic.

University of Sunderland Development Trust
(Registered charity number: 1041658)

The Trust has no employees and receives in kind support from the University to cover the majority of its running costs. The Development Trust makes a payment of £3,850 to the University per annum as a contribution towards administrative costs.

Investment Performance

Under the provisions of the Trust Deed, the Trustees have discretionary powers to invest or apply monies in investments or property of any nature. All investments are made in accordance with those powers. The Trustees consider that the performance of the Investment Managers is satisfactory given the current market conditions.

Investment income has increased by £4,209 from the previous financial year, which is due to improved returns from the investments held in the CCLA and in Brewin Dolphin. An endowment of £20,000 from the estate of Peter Rushton, which was received in July 2021, was added to the existing portfolio held with Brewin Dolphin, which has contributed to the increased return.

The fair value of investments held has declined during the financial year by £99,602. £79,965 of the decline is attributable to the investment held with Brewin Dolphin, whilst £19,637 relates to the investment held with the CCLA.

There is currently a significant decrease in market confidence caused by a variety of factors, such as the the Russia-Ukraine war, worsening in supply chain issues originally caused by Covid-19; rising gas prices across Europe and rising inflation, thus decreasing household income in real terms and creating a “cost of living” crisis. Therefore, although the decline in the fair value of investments is disappointing compared to the increase in fair value of £390,527 seen in the previous financial year, the Trustees acknowledge that it is to be expected in the short term. It is also important to note that the reduction in fair value is an unrealised loss and because the investment strategy is to hold these funds long-term, there is no currently no adverse impact on the Trust as a result of this. The Trustees are cautiously optimistic that the value of investments will stabilise and improve over the longer-term.

Overall Financial Position

The overall result for the year is a net loss on funds of £414,417, in comparison to the net gain in funds of £794,910 recorded in the previous financial year. This is mainly due to the disparity between the receipt of the income from donations relating to the Cadaveric Facility and Midwifery Facility in the previous financial year and the awarding of these funds to the University of Sunderland in the current financial year.

When the non-recurrent transactions are removed from the respective financial years, the result is a net loss of £79,417 in the current financial year, compared with a net gain of £417,910 in the previous financial year. The decline in the overall result of £497,327 between the current and previous financial year is primarily due to the change in unrealised movement in investments described above and therefore does not impact on the ability of the Trust to continue to meet its charitable objectives.

Overall, the financial performance of the Trust is positive and comparable with the previous financial year, demonstrating the Trust’s resilience and providing confidence in the ability of the Trust to meet its charitable objectives.

Investment policy

The Trust’s Investment Managers, currently CCLA and Brewin Dolphin, are instructed to produce the best financial return within an acceptable level of risk. The Trust holds assets to fund income and capital expenditure with the intention that existing assets will be applied as such over the next five years. Therefore assets are invested to limit risk to capital although some volatility in both capital and income can be tolerated if consistent with expectations.

The Trust's assets can be invested widely in accordance with the Trust’s general power of investment as set out above, but are deposited with institutions with a minimum Standard & Poor long-term credit rating of A- or diversified by asset class which can include cash, bonds, equities and any other asset that the Trustees deem suitable.

Reserves Policy

The Trust aims to work with the University to develop unrestricted reserves in support of major strategic projects at the University. The Trust acknowledges that it must also respond to donor wishes and that some funds may be restricted for specific purposes. The primary focus of fundraising activity in the coming years will be to raise funds to provide undergraduate and postgraduate students with a transformational education, and also ongoing support for capital developments, which will enhance the student experience and support the University's strategic ambitions.

Risk Assessment

The main risks to the Development Trust are loss of investment value and reduction in donation income.

Supply chain problems caused by Covid-19 have been worsened by the Russia-Ukraine war and the latter has also contributed to rising gas prices across Europe. Along with rising inflation decreasing household income in real terms, these factors have contributed to a decline in market confidence, which negatively impacts the value of investments held. The Trust's investment strategy is to invest long-term and therefore the Trustees expect that the adverse impact on investments caused by current market conditions will be ameliorated in the long-term.

The Trust has a risk register in place, which feeds into the University's wider risk management process. The risk assessment from the register is reported to the Trustees annually to enable them to review risk. The day-to-day risks are managed in line with the University's own risk management procedures.

External Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the trust's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees and signed on their behalf

Trustee Signature



Name & Position Margaret Fay, Chair of Trustees

Date: 2 February 2023

University of Sunderland Development Trust
(Registered charity number: 1041658)

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

Under charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Independent Auditors's Report to the Trustees of University of Sunderland Development Trust

Opinion

We have audited the financial statements of University of Sunderland Development Trust for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 11, 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charity's affairs as at 31 July 2022 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 below. 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 the period to 31 July 2025.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

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 in 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 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 the 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 require us to report to you if, in our opinion:

- ▶ the information given in the Trustees' Annual 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 set out on page 8, 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 management either intends to liquidate the charity or to cease operations, or has 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 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

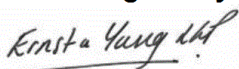
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008;
- We understood how the University of Sunderland Development Trust is complying with those frameworks by enquiring of management and corroborating this to minutes of meetings of the trustees and other documentation.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified fraud in revenue recognition and management override of controls as our fraud risks.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our fraud risk on revenue recognition was specifically focused on inappropriate recognition of donation income. We used a lower testing threshold when selecting our sample items from this balance and tested each item to supporting documentation to confirm whether it had been appropriately recognised in the financial statements.
- To address our fraud risk of management override of controls, we tested all individually material transactions to identify any significant or unusual transactions outside of the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 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 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Statutory Auditor

Edinburgh

3 February 2023

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Statement of Financial Activities
Year ended 31 July 2022

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £	Total funds 2021 £
	<i>Note</i>					
Income:						
Donations		46,256	69,994	-	116,250	490,473
Investment income		6,259	7,468	49,318	63,045	58,836
Total income	2	52,515	77,462	49,318	179,295	549,309
Expenditure:						
Cost of raising funds	3	(4,691)	(3,379)	(66)	(8,136)	(7,761)
Expenditure on charitable activities	4	(51,087)	(414,221)	(20,666)	(485,974)	(137,165)
Total expenditure		(55,778)	(417,600)	(20,732)	(494,110)	(144,926)
Net income/(expenditure) before gains and losses on investments		(3,263)	(340,138)	28,586	(314,815)	404,383
Net gain/(loss) on investments	5	(35,661)	(42,547)	(21,394)	(99,602)	390,527
Transfers between funds	8	-	-	-	-	-
Net movements in funds	8	(38,924)	(382,685)	7,192	(414,417)	794,910
Reconciliation of funds:						
Total funds brought forward	8	478,959	872,428	1,851,406	3,202,793	2,407,883
Total funds carried forward	8	440,035	489,743	1,858,598	2,788,376	3,202,793

All operations are continuing.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Balance Sheet
As at 31 July 2022

		2022	2021
		£	£
	<i>Note</i>		
Fixed assets			
Investments	5	2,581,734	2,653,717
Current assets			
Debtors	6	16,403	25,045
Cash at bank and in hand		232,786	570,710
		<u>249,189</u>	<u>595,755</u>
Creditors: amounts falling due within one year	7	<u>(42,547)</u>	<u>(46,679)</u>
Net current assets		<u>206,642</u>	<u>549,076</u>
Total net assets		<u><u>2,788,376</u></u>	<u><u>3,202,793</u></u>
Funds			
Unrestricted funds		440,035	478,959
Restricted funds		489,743	872,428
Endowment funds		<u>1,858,598</u>	<u>1,851,406</u>
	8	<u><u>2,788,376</u></u>	<u><u>3,202,793</u></u>

The notes at pages 14 to 23 form part of these accounts.

Approved by the Trustees and signed on their behalf by

Trustees Signature



Name & Position Margaret Fay, Chair of Trustees

Date 2 February 2023

Notes to the Financial Statements

1 Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the inclusion of investments at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

Going concern

The financial Statements have been prepared on a going concern basis, which the Trustees consider to be appropriate for the following reasons.

The Trust continues to have a steady income stream supported by “regular giving” donations, alongside plans in place for future fundraising campaigns, which will create larger, “one-off” donations to support specific initiatives.

Cash flow forecasts are reviewed on an ongoing basis and are based on known regular giving donations and committed expenditure, alongside uncommitted anticipated student awards. This prudent approach to forecasting ensures that the Trust will always have sufficient cash to meet its expenditure needs. The forecasts do not include predictions of any larger, one-off donations or donations from planned fundraising campaigns; as such the cash flow forecasts are considered to be a worst-case scenario and it is considered that in reality the income will be higher than forecast.

The current cash flow forecasts to 31 July 2025, show a closing cash balance of £221k, which is in excess of the Trust’s average annual expenditure.

The Trustees review the investments held on a continuous basis and make necessary changes to investment fund managers to ensure that all funds are held in optimal portfolios, which are anticipated to provide a sustainable future income stream despite the disruption to global markets. The Trustees remain committed to reviewing investments proactively to mitigate risks as they arise.

The nature of the Trust means that it has a low fixed cost base and has the ability to flex its expenditure based on the amount of income received, by reducing awards made to students if necessary; however, the Trustees do not envisage that this will be necessary based on the most recent performance as noted above.

Based on the above, the Trustees consider that the Trust is a going concern to 31 July 2025.

Income

All income is accounted for 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.

1 Accounting Policies (continued)

Investment income represents amounts receivable from cash deposits and equity shares (dividends received) and is allocated to restricted and unrestricted funds according to the nature of the investment from which it is derived.

Resources expended

Resources expended comprise the costs of supporting charitable activities and projects. Applications for funding for a particular project are made by the University and approved by the Trustees prior to a major fundraising campaign beginning. Grants payable are accounted for when approved.

Costs of generating funds include bank charges and publicity costs. They also include the charity's office running costs. These are borne by the University of Sunderland and a recharge is made to the charity to represent this expense of 15% of unrestricted and restricted donation income received by the charity in the financial year or actual costs, whichever is the lower.

Costs of charitable activities consist of grants made by the charity to support its charitable aims and objectives. They also include the charity's governance costs. Governance costs comprise statutory audit fees and the costs of accounts preparation. The costs of preparing the accounts are borne by the University of Sunderland, and an agreed sum is charged to the charity for this service. The allocation of governance costs is analysed in note 4.

Grants payable

Grants payable are payments made to the University of Sunderland or its students, in furtherance of the charitable objectives of the funds held on trust, primarily to assist and promote the University.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant.
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the Trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

Cash flow

Under FRS 102 the Trust is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Trust in its own published consolidated financial statements.

1 Accounting Policies (continued)

Fixed Asset Investments

Investment assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the year end. Movements in the value of investments are shown in the Statement of Financial Activities. Realised gains or losses on fixed asset investments comprise the difference between sales proceeds and opening market value (or purchase price if later). Unrealised gains or losses comprise the increase or decrease in value between the year-end and the opening balance sheet date (or purchase price if later). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Short term investments

Short term investments comprise deposit accounts in which funds are invested up to a maximum of three months.

Debtors

Debtors are amounts owed to the Trust. They are measured on the basis of their recoverable amount.

Creditors

Creditors are amounts owed by the Trust. They are measured at the amount the Trust expects to have to pay to settle the debt. Amounts which are owed in more than one year are shown as long term liabilities.

Taxation

No provision has been made for taxation as the Development Trust's charitable status renders it exempt from UK direct taxation. Gift aid tax reclaimable from HM Revenue and Customs is shown as a debtor in the accounts.

Gifts in kind

Where gifts in kind can be reasonably quantified, they are included within the income and expenditure.

Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure, imposed by the donor, or through the terms of an appeal.

Permanent endowments are held as a permanent capital fund to generate future income. The capital element cannot be utilised for any other purpose other than income generation. The use of the future income is restricted by the donor and is documented in a permanent endowment agreement, which has been authorised by the donor and Trustees.

Expendable endowments are held as a capital fund to generate income, until the Trustees decide to expend it. At the point at which the Trustees exercise the power to spend or apply the capital of the expendable endowment, the relevant funds become unrestricted funds or restricted income funds depending on whether the terms of the gift permit expenditure for any of the Trust's purposes, or only for specific purposes.

University of Sunderland Development Trust
(Registered charity number: 1041658)

2 Income

In total, donations for the year were £116,250 (2021: £490,473), of which £69,994 was restricted (2021: £424,701); £46,256 was unrestricted (2021: £45,772); and £nil (2021: £20,000) was in the form of an endowment.

Investment income totalled £63,045 (2021: £58,836), of which £7,468 (2021: £5,884) was restricted; £6,259 (2021: £5,476) was unrestricted; and £49,318 (2021: £47,476) was from endowment funds.

3 Cost of raising funds

	2022	2021
	£	£
Office running costs	1,850	1,850
Investment Manager Fees	6,163	5,859
Bank charges	123	52
	8,136	7,761

There were no employees during the period. Management, development, treasury and administrative services have been provided by the University of Sunderland and £1,850 (2021: £1,850) was recharged to the charity as office running costs in respect of this.

4 Expenditure on charitable activities

The total support cost attributable to charitable activities is apportioned pro rata to the value of grants awarded. All governance costs were unrestricted (2021: all).

	Grants:	Grants:	Grants:	Total	Total
	student	staff	University	2022	2021
	£	£	£	£	£
Grants	104,594	3,523	368,057	476,174	127,965
Support and governance costs:					
Preparation of accounts	439	15	1,546	2,000	2,000
Audit fee	1,713	58	6,029	7,800	7,200
	106,746	3,596	375,632	485,974	137,165

Grants: student represent grants provided by the Trust to students of the University of Sunderland.

Grants: staff represent grants provided by the Trust to the employees of the University of Sunderland.

Grants: University represent grants provided by the Trust to the University of Sunderland.

4 Expenditure on charitable activities (continued)

There were no employees during the period. Accountancy services have been provided by the University of Sunderland and £2,000 (2021: £2,000) was recharged to the charity in respect of this.

The auditor's remuneration of £7,800 (2021: £7,200) related solely to the external audit. No non-audit services were provided by the External Auditors. Audit fees are shown inclusive of irrecoverable VAT.

5 Fixed asset investments

Movement in fixed asset investments	2022	2021
	£	£
Existing fixed asset investments at 1 August	2,653,717	2,256,496
Fixed asset investments purchased at cost	33,848	47,963
Net gain/(loss) on market value of investments	(99,602)	390,527
Fixed asset investment disposals	(6,229)	(41,269)
Market value at 31 July	<u>2,581,734</u>	<u>2,653,717</u>

The fixed asset investments held at 31 July 2022 stated at their market value were:

	2022	2021
	£	£
CCLA COIF Charities Investment Fund	1,748,862	1,768,498
Brewin Dolphin Limited	832,872	885,219
Market value at 31 July	<u>2,581,734</u>	<u>2,653,717</u>

All fixed asset investments are classified as assets within the United Kingdom.

All fixed asset investments are stated at their fair value at 31 July 2022. Valuations are supplied by the external investment managers, Brewin Dolphin Limited, and CCLA Fund Managers Limited. All fixed asset investments are listed on a recognised stock exchange.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in uncertain investment markets. Supply chains problems caused by Covid-19 have been worsened by the Russia-Ukraine war; rising gas prices across Europe; and rising inflation decreasing household income in real terms,

5 Fixed asset investments (continued)

are all contributing to adverse market conditions, which has caused the unrealised loss in investments held.

The Trust's investment strategy is to invest long-term and therefore the Trustees expect that the unrealised loss will be reversed in the future, when markets improve.

The Trust manages investment risks by retaining expert advisers, and it does not make use of derivatives or similar complex financial instruments.

6 Debtors

	2022	2021
	£	£
Accrued interest	16,403	16,002
Gift aid recoverable	-	9,043
	<u>16,403</u>	<u>25,045</u>

7 Creditors

	2022	2021
	£	£
Amounts due to University of Sunderland	11,050	3,850
Accruals	7,800	7,200
Accrued grants payable to students	23,697	35,629
	<u>42,547</u>	<u>46,679</u>

8 Analysis of funds

Restricted funds relate to donations received which the donor has requested to be applied in support of specific activities or academic departments of the University.

Analysis of fund movements for the year ended 31 July 2022

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
Unrestricted	478,959	52,515	(55,778)	(35,661)	440,035
Restricted	872,428	77,462	(417,600)	(42,547)	489,743
Endowment	1,851,406	49,318	(20,732)	(21,394)	1,858,598
	<u>3,202,793</u>	<u>179,295</u>	<u>(494,110)</u>	<u>(99,602)</u>	<u>2,788,376</u>

Analysis of fund movements for the year ended 31 July 2021

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
Unrestricted	409,413	51,248	(46,097)	64,395	478,959
Restricted	437,473	430,585	(75,415)	79,785	872,428
Endowment	1,560,997	67,476	(23,414)	246,347	1,851,406
	<u>2,407,883</u>	<u>549,309</u>	<u>(144,926)</u>	<u>390,527</u>	<u>3,202,793</u>

	Unrestricted £	Restricted £	Endowment £	Total £
Fund balances as at 31 July 2022	<u>440,035</u>	<u>489,743</u>	<u>1,858,598</u>	<u>2,788,376</u>

Represented by:

Fixed asset investments	371,425	443,149	1,767,160	2,581,734
Cash at bank and in hand	89,710	68,041	75,035	232,786
Debtors	-	-	16,403	16,403
Creditors	(21,200)	(21,447)	-	(42,547)
	<u>440,035</u>	<u>489,743</u>	<u>1,858,598</u>	<u>2,788,376</u>

Fund balances as at 31 July 2021

	<u>478,959</u>	<u>872,428</u>	<u>1,851,406</u>	<u>3,202,793</u>
Represented by:				
Fixed asset investments	403,637	481,582	1,768,498	2,656,305
Cash at bank and in hand	84,277	419,527	66,906	570,710
Debtors	3,095	5,948	16,002	25,045
Creditors	(12,050)	(34,629)	-	(46,679)
	<u>478,959</u>	<u>872,428</u>	<u>1,851,406</u>	<u>3,205,381</u>

8 Analysis of funds (continued)

Endowment funds relate to:

- A £1.5 million permanent endowment, which was donated by Helen McArdle CBE in 2019. The capital is to be held in perpetuity to generate income that will fund scholarships, prizes and PhD studentships, which are all restricted to nursing education and training, as specified within the permanent endowment agreement. The endowment is now valued at £1.84 million.
- A £20,000 expendable endowment, which was donated from the estate of Peter Rushton in July 2021 and was invested with Brewin Dolphin in March 2022. The value of the fund remaining at 31 July 2022 is £18,365.

Restricted funds include donations to:

Futures Fund - a fund set up to support students by providing access grants, bursaries and scholarships, as well as grants to alleviate student hardship and awards for initial career and personal development. This fund has accumulated to a high value over the years, and as such a selection of donors granted permission for their original donations to be designated to the wider unrestricted purposes of the Trust during the financial year. Furthermore the Trustees have increased the value of the awards available to students under this fund.

Silver Fund - set up in 2016/17 to enhance and enrich the University, and the life of its students, with a resource which can be allocated to priority areas, in line with the broader objectives of the Trust.

Hope Winch Benevolence Fund - The Hope Winch Society is the Alumni association for graduates from the University's School of Pharmacy. The fund was established to support Pharmacy and Pharmacology students who face financial hardship, and is supported by donations from Alumni.

Mike Davies Charitable Trust Scholarship Fund - A fund to provide scholarship opportunities to those students studying glass and ceramics and to provide a rolling programme of Master Class activity promoting excellence in the Arts. This fund is supported by a pledged gift over a 5 year period.

Sir Tom Cowie Young Innovators Fund – the Young Innovators programme, supports utilisation of the FabLab, at Hope Street XChange.

Sir Tom Cowie Scholarship Fund - The Cowie scholarship fund provides support for two excellence awards in the fields of education, engineering or business. This Fund is supported by a three year pledged gift from the Cowie Charitable Trust.

The Horace Robson Fund – This fund support students in the areas of Glass and Ceramics, Fine Art, Photography, and Curating and Foundation Courses, making annual awards to students undertaking a live project or opportunity which compliments their current studies, and to students undertaking Masters level of study.

University of Sunderland Building Projects –Income in this fund is transferred to the University of Sunderland to support various building projects within the University. In 2020/21, the building projects supported were the construction of the Cadaveric Facility and the Midwifery Teaching Facility, and in 2021/22 two awards of £325,000 and £10,000 were made to the University to fund the completion of these facilities, resectively.

8 Analysis of funds (continued)

The movement on restricted funds are as follows:

Movement on restricted funds	Opening fund balance	Incoming resources	Outgoing resources	Gains and losses	Closing fund balance
	£	£	£	£	£
Futures Fund	432,141	10,681	(30,954)	(42,547)	369,321
Silver Fund	(3,166)	10,000	(3,766)	-	3,068
Hope Winch Benevolence Fund	47,146	4,681	(2,000)	-	49,827
Mike Davies Charitable Trust Scholarship Fun	35,794	15,100	(16,800)	-	34,094
Sir Tom Cowie Memorial Scholarship Fund	(7,821)	20,000	(16,000)	-	(3,821)
Horace Robson Fund	18,334	5,000	(8,080)	-	15,254
University of Sunderland Building Projects	335,000	-	(335,000)	-	-
The Dovre Alumni Excellence Scholarship	-	2,000	(2,000)	-	-
Emeli Sande Award	-	10,000	-	-	10,000
Archer Award	15,000	-	(3,000)	-	12,000
	872,428	77,462	(417,600)	(42,547)	489,743

The endowment funds balance of £1,858,598 (2021: £1,851,406) at the year-end, together with an analysis of movements on the endowment funds during the year, are as follows:

Movement on endowment funds	Opening fund balance	Incoming resources	Outgoing resources	Gains and losses	Closing fund balance
	£	£	£	£	£
McArdle endowment	1,831,406	49,196	(20,732)	(19,637)	1,840,233
Peter Rushton endowment	20,000	122	-	(1,757)	18,365
	1,851,406	49,318	(20,732)	(21,394)	1,858,598

9 Trustees remuneration

No Trustees were entitled to, or received, any remuneration or expenses for their services to the Charity during the year (2021: £nil).

10 Related Parties

The trust works closely with the University, from whom it received many services at no cost. In addition, the University benefits from the Trust, being the main beneficiary of its fundraising and grant making. The University is considered to be the ultimate controlling party of the Trust, and therefore the consolidated financial statements of the University include the results of the Trust. The purpose of the University is to provide higher education and further education, and to carry out and publish research. A number of the Trustees are or have been members of the University's Board of Governors. The Vice-Chancellor is an ex-officio member of the Board of Governors.

Mr S Keppie, Trustee, is employed as a Divisional Director by Brewin Dolphin Investment Management, with whom the Trust holds an investment valued at £832,872. Controls are in place with regard to conflicts of interest and Mr S Keppie was removed from discussions and decision-making relating to this investment. Mr S Keppie resigned as a Trustee in August 2021.

10 Related Parties (continued)

During the years ended 2021 and 2022 the Trust received the following donations from related parties:

Related party	Relationship	Purpose	2022 £	2021 £
Mrs H McArdle, CBE	Family member of Trustee	Donation	-	5,000
Sir D R Bell KCB, DL	Trustee	Donation	10,000	-

Donations from Trustees are shown net of associated gift-aid claims, where applicable.
Grants are awarded to students of the University by reference to their eligibility for such support.

11 Events after the reporting date

In December 2022 and January 2023, a major donation of £1,477,500 was received by the Trust, which will be recognised in income for the year ending 31 July 2023.

The consolidated financial statements of the University are available on the University website www.sunderland.ac.uk or a copy can be obtained from:

University of Sunderland
Edinburgh Building
City Campus
Chester Road
Sunderland
SR1 3SD
Telephone +44 (0) 191 515 2463

Accounts

UNIVERSITY OF SUNDERLAND DEVELOPMENT TRUST

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

Registered charity No. 1041658

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University of Sunderland Development Trust
(Registered charity number: 1041658)

Reference and administrative details

Trustees

Mr J Cuthbert, OBE DL (Chair– resigned 4 October 2021)
Ms M Fay CBE DL (appointed Trustee 1 August 2020; appointed Chair 4 October 2021)
Mr J Wood, CBE DL (resigned 4 October 2021)
Hon J D A Ramsbotham, CBE DL
Sir D R Bell, KCB
Mr M McArdle, BEng (Hons)
Mr S Keppie (resigned 31 August 2021)
Ms S Forster (Treasurer)

Charity registered office

The Trust's registered office is:

Edinburgh Building
University of Sunderland
Chester Road
SUNDERLAND
SR1 3SD

Trust Secretary

Mrs D Reveley

Independent Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Bankers

Barclays Bank plc
53 Fawcett Street
SUNDERLAND
SR1 1SD

Investment Managers

Brewin Dolphin Ltd
Time Central
Gallowgate
NEWCASTLE UPON TYNE
NE1 4SR

CCLA Fund Managers Limited
Senator House
85 Queen Victoria Street
LONDON
EC4V 4ET

Trustees' Report

The Trustees present their annual report for the year ended 31 July 2021. The accounts have been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management

Recruitment, appointment of Trustees

Trustees are recruited as required from the University's stakeholder groups; these include the Board of Governors, staff, alumni, patrons of the City of Sunderland and the local business community.

Trustees are appointed for a term not exceeding three years, for a maximum of three successive terms.

The Development Trust is required to have a minimum of three, and no more than nine Trustees. Should the number of Trustees fall below three due to events beyond the control of the Trustees, any Trustee who ought to be retiring, or is ineligible for further re-appointment due to terms already served, will be granted a further 12 months term of office to enable new Trustees to be recruited.

The power of appointment and removal as to three of the Trustees (excluding the Vice-Chancellor) is vested in the Board of Governors and as to any additional number of Trustees, in the surviving or continuing Trustees (excluding any retiring Trustees).

Relationships with external bodies

The Trust is a member of the Fund-Raising Regulator and as such must meet certain minimum requirements as to its ethical behaviour. These are encapsulated in the Trust's ethical policy (a copy of which is available upon request).

Relationship with the University of Sunderland

The Trust exists to support the University of Sunderland and its students and as such co-operates with the University in pursuit of its aims and objectives. To this end the University makes a gift in kind of staff and resources to the Trust to pursue its objectives. In the financial year, the Trust has re-imbursed the University for a proportion of these expenses. The University and its students are the beneficiaries of the Trust's grant-making activities.

Organisational Structure

Day to day operational issues relating to the Development Trust are managed by the University's Development and Alumni Office, which comes under the portfolio of the Pro-Vice Chancellor (External Relations). The Board met on three occasions during the year.

Trustees' Report (continued)

Objectives and Activities

Objectives

The University of Sunderland Development Trust is a charitable trust established by deed dated 9 August 1994. Its objective is to assist and promote the development of the University of Sunderland. It seeks to achieve this objective by raising funds from donations, subscriptions, covenants, sponsorships, legacies and other gifts and applying them for appropriate purposes.

Aims of the Trust

The Development Trust seeks to support the University's ambitions to be regarded as a high quality civic university, in a city and region that is re-inventing itself, offering life-changing opportunities and transformation.

Activities

The Development Trust supports three key areas of fundraising activity:

- Capital development at the University;
- Student support through scholarships; and
- Opportunity funding and discrete projects linked to the University's strategic aims and objectives.

The Development Trust operates a number of funds each with their own aims and objectives. An explanation to the background of a number of the funds are detailed below:

Background to the Silver Fund

This fund is allocated to priority areas which directly enhance and enrich the University, and the life of its students. From supporting students to take part in social mobility projects, funding equipment and facilities for student spaces, enabling academics to bring world class speakers to the University, and supporting innovative teaching or community engagement projects; the Silver Fund aims to give students a transformational education.

Background to the Futures Fund

The Development and Alumni Office continues to support fundraising for the Futures Fund, which supports excellence and opportunity for those studying at the University. These opportunities are many and varied; however, the Futures Fund provides particular support for professional development and academic excellence.

Grantmaking Criteria for Futures Fund

The following is an extract from the terms of reference of the Distribution Committee as of June 2006.

"The awards that the Distribution Committee will make from the Funds may address the following areas of need. At all times the Committee will make awards that complement rather than duplicate the University's existing hardship and bursary policies and take into account the stated wishes of the Board of Trustees:

- a) Personal or educational development for students which will enhance their educational experience, facilitate engagement with higher programmes of study, or enhance their employability.*
- b) Supporting students in following the opportunities that are presented to them at University."*

Other Scholarship and Award Funds

The Development and Alumni Office facilitate the award of a number of scholarships to students of the University of Sunderland, in line with the particular restrictions outlined by each benefactor.

Trustees' Report (continued)

Public Benefit

The Board of Trustees has referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the University of Sunderland Development Trust and is

satisfied that they meet the public benefit requirements. The Achievements and Performance section of this report provides further details of the work done to meet these aims and objectives.

Achievements and Performance

The Development Office manages a number of philanthropic scholarships available for undergraduates, masters and recently graduated students.

These include:

- **The Silver Fund:** created to enhance and enrich the University, and the life of its students, with a resource which can be allocated to priority areas, in line with the broader objectives of the Trust; and
- **The Futures Fund:** activity aims to help students explore professional career paths, broaden their horizons, and empower Sunderland as a region, to build success and prosperity.

The fund is distributed to students via the following five award / scholarship streams:

- **The Hope Winch Benevolence Fund** provides annual scholarships to current undergraduate pharmacy students who may be experiencing serious financial challenges impacting upon their academic potential.
- **The Sir Tom Cowie Memorial Scholarship** honours the memory and motivations of Sir Tom, who was a long term benefactor of the University.
- **The Horace Robson Fund** allows University staff to support current students in the areas of Glass and Ceramics, Fine Art, Photography, and Curating and Foundation Courses.
- **The Mike Davies Innovation Scholarship** allows students to undertake a project or opportunity which will lead to innovative uses of glass and ceramic materials for creative use.
- **University of Sunderland Building Projects** –Income in this fund is transferred to the University of Sunderland to support various building projects within the University. In 2020/21, the building projects supported were the construction of the Cadaveric Facility and the Midwifery Teaching Facility.

Investment Performance

Under the provisions of the Trust Deed, the Trustees have discretionary powers to invest or apply monies in investments or property of any nature. All investments are made in accordance with those powers. The Trustees consider that the performance of the Investment Managers is satisfactory given the current market conditions.

Trustees' Report (continued)

Financial Review

Performance

During the year, total income from donations of £490,473 was received, which is an increase of £416,654 from the previous year.

The increase in donations is mainly due to three significant amounts being received to fund two major building projects within the University; the Cadaveric Facility (£335,000 received) and the Midwifery Teaching Facility (£10,000 received). Both projects aim to support the University's strategic priorities of increasing its offering of medical and health related education. The funds are included within restricted funds and will be passed to the University in 2021/22.

The Covid-19 Emergency Hardship and We Care appeals account for the remainder of the increase and have been successful due to the increased efforts of fundraisers.

Investments generated income of £58,836 for the year (an increase of 24% from the previous year); £47,476 of this came from the McArdle endowment, which is invested with the CCLA, whilst the remainder came from funds invested with Brewin Dolphin.

The remaining funds of £35,411, held with St James's Place Wealth Management were transferred to Brewin Dolphin in December 2020 as planned in the previous financial year, which has improved the return on this investment.

Overall the change in market value of investments has resulted in a net gain in investments of £390,527 which is an increase of £363,433 (1341%) from the previous financial year. The increase is mainly due to the recovery of markets as we emerge from the Covid-19 pandemic. Last year's return on investment was lower than normal due to the uncertainties that existed at the time and therefore it is expected that the return seen this year will stabilise going forward.

Expenditure on charitable activities increased by £23,158 (20%) from the previous financial year. This is due to increased awards being made to students. In the previous year, the number of awards made was significantly lower due to Covid-19 restrictions preventing students from carrying out the activities for which awards would usually be made. This year has seen a lessening of restrictions and a corresponding increase in student activity and awards.

The overall result for the year is a net gain in funds of £794,910, which is an increase of £764,796 (2540%) from the previous financial year. This increase is considered to be exceptional due to the high value donations received in respect of the University's building projects. The building projects are expected to be completed in 2021/22 and so we can expect expenditure in the next financial year to increase as a result. Aside from these exceptional donations, the Trust continues to generate a steady income stream from regular donors, planned fundraising campaigns, and investments, ensuring that it is in a strong financial position going forward.

Expenditure

The Trust has no employees and receives in kind support from the University to cover the majority of its running costs. The Development Trust makes a payment of £3,850 to the University per annum as a contribution towards administrative costs.

Investment policy

The Charity's Investment Managers are instructed to produce the best financial return within an acceptable level of risk. The Charity holds assets to fund income and capital expenditure with the intention that current assets will be applied as such over the next five years. Therefore assets are invested to limit risk to capital although some volatility in both capital and income can be tolerated if consistent with expectations.

Trustees' Report (continued)

Investment policy (continued)

The Charity's assets can be invested widely in accordance with the Charity's general power of investment as set out above, but are deposited with institutions with a minimum Standard & Poor long-term credit rating of A- or diversified by asset class which can include cash, bonds, equities and any other asset that the Trustees deem suitable for the Charity.

Reserves Policy

The Trust aims to work with the University to develop unrestricted reserves in support of major strategic projects at the University. The Trust acknowledges that it must also respond to donor wishes and that some funds may be restricted for specific purposes. The primary focus of fundraising activity in the coming years will be to raise funds to provide undergraduate and postgraduate students with a transformational education, and also ongoing support for capital developments, which will enhance the student experience and support the University's strategic ambitions.

Risk Assessment

The main risks to the Development Trust are loss of investment value and reduction in donation income.

The Covid-19 pandemic caused market volatility in the previous financial year, reducing the income generated from investments held. As demonstrated by this year's results, investment performance has improved. Despite the improvement, the Trustees will continue to monitor investment performance closely and remain vigilant to any after effects of pandemic.

The Trust has a risk register in place, which feeds into the University's wider risk management process. The risk assessment from the register is reported to the Trustees annually to enable them to review risk. The day to day risks are managed in line with the University's own risk management procedures.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the trust's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees and signed on their behalf

Trustee Signature



Name & Position Margaret Fay CBE DL, Chair of the University of Sunderland Development Trust

Date: 21 March 2022

University of Sunderland Development Trust
(Registered charity number: 1041658)

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

Under charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Independent Auditors's Report to the Trustees of University of Sunderland Development Trust

Opinion

We have audited the financial statements of University of Sunderland Development Trust for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 10, 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 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 below. 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 to 31 July 2023.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

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 in the annual report.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust (continued)

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 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 the 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 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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 set out on page 8, 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 management either intends to liquidate the charity or to cease operations, or has 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 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.

Independent Auditors's Report to the Trustees of University of Sunderland Development Trust (continued)

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

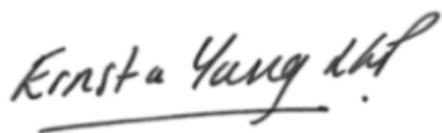
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are UK Financial Reporting Standard (FRS 102) and the Charities Statement of Recommended Practice, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008.
- We understood how University of Sunderland Development Trust is complying with those frameworks by inquiring of management and corroborating this to review of minutes of Trustees' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified fraud in revenue recognition and management override of controls as our fraud risks.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our fraud risk on revenue recognition was specifically focused on inappropriate recognition of donation income. We used a lower testing threshold when selecting our sample items from this balance and tested each item to supporting documentation to confirm whether it had been appropriately recognised in the financial statements.
- To address our fraud risk of management override of controls, we tested all individually material transactions to identify any significant or unusual transactions outside of the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 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 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Independent Auditors' Report to the Trustees of University of Sunderland Development Trust (continued)

A handwritten signature in dark ink, reading "Ernst & Young LLP", with a horizontal line underneath the text.

Statutory Auditor

Edinburgh

28 March 2022

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

University of Sunderland Development Trust
(Registered charity number: 1041658)

Statement of Financial Activities
Year ended 31 July 2021

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
	<i>Note</i>					
Income:						
Donations		45,772	424,701	20,000	490,473	73,819
Investment income		5,476	5,884	47,476	58,836	47,518
Total income	2	51,248	430,585	67,476	549,309	121,337
Expenditure:						
Cost of raising funds	3	(4,701)	(3,060)	-	(7,761)	(4,310)
Expenditure on charitable activities	4	(41,396)	(72,355)	(23,414)	(137,165)	(114,007)
Total expenditure		(46,097)	(75,415)	(23,414)	(144,926)	(118,317)
Net income/(expenditure) before gains and losses on investments		5,151	355,170	44,062	404,383	3,020
Net gain/(loss) on investments	5	64,395	79,785	246,347	390,527	27,094
Transfers between funds	8	-	-	-	-	-
Net movements in funds	8	69,546	434,955	290,409	794,910	30,114
Reconciliation of funds:						
Total funds brought forward	8	409,413	437,473	1,560,997	2,407,883	2,377,769
Total funds carried forward	8	478,959	872,428	1,851,406	3,202,793	2,407,883

All operations are continuing.

University of Sunderland Development Trust
(Registered charity number: 1041658)

Balance Sheet
As at 31 July 2021

		2021	2020
		£	£
	<i>Note</i>		
Fixed assets			
Investments	5	2,653,717	2,256,496
Current assets			
Debtors	6	25,045	17,106
Cash at bank and in hand		<u>570,710</u>	<u>196,214</u>
		595,755	213,320
Creditors: amounts falling due within one year	7	<u>(46,679)</u>	<u>(61,933)</u>
Net current assets		<u>549,076</u>	<u>151,387</u>
Total net assets		<u><u>3,202,793</u></u>	<u><u>2,407,883</u></u>
Funds			
Unrestricted funds		478,959	409,413
Restricted funds		872,428	437,473
Endowment funds		<u>1,851,406</u>	<u>1,560,997</u>
	8	<u><u>3,202,793</u></u>	<u><u>2,407,883</u></u>

The notes at pages 15 to 24 form part of these accounts.

Approved by the Trustees and signed on their behalf by

Trustees Signature



Name & Position

Margaret Fay CBE DL, Chair of the University of Sunderland Development Trust

Date

21 March 2022

Notes to the Financial Statements

1 Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the inclusion of investments at fair value. The financial statement have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

Going concern

The financial Statements have been prepared on a going concern basis, which the Trustees consider to be appropriate for the following reasons.

The income generated from both donations and investments is significantly higher than for the previous year (an overall increase of 353%); this is believed to be partly due to improved market conditions and decreased volatility as we emerge from the Covid-19 pandemic and restrictions are reduced. However, the increase is also due to successful fundraising appeals, which demonstrates the continuous improvement of the fundraising team to attract new donors.

Cash flow forecasts are reviewed on an ongoing basis and are based on known regular giving donations and committed expenditure, alongside uncommitted anticipated student awards. This prudent approach to forecasting ensures that the Trust will always have sufficient cash to meet its expenditure needs. The forecasts do not include predictions of any larger, one-off donations or donations from planned fundraising campaigns; as such the cash flow forecasts are considered to be a worst-case scenario and it is considered that in reality the income will be higher than forecast.

The current cash flow forecasts to 31 July 2023, show a closing cash balance of £154,788, which is in excess of the Trust's average annual expenditure.

The Trustees review the investments held on a continuous basis and make necessary changes to investment fund managers to ensure that all funds are held in optimal portfolios, which are anticipated to provide a sustainable future income stream despite the disruption to global markets. The Trustees remain committed to reviewing investments proactively to mitigate risks as they arise.

The nature of the Trust means that it has a low fixed cost base and has the ability to flex its expenditure based on the amount of income received, by reducing awards made to students if necessary; however, the Trustees do not envisage that this will be necessary based on the most recent performance as noted above.

Based on the above, the Trustees consider that the Trust is a going concern to 31 July 2023.

Income

All income is accounted for 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.

1 Accounting Policies (continued)

Investment income represents amounts receivable from cash deposits and equity shares (dividends received) and is allocated to restricted and unrestricted funds according to the nature of the investment from which it is derived.

Resources expended

Resources expended comprise the costs of supporting charitable activities and projects. Applications for funding for a particular project are made by the University and approved by the Trustees prior to a major fundraising campaign beginning. Grants payable are accounted for when approved.

Costs of generating funds include bank charges and publicity costs. They also include the charity's office running costs. These are borne by the University of Sunderland and a recharge is made to the charity to represent this expense of 15% of unrestricted and restricted donation income received by the charity in the financial year or actual costs, whichever is the lower.

Costs of charitable activities consist of grants made by the charity to support its charitable aims and objectives. They also include the charity's governance costs. Governance costs comprise statutory audit fees and the costs of accounts preparation. The costs of preparing the accounts are borne by the University of Sunderland, and an agreed sum is charged to the charity for this service. The allocation of governance costs is analysed in note 4.

Grants payable

Grants payable are payments made to the University of Sunderland or its students, in furtherance of the charitable objectives of the funds held on trust, primarily to assist and promote the University.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant.
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the Trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

Cash flow

Under FRS 102 the Trust is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Trust in its own published consolidated financial statements.

1 Accounting Policies (continued)

Fixed Asset Investments

Investment assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the year end. Movements in the value of investments are shown in the Statement of Financial Activities. Realised gains or losses on fixed asset investments comprise the difference between sales proceeds and opening market value (or purchase price if later). Unrealised gains or losses comprise the increase or decrease in value between the year-end and the opening balance sheet date (or purchase price if later). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Short term investments

Short term investments comprise deposit accounts in which funds are invested up to a maximum of three months.

Debtors

Debtors are amounts owed to the Trust. They are measured on the basis of their recoverable amount.

Creditors

Creditors are amounts owed by the Trust. They are measured at the amount the Trust expects to have to pay to settle the debt. Amounts which are owed in more than one year are shown as long term liabilities.

Taxation

No provision has been made for taxation as the Development Trust's charitable status renders it exempt from UK direct taxation. Gift aid tax reclaimable from HM Revenue and Customs is shown as a debtor in the accounts.

Gifts in kind

Where gifts in kind can be reasonably quantified, they are included within the income and expenditure.

Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure, imposed by the donor, or through the terms of an appeal.

Permanent endowments are held as a permanent capital fund to generate future income. The capital element cannot be utilised for any other purpose other than income generation. The use of the future income is restricted by the donor and is documented in a permanent endowment agreement, which has been authorised by the donor and Trustees.

2 Income

In total, donations for the year were £490,473 (2020: £73,819), of which £424,701 was restricted (2020: £60,637); £45,772 was unrestricted (2020: £13,182); and £20,000 (2020: £nil) was in the form of an endowment.

Investment income totalled £58,836 (2020: £47,518), of which £5,884 (2020: £4,092) was restricted; £5,476 (2020: £1,859) was unrestricted; and £47,476 (2020: £41,567) was from endowment funds.

3 Cost of raising funds

	2021	2020
	£	£
Office running costs	1,850	1,850
Investment Manager Fees	5,859	1,504
Bank charges	52	34
Fundraising events management	-	922
	7,761	4,310

There were no employees during the period. Management, development, treasury and administrative services have been provided by the University of Sunderland and £1,850 (2020:£1,850) was recharged to the charity as office running costs in respect of this.

4 Expenditure on charitable activities

The total support cost attributable to charitable activities is apportioned pro rata to the value of grants awarded. All governance costs were unrestricted (2020: all).

	Grants: student £	Grants: staff £	Grants: University £	Total 2021 £	Total 2020 £
Grants	98,956	5,000	24,009	127,965	104,627
Support and governance costs:					
Preparation of accounts	-	-	2,000	2,000	2,000
Audit fee	-	-	7,200	7,200	7,380
	98,956	5,000	33,209	137,165	114,007

Grants: student represent grants provided by the Trust to students of the University of Sunderland.

Grants: staff represent grants provided by the Trust to the employees of the University of Sunderland.

Grants: University represent grants provided by the Trust to the University of Sunderland.

There were no employees during the period. Accountancy services have been provided by the University of Sunderland and £2,000 (2020: £2,000) was recharged to the charity in respect of this.

The auditor's remuneration of £7,200 (2020: £7,380) related solely to the external audit. No non-audit services were provided by the External Auditors. Audit fees are shown inclusive of VAT.

5 Fixed asset investments

Movement in fixed asset investments	2021	2020
	£	£
Existing fixed asset investments at 1 August	2,256,496	2,277,820
Fixed asset investments purchased at cost	47,963	651,133
Fixed asset investments donated at market value	-	-
Net gain/(loss) on market value of investments	390,527	27,094
Fixed asset investment disposals	(41,269)	(699,551)
 Market value at 31 July	 <u>2,653,717</u>	 <u>2,256,496</u>

The fixed asset investments held at 31 July 2021 stated at their market value were:

	2021	2020
	£	£
St. James's Place Wealth Management Trustees Bond	-	37,888
CCLA COIF Charities Investment Fund	1,768,498	1,522,151
Brewin Dolphin Limited	885,219	696,457
 Market value at 31 July	 <u>2,653,717</u>	 <u>2,256,496</u>

All fixed asset investments are classified as assets within the United Kingdom.

All fixed asset investments are stated at their fair value at 31 July 2021. Valuations are supplied by the external investment managers, Brewin Dolphin Limited, and CCLA Fund Managers Limited. All fixed asset investments are listed on a recognised stock exchange.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in uncertain investment markets. Interest rates have remained low impacting on yields. Equities markets have fluctuated due to the Covid-19 pandemic and now as restrictions are reduced UK and International indices are showing an improvement. The Trust manages investment risks by retaining expert advisers, and it does not make use of derivatives or similar complex financial instruments.

University of Sunderland Development Trust
(Registered charity number: 1041658)

6 Debtors

	2021 £	2020 £
Accrued interest	16,002	17,106
Gift aid recoverable	9,043	-
	<u>25,045</u>	<u>17,106</u>

7 Creditors

	2021 £	2020 £
Amounts due to University of Sunderland	3,850	7,700
Accruals	7,200	7,200
Accrued grants payable to students	35,629	47,033
	<u>46,679</u>	<u>61,933</u>

8 Analysis of funds

Restricted funds relate to donations received which the donor has requested to be applied in support of specific activities or academic departments of the University.

Analysis of fund movements for the year ended 31 July 2021

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
Unrestricted	409,413	51,248	(46,097)	64,395	478,959
Restricted	437,473	430,585	(75,415)	79,785	872,428
Endowment	1,560,997	67,476	(23,414)	246,347	1,851,406
	<u>2,407,883</u>	<u>549,309</u>	<u>(144,926)</u>	<u>390,527</u>	<u>3,202,793</u>

Analysis of fund movements for the year ended 31 July 2020

	Opening fund balance £	Incoming resources £	Outgoing resources £	Gains and losses £	Closing fund balance £
Unrestricted	416,997	15,041	(12,966) -	9,659	409,413
Restricted	460,772	64,729	(105,000)	16,972	437,473
Endowment	1,500,000	41,567 -	350.84	19,781	1,560,997
	<u>2,377,769</u>	<u>121,337</u>	<u>(118,317)</u>	<u>27,094</u>	<u>2,407,883</u>

8 Analysis of funds (continued)

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Fund balances as at 31 July 2021	478,959	872,428	1,851,406	3,202,793
Represented by:				
Fixed asset investments	403,637	481,582	1,768,498	2,656,305
Cash at bank and in hand	84,277	419,527	66,906	570,710
Debtors	3,095	5,948	16,002	25,045
Creditors	(12,050)	(34,629)	-	(46,679)
	<u>478,959</u>	<u>872,428</u>	<u>1,851,406</u>	<u>3,205,381</u>
Fund balances as at 31 July 2020	409,413	437,473	1,560,997	2,407,883
Represented by:				
Fixed asset investments	366,015	368,330	1,522,151	2,256,496
Cash at bank and in hand	58,237	115,046	22,931	196,214
Debtors	561	630	15,915	17,106
Creditors	(15,400)	(46,533)	-	(61,933)
	<u>409,413</u>	<u>437,473</u>	<u>1,560,997</u>	<u>2,407,883</u>

Permanent endowments relate to:

- A £1.5 million donation, which was donated by Helen McArdle CBE in 2019. The capital is to be held in perpetuity to generate income that will fund scholarships, prizes and PhD studentships, which are all restricted to nursing education and training, as specified within the permanent endowment agreement.
- A £20,000 donation, which was donated from the estate of Peter Rushton in July 2021 and had not yet been invested as at the financial year end.

Restricted funds include donations to:

Futures Fund - a fund set up to support students by providing access grants, bursaries and scholarships, as well as grants to alleviate student hardship and awards for initial career and personal development. This fund has accumulated to a high value over the years, and as such a selection of donors granted permission for their original donations to be designated to the wider unrestricted purposes of the Trust during the financial year. Furthermore the Trustees have increased the value of the awards available to students under this fund.

Silver Fund - set up in 2016/17 to enhance and enrich the University, and the life of its students, with a resource which can be allocated to priority areas, in line with the broader objectives of the Trust.

8 Analysis of funds (continued)

Hope Winch Benevolence Fund - The Hope Winch Society is the Alumni association for graduates from the University's School of Pharmacy. The fund was established to support Pharmacy and Pharmacology students who face financial hardship, and is supported by donations from Alumni.

Mike Davies Charitable Trust Scholarship Fund - A fund to provide scholarship opportunities to those students studying glass and ceramics and to provide a rolling programme of Master Class activity promoting excellence in the Arts. This fund is supported by a pledged gift over a 5 year period.

Sir Tom Cowie Young Innovators Fund – the Young Innovators programme, supports utilisation of the FabLab, at Hope Street XChange.

Sir Tom Cowie Scholarship Fund - The Cowie scholarship fund provides support for two excellence awards in the fields of education, engineering or business. This Fund is supported by a three year pledged gift from the Cowie Charitable Trust.

The Horace Robson Fund – This fund support students in the areas of Glass and Ceramics, Fine Art, Photography, and Curating and Foundation Courses, making annual awards to students undertaking a live project or opportunity which compliments their current studies, and to students undertaking Masters level of study.

University of Sunderland Building Projects –Income in this fund is transferred to the University of Sunderland to support various building projects within the University. In 2020/21, the building projects supported were the construction of the Cadaveric Facility and the Midwifery Teaching Facility.

The restricted funds balance of £872,428 (2020: £437,473) at the year-end, together with an analysis of movements on the restricted funds during the year, are as follows:

Movement on restricted funds	Opening fund balance £	Incoming resources £	Outgoing resources £	Transfers between funds £	Gains and losses £	Closing fund balance £
Futures Fund	360,001	16,179	(23,789)	(35)	79,785	432,141
Silver Fund	(316)	-	(2,850)	-	-	(3,166)
Hope Winch Benevolence Fund	33,434	18,911	(5,199)	-	-	47,146
Mike Davies Charitable Trust Scholarship Fun	30,494	15,000	(9,700)	-	-	35,794
Sir Tom Cowie Scholarship Fund	-	16,000	(23,821)	-	-	(7,821)
Horace Robson Fund	13,895	12,495	(8,056)	-	-	18,334
University of Sunderland Building Projects	-	335,000	-	-	-	335,000
Dovre	-	2,000	(2,000)	-	-	-
Vice Chancellor's Award	(35)	-	-	35	-	-
Archer Award	-	15,000	-	-	-	15,000
	437,473	430,585	(75,415)	-	79,785	872,428

8 Analysis of funds (continued)

The endowment funds balance of £1,851,406 (2020: £1,560,997) at the year-end, together with an analysis of movements on the endowment funds during the year, are as follows:

Movement on endowment funds	Opening fund balance	Incoming resources	Outgoing resources	Transfers between funds	Gains and losses	Closing fund balance
	£	£	£	£	£	£
McArdle endowment	1,560,997	47,476	(23,414)	-	246,347	1,831,406
Peter Rushton endowment	-	20,000	-	-	-	20,000
	1,560,997	67,476	(23,414)	-	246,347	1,851,406

9 Trustees remuneration

No Trustees were entitled to, or received, any remuneration or expenses for their services to the Charity during the year (2020: £nil).

10 Related Parties

The trust works closely with the University, from whom it received many services at no cost. In addition, the University benefits from the Trust, being the main beneficiary of its fundraising and grant making. The University is considered to be the ultimate controlling party of the Trust, and therefore the consolidated financial statements of the University include the results of the Trust. The purpose of the University is to provide higher education and further education, and to carry out and publish research. A number of the Trustees are or have been members of the University's Board of Governors. The Vice-Chancellor is an ex-officio member of the Board of Governors.

Mr S Keppie, Trustee, is employed as a Divisional Director by Brewin Dolphin Investment Management, with whom the Trust holds an investment valued at £885,219. Controls are in place with regard to conflicts of interest and Mr S Keppie was removed from discussions and decision-making relating to this investment. Mr S Keppie resigned as a Trustee in August 2021.

During the years ended 2020 and 2021 the Trust received the following donations from related parties:

Related party	Relationship	Purpose	2021 £	2020 £
Mr J Wood, CBE DL	Trustee	Donation to Covid-19 Emergency Hardship Fund	-	1,000
Mrs H McArdle, CBE	Family member of Trustee	Donation	5,000	-

Donations from Trustees are shown net of associated gift-aid claims, where applicable.
Grants are awarded to students of the University by reference to their eligibility for such support.

University of Sunderland Development Trust
(Registered charity number: 1041658)

The consolidated financial statements of the University are available on the University website www.sunderland.ac.uk or a copy can be obtained from:

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