NORTH MUSIC TRUST

England & Wales · Charity number 1087445

Details

Other names	Sage Gateshead, THE SAGE GATESHEAD, The Sage
Status	Registered
Legal form	Charitable company
Company number	04044936
Registered	2001-07-10
Register	View on the Charity Commission register

Contact

Address	The Glasshouse International Centre for Music St Mary's Square Gateshead Tyne And Wear NE8 2JR
Phone	0191 443 4661
Email	boxoffice@theglasshouseicm.org
Website	www.theglasshouseicm.org

Activities

Objects: TO ADVANCE PUBLIC EDUCATION AND APPRECIATION IN MUSIC AND THE ARTS IN GENERAL PARTICULARLY BUT NOT EXCLUSIVELY FOR THE PEOPLE OF THE NORTH OF ENGLAND, THROUGH THE PROVISION AND MAINTENANCE OF THE SAGE GATESHEAD BUILDING, MUSICAL ENSEMBLES AND ORCHESTRAS, PROGRAMMES OF THE FOLK AND TRADITIONAL ARTS, CLASSES, WORKSHOPS, PERFORMANCES, EDUCATIONAL PROGRAMMES AND BY ANY OTHER CHARITABLE MEANS THAT THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.

Activities: The Glasshouse International Centre for Music is an International home for music and musical discovery, with roots, a world-wide reputation, a global programme and a fully inclusive welcome to all its users and to all musical styles and languages.

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Classification

- **How:** Provides Services
- **What:** Education/training, Arts/culture/heritage/science, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** THE NORTHERN REGION (SEE OBJECTS FOR DETAILS)
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£18,985,124	£16,804,552	£16,421,024	405
2024-03-31	£15,829,848	£16,255,129	£14,339,669	405
2023-03-31	£12,865,057	£14,064,602	£14,430,671	345
2022-03-31	£11,255,297	£10,108,306	£15,910,532	480
2021-03-31	£13,497,541	£9,434,382	£14,523,201	508

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Trustees

Name	Role	Appointed
Andy Haldane	Chair	2025-10-01
Dale Owens		2025-10-10
Eleanor McGreevy		2025-03-21
Emily Cooney Nee Cox MBE		2018-06-07
Gabriel Francis Patrick Day		2021-09-17
Ian Henry Shipley		2026-03-20
Jacqui Hodgson		2021-09-17
Margaret Anne Scott		2024-09-13
Puja Darbari		2025-03-21
Rory Bruce Cowan		2025-03-21
Ruth Lyon		2021-09-17
TONY WADSWORTH CBE		2018-07-18

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NORTH MUSIC TRUST

England & Wales - Charity number 1087445

Accounts

Company registration number: 04044936

Charity registration number: 1087445

NORTH MUSIC TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

North Music Trust

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North Music Trust

Reference and Administrative Details

Trustees	Sir Martin Narey, Chair (resigned 31 December 2024) Roy McEwan-Brown OBE, Vice-Chair (resigned 31 December 2024) Michael Barker (resigned 10 July 2025) Darren Collins (resigned 10 October 2025) Emily Cox MBE, Interim Chair Emyr Dance (resigned 31 December 2024) Subashis Das (resigned 31 December 2024) Gabriel Day Hilary Florek (resigned 31 December 2024) Jacqueline Hodgson Young Kim (resigned 31 December 2024) Joanna Lawson Ruth Lyon Jane Spiers Tony Wadsworth CBE Alfred Whillis (resigned 31 December 2024) Eleanor McGreevy (appointed 21 March 2025) Rory Cowen (appointed 21 March 2025) Puja Darbari (appointed 21 March 2025) Margaret Scott (appointed 13 September 2024) Dale Owens (appointed 10 October 2025) Andrew Haldane (appointed 1 October 2025)
Secretary	Fraser Anderson
Senior Management Team	Wendy Smith, Creative Director James Thomas, Director of Royal Northern Sinfonia & Classical Programme Jared Bowers, Chief Operating Officer (joined Dec 2024) Fraser Anderson, Interim Chief Executive Officer
Registered Office	St Mary's Square Gateshead Tyne & Wear NE8 2JR The company is incorporated in England & Wales.

North Music Trust

Reference and Administrative Details

Company Registration Number	04044936
Charity Registration Number	1087445
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF
Bankers	Barclays Bank plc Percy Street Percy Street Newcastle upon Tyne NE1 4QL
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

North Music Trust

Interim Chair's Statement

As Interim Chair of the Board of Trustees, I'm proud to share this review of 2024/25 at a pivotal moment in The Glasshouse's journey - one that celebrates 20 years of extraordinary impact and looks ahead with bold ambition.

Over the past two decades, The Glasshouse has made a remarkable contribution to the UK and beyond:

- Nearly £1 billion in combined economic and social value
- £681.2 million added to the UK economy
- This year alone we added £14.1 million in social value through education, inclusion and community programmes. Over 20 years it's in the region of £282 million
- 8 million people reached through live music
- 1.8 million engagements with young people that have sparked creativity and confidence

These numbers are impressive - but the real story lies in the lives transformed, the communities strengthened, and the futures shaped through music.

As we enter our third decade, we're setting our sights even higher. We've defined four bold goals that reflect our values and our potential:

1. Launch a new Music Academy to open the door to a life of music from the very beginning.
2. Become the most financially accessible music centre in Europe, ensuring no one is priced out of participation.
3. Enter our most creatively ambitious era, enabling artists - local and global - to do their best work.
4. Invest in our iconic building, so it continues to inspire and welcome for generations to come.

These ambitions are rooted in a simple but powerful belief: music is not a luxury - it's a vital force for joy, confidence, connection, and growth.

This anniversary year offers another moment for reflection. After years of dedicated service, Sir Martin Narey stepped down as Chair in December 2024. His unwavering belief in the power of music and his deep commitment to the North East have helped shape The Glasshouse into the organisation we are today. On behalf of the Board, I extend our heartfelt thanks to Martin for his wisdom, generosity, and vision.

None of this would be possible without the incredible team at The Glasshouse - whose dedication, creativity, and belief in what music can do powers everything we achieve.

The Glasshouse is more than a venue - it's a movement. And with your support, we're just getting started.



Emily Cox MBE
Interim Chair

North Music Trust

Trustees' Report

Year ended 31 March 2025

The trustees of The Glasshouse are delighted to present our annual report together with the audited financial statements of the North Music Trust for the year 1 April 2024 to 31 March 2025. This report not only serves the purposes of both a trustees' report and a strategic and directors' report under company law – it also highlights our achievements and progress over the year. We confirm that our annual report and financial statements meet all current legal requirements, align with our governing documents, and adhere to the relevant standards for charity accounts in the UK and Ireland (FRS102).

Objectives and activities

What is The Glasshouse?

We're a home for live music lovers – a place where absolutely anyone can enjoy and create outstanding music.

Our Charitable objectives are:

To promote and develop the enjoyment, practice and understanding of music, and the education of the public in the understanding and appreciation of the arts;

The provision and maintenance of The Glasshouse International Centre for Music as a base for production, presentation, participation, enjoyment and understanding of music, and as a fully accessible centre in which the public may explore, understand and enjoy them;

To foster awareness, knowledge, understanding, appreciation and participation in folk and traditional arts;

To bring together, maintain and promote musical ensembles including professional orchestras, paying particular regard to the repertoire for the chamber orchestra, and the traditional music of the North of England, the UK and beyond;

To provide and promote educational courses, programmes and activities in a broad range of music for the benefit of the people of, but not exclusively, the Northern region;

To achieve excellence in its work locally, regionally, nationally and internationally with all forms of music.

This means that

We bring some of the world's best music to people in the North East – hosting top-notch gigs and concerts in our own venue, in communities across the region, and online. And we support people in the North East to create some of the world's best music – running classes for all ages and stages, nurturing new artists, and sharing our orchestra with audiences across the globe.

North Music Trust

Trustees' Report

Why does our work matter?

Because music is mighty – but not everyone gets the same chances to benefit from it. From boosting confidence and concentration to banishing loneliness and stress, music makes a practical difference in people's lives every day. So we're making sure that anyone can grab hold of the power of music – no matter where you're from, how old you are, how much money you have, or what challenges you face.

Achievements and performance

Headlines

Music lives and grows here. The Glasshouse is a home for live music lovers – from diehard fans, aspiring artists, and tambourine-shaking toddlers, to rock legends, pop icons, and our own acclaimed orchestra, Royal Northern Sinfonia. With top-notch gigs, concerts, and classes every week – in our home at Gateshead Quays, out in communities across the North East, and online – anyone can join us in creating and celebrating outstanding music. And as a charity we're focused on making sure all of that is available to anyone – no matter where you're from, how old you are, how much money you have, or what challenges you face.

Audiences and programme

Numbers don't quite capture the magic of live music, but they do capture just how busy we've been.

We put on 462 individual performance events and reached over 2.2 million people in person, via radio, and online. And to make sure the doors are open to everyone, we gave out nearly 20,000 free or heavily discounted tickets for locals who've never been before, young people, those out of work, and people facing hardship at Christmas, and we were part of Gateshead Council's Warm Spaces network.

Finance

We're still experiencing rising costs in running our building and activities. We've improved the performance of our core model and are generating more income. But to stay ambitious and sustainable in our third decade we need to make another gear change in the income we generate. We are targeting further growth in fundraising, box office, and trading income.

Review of activities

Music isn't just something that happens on our stages. It's in our audiences singing along, it's in babies coming to their first classes, it's in the 100-year-old practicing her guitar, it's in the schools and in the parks, it's beaming digitally across the world. We don't just host music; we're the place for living it.

This year we put on 314 gigs at The Glasshouse and 82 gigs out and about beyond The Glasshouse. For a live audience of 200,000 and over 2.2 million through broadcast and stream. We held 11,825 courses, classes and workshops for all ages with attendance of over 88,500. We also supported 320 up and coming artists and worked with over 50,000 young people in school projects.

Artistic Programme

North Music Trust

Trustees' Report

In June 2024, we welcomed back the weekend-long BBC Proms festival, and it was bigger than ever. More than 5,000 music lovers – including 500 young people – joined us across 8 concerts. From Jordan Rakei and Royal Northern Sinfonia, to Fantasies Myths and Legends, and from Night Tracks Live to BBC Introducing. The critics loved it; our audiences raved about it.

'Fantastic venue - excellent view of the performance and excellent acoustics and above all a fantastic performance by Jordan Rakei and the Royal Northern Symphonia.' - Audience member

There were sold-out concerts across the board. We took the seats 'oot' for Richard Hawley, Public Service Broadcasting was heaving, and Lea Salonga performed to a hall full of excited new bookers. Teaming up with our neighbours at GemArts allowed us to spotlight the best classical Indian music through Riverside Ragas.

In November we announced our new Artistic partners The Unthanks, Corinne Bailey Rae and Maria Włoszczowska. Over the next three years Corinne, Maria and The Unthanks will create new work, champion the music of emerging artists, and work alongside The Glasshouse's Make Music education team to inspire and engage young people. These exciting new partnerships will spark new links between artists, audiences and venues in the North East.

'I'm really excited about this partnership with The Glasshouse because it's a step into the unknown. Three years is a long time; it gives me a real opportunity to dream and scheme and do something that I haven't done before. There's a lot of time and space here; it's a place I can let my imagination run wild, which is very exciting.' - Corinne Bailey Rae

Royal Northern Sinfonia, led with gusto by Principal Conductor Dinis Sousa, continues to go from strength to strength. They played at home and away, in concerts halls and community centres from Barnard Castle to Bristol, and they beamed live into people's living rooms.

Share the Stage brought together nonprofessional musicians and singers with Royal Northern Sinfonia and The RNS Chorus for a moving performance of Michael Tippet's Child of Our Time.

'Share the Stage exists to bring onto the Glasshouse's stages enthusiastic amateurs who'd never normally have the chance to perform alongside the professionals of the Royal Northern Sinfonia, The Glasshouse's resident orchestra, and it was clear from the atmosphere in the hall that this wasn't just a regular concert.' - The Times

Although Royal Northern Sinfonia call The Glasshouse home, we are very proud that more than 50% of Royal Northern Sinfonia gigs took place outside The Glasshouse. More than half of this touring was to venues in postcodes within the lowest 30% of deprivation indices.

We know that it matters who folk see on our stages and we're committed to championing those underrepresented in the music industry. We've backed aspiring women conductors alongside our friends at the Royal Philharmonic Society. Our commitment to gender balance through our Keychange pledge remains a top priority. Our Recruiting Classical project working with Black Lives in Music and other UK orchestras has expanded to include wind players. And 86% of those who engaged with our artist development programme were from underrepresented groups.

Our concert series From The Glasshouse brought audiences a garden of musical delights, including homegrown talent, wildflowers from further afield, and new music.

Through residencies, stage time, rehearsal space, financial support, expert advice and networking opportunities, musicians were able to try new things, get gig ready, write new music, and connect with fellow musicians and industry contacts.

Trustees' Report

Last year's Artists in Residence showcased the results of their hard work. Hayden Thorpe recorded with Royal Northern Sinfonia and created The Hide, influenced by the natural word around him. Fay MacCalman developed her AV installation 'Invisible Real', highlighting anonymous experiences with mental illness. She turned a dreamlike subconscious space into an expanded live experience with ethereal visuals and music for a brand-new ensemble of musicians.

'The residency has boosted my confidence as a composer and planner. I hope to take Invisible Real to different venues, continually learning from new surveys and experiences. I also plan to record new albums with my band, Archipelago, and my solo work. This period has been inspiring, challenging, and exciting, and I look forward to continuing this creative journey.' - Fay MacCalman

New Artists in Residence Frankie Archer, Natalie Sharp, and ako were chosen from an impressive range of applicants from across the region who answered an open call out looking for the most exciting artists in the North to explore what happens when music and digital creativity collide. Working with our partners at Newcastle University, Mediale, and PROTO's Advanced Music Production (AMP) these artists will get support and training to make turn their ideas into reality.

Our Young Programmers made creative decisions behind the scenes. These 16- to 25-year-old local music lovers had a say in who's on our stages and how we do things at The Glasshouse, picking up new skills and new friends along the way.

'I've been part of the Young Programmers group since March 2021. Not only has it been insightful to learn about how an arts organisation works, it has also allowed me to find more amazing opportunities to be involved in the North East music industry. It has given me transferable skills which I've taken into my career' - Adam, Young Programmer

Make Music

'I feel so grateful to have this amazing facility in my life: it has enriched and expanded my life so much. It is extremely important to me and a very central element in my daily living.' - Make Music Participant

Stars don't just grace our stages, they work with our young people too. For example, Royal Northern Sinfonia have been working even more closely with our In Harmony Programme this year, and aspiring jazz artists had the opportunity to take part in a workshop with Jamie Cullum.

Young people took centre stage throughout the year. In July we ended the Make Music academic year with a weekend celebration of young people's music-making, including a side-by-side performance with Young Sinfonia and Royal Northern Sinfonia. Voices of the River's Edge, our inclusive choir for 18–35-year-olds, joined five choirs from around the country to perform Handel's Messiah at the Royal Albert Hall for a BBC Prom choral day, broadcast live on BBC Radio 3. And more than 2,300 children from 64 local schools sang their hearts out at our annual Big Sing.

Adults got their weekly dose of stress busting music from classes ranging from West African percussion to Elizabethan Madrigals, a continued range of live streamed classes, and On Demand packages.

We delivered 11,825 Make Music sessions across the whole programme with over 88,500 attendances.

Digital

Trustees' Report

This year, we expanded our digital commissioning work, building on the success of our free livestreams and online Make Music classes. Taking inspiration from the magical world of composer Maurice Ravel, we launched our very first in-building digital-led installation in April 2025 — The Mother Goose Series. Created by the brilliant artist James Bulley and co-produced with Mediale, this enchanting experience invited visitors to step into beloved fairy tales like Sleeping Beauty and Beauty and the Beast. Through a series of soundboxes filled with natural textures, collage, field recordings, and beautiful music performed by Royal Northern Sinfonia and Music Director Dinis Sousa, the stories truly came to life.

We also supported three incredible emerging musicians — Frankie Archer, Nat Sharp, and ako — through this year's Artist in Residence programme. Over a 10-month journey, they explored the exciting possibilities of digital technology in music-making and performance. With support from Newcastle University, Mediale, and the Advanced Media Production (AMP) Studio at PROTO, they learned new skills, experimented boldly, and pushed creative boundaries.

Their final showcases in June were nothing short of spectacular — featuring everything from creative coding and modified game consoles to VHS manipulation, CGI, sensory installations, and tactile tech. Through these innovative tools, they explored powerful themes like hyper-consumerism, our relationship with AI, disability, and womanhood — all with imagination, heart, and a spark of digital magic.

Environmental responsibility

The climate crisis is a critical threat to our audiences, artists, region, and planet. That's why we've made a pledge to be net zero by 2030. We're steadily reducing our carbon emissions to a minimum by 2030. After that, we'll contribute to local rewilding projects that capture carbon to offset whatever is left. So, when people come to us, they'll know we're not just looking after them, but the Earth too.

Our journey to net zero involves working with artists and audiences, as well as making changes to our building. It won't come as a surprise – the building takes a lot to keep going, and at 20 years old, there's lots to upgrade. Plus, we're out on tour, and all that fuel adds up.

Measuring and reporting on our carbon emissions since 2013 has helped us learn where to focus our efforts.

We encourage people attending concerts and events at our venue to use public transport – for example with free Metro tickets for concert goers and by sharing local public transport info on our website.

Our energy is generated round the corner at Gateshead District Energy Centre – they use local renewable solar power and an innovative mine water heat pump.

Joining with Music Declares Emergency and LIVE Green is one way we're working hard to make change in the music sector.

We're taking part in local environmental action as part of Net Zero North East England.

We have an Environmental Action Plan which acts as our annual to do list.

We were awarded Gold standard by Green Meetings, verifying the environmental credentials of our Conferences and Events. They assessed everything from our plans and the energy we use through to the food we serve and the ingredients in our hand soap.

We're working to reduce our orchestra's touring emissions by setting annual carbon budgets and experimenting with lower carbon ways to travel.

We're investing in the energy efficiency of our building and equipment so we're ready for the future. Everything from the plant equipment that moves air and heat around our building, to the bespoke LED lightbulbs we've fitted in our halls.

We're on a mission to reduce water usage. We've been fitting aerators to our 250+ sinks, saving c.750 litres of water per minute at peak times like intervals in concerts.

And because music can change hearts and minds, we put music about the climate crisis on our stages. The Hide saw singer songwriter Hayden Thorpe write new music inspired by his experiences in nature. He recorded with our orchestra, Royal Northern Sinfonia, and the new music was experienced inside a life-sized bird hide built on our concourse.

Our greenhouse gas emissions and energy consumption for 2024/25 were:

- Direct greenhouse gas emissions for the year were 1,003 tonnes CO2e

- Total energy use was 3,324,952kWh split between

1,918,424kWh electricity, 1,705,360kWh heat, and 77,511kWh gas (not weather normalised)

This has been calculated with help from our friends at Julie's Bicycle and their Creative Green toolkit. We track energy and water usage, fuel used by vehicles we own, the waste in our bins, and travel from our staff and audiences.

Equity, Diversity and Inclusion

20 years ago, inclusion was one of our founding principles, and it's still at the heart of everything we do. We want lots of voices to shine bright. This goes for our team, the artists we support and put on our stages, and the music lovers who come to hear and make music with us. Knowing our communities, we focus on making sure people from different backgrounds and with different abilities can join in. Because for lots of people, money's tight, or they have different access requirements, and this should never stop us from enjoying music, or making a career out of it.

It matters who we see on our stages. Here are some of the things we have been doing this year.

We chaired a new North East Culture and Heritage Poverty Proofing group, in partnership with Children North East. We're sharing experiences and ideas with other local cultural organisations who've been through the Poverty Proofing process to see what we can learn together, and to use our collective voice for change. We want to become the most affordable music centre in Europe.

Recruiting Classical is growing in reach beyond string players, winning awards, and being recognised as driving change in racial diversity in the UK's orchestral sector.

Over 650 North East newborns benefitted from our Music Pass, which gives them free music vouchers to use in the first 10 years of their lives. We want everyone to have the chance, no matter how much money they have or their background.

We're working to become a Theatre of Sanctuary, welcoming local refugees and asylum seekers. We collaborated with The Comfrey Project on a gardening club for the greenery inside The Glasshouse, and we offered free tickets to gigs to asylum seeking families to bring people together.

And we made sure local people can live their best creative life.

Young adults with additional needs and disabilities played, sang, and experimented with tech during their music weekly sessions.

Over half of the young people on our Make Music programme received a bursary. And more than 50% of all our tickets were under £32.

25 Young Programmers and two young trustees got involved in shaping what happens on stage.

All this means that people from across the community can make The Glasshouse into their stage, have a say in what happens here, and live their version of creativity.

Performance against Strategic Aims

1. Being creative

In the next five years...

With artists, musicians and other creative folk we'll share brilliant live music that stands out from the crowd. Audiences will be entertained, enthralled and come from all walks of life.

Pick up a gig guide or scroll the Royal Northern Sinfonia website and you'll see an international programme with a proud North East accent. This'll happen at home in The Glasshouse, across the North, further afield, and through a growing digital presence.

Our famous music centre, with its fantastic facilities, music lovers and learners, and awe-inspiring artists will create a home for live music where we all feel welcome. A place where music lives and grows.

For this year we focused on...

• Getting more people to see live music on our stages.

• Building local support for Royal Northern Sinfonia's concerts across the North - part of our promise to bring music direct to communities.

• Working with a small number of big-name artists to develop cracking new collaborations.

2. Supporting breakthrough artists and all music makers

In the next five years...

Whatever you want to do in music The Glasshouse will help make it happen.

For this year we focused on ...

• Making it easier for people to make music with the latest digital tech, with some cracking new partners like Mediale.

• Offering friendship and support to artists who have extra challenges placed on their path, like women conductors (still an all-too-rare sight) and artists struggling to make ends meet.

3. The Glasshouse experience for music lovers

In the next five years...

We're savvy business folk with a keen eye for commercial opportunities. This in the service of bringing everyone - whatever their background or income - the joy and nourishment of live music.

For this year we focused on ...

• Getting as many people coming to live music as we did before the pandemic.

• Asking everyone to champion and support colleagues who are making the sale and tell our story – we're one voice.

• Putting on more shows to appeal to people who are a bit younger.

4. Working together

In the next five years...

We'll work together to live our values and care for our culture. This'll help us be brilliant at serving audiences. We'll also create new routes into careers in the cultural industries.

For this year we focused on ...

• Starting a new project linking our values, behaviours, audience experience and organisation design – we're currently calling these things 'The Glasshouse World'.

• Updating some of our HR systems.

5. Building to support our mission

In the next five years...

We'll give our 20-year-old building and facilities some TLC, ensuring we can keep our doors open and stages humming with live music. We'll also get fully back on our feet after the pandemic, creating as much financial and human value from music as possible.

For this year we focused on ...

• Working as one team to get as much value as possible from our event spaces.

• Taking our joyful new brand and ensuring this is felt by audiences in all their interactions with us.

6. Telling the world our story

In the next five years...

We'll use our new brand to shout about the difference music can make to people's lives and why this is important.

For this year we focused on ...

• Making the case for culture to people who decide or influence our country's and community's priorities – all of us can do something to help.

• Ensuring as many people as possible are aware of our new name, and building up the brand so people feel good about it.

7. Having money to spend where it matters

In the next five years...

We'll be financially sustainable, maximising the money we get from our live events, while also unearthing new sources of bankable income.

For this year we focused on ...

• Building the fundraising team.

• Planning an expansion of our commercial company's plans to generate income that supports our charity.

• Hitting income targets for the year!

Trustees' Report

Duty to promote the success of the company to achieve its charitable purposes

The trustees believe, both individually and as a group, that they have acted in good faith and in a way that they believe will best promote the success of the charity for the benefit of all its members. They have considered several important factors, including:

- The long-term consequences of any decision, discussed in the Risk Management section on page 14.

- The interests of the charity's employees, detailed in the Equity, Diversity, and Inclusion section on page 9 and the Working Together section on page 11.

- The importance of fostering good relationships with third-party stakeholders such as funders, audiences, artists, partner organizations, statutory bodies, and the government, which is highlighted throughout the report.

- The impact of the charity's operations on the community and the environment, specifically covered in the Environmental Responsibility section on page 8 and the Public Benefit section on page 17.

- The importance of maintaining a reputation for high standards of business conduct, as discussed in the Financial Review on page 13.

- The need to act fairly among all members of the community, ensuring everyone is fully represented.

In considering these factors, the trustees aim to ensure the charity operates in a way that benefits everyone involved.

Financial review

Financial performance

We make a difference in our communities through music, but we're also financially savvy. We don't rely on one income source to support our charitable work – instead we balance lots of different things. We make money from selling tickets, food and bevvies, and from hosting conferences and events. We get investment from government, and support from businesses, trusts and foundations, and people all over the region and beyond.

In 2024/25, 27% of our income is from grants, philanthropy and endowments, 19.8% from public sources, 35.5% from earned income and 17.7% from trading.

Trustees' Report

Fundraising

Fundraising is a vital part of our financial mix. As we navigate rising costs, our communities and audiences are also facing tough challenges. Philanthropic contributions mean we can continue our charitable work for children, young people, artists and local communities.

We are deeply grateful to The Foyle Foundation for their transformative £2 million donation to our endowment, ensuring support for our work with young people in perpetuity.

We are grateful that Arts Council England and Gateshead Council (our two statutory funders), have maintained their grants to us despite the strains on their own budgets.

We want to sincerely thank our Founding Patrons, Founding Endowment Donors, Friends and Champions of The Glasshouse, Friends, Champions and Principal Partners of Royal Northern Sinfonia, as well as everybody who donated online.

Every donation from individuals, institutions and companies helps us provide world-class music and life-changing music-making opportunities to people across the North East.

Trusts and Foundations

29th May Charitable Trust, Barbour Foundation, Catherine Cookson Charitable Trust, Community Foundation North East, D'Oyly Carte Charitable Trust, Esmee Fairbairn Foundation, Foyle Foundation, Garfield Weston Foundation, Hadrian Trust, Harrison Frank Family Foundation, Hinrichsen Foundation, The John Horseman Charitable Trust, Kavli Trust, Marchus Trust, Netherton Park Trust, Percy Hedley 1990 Charitable Foundation, PRS for Music Foundation, Shears Foundation, Sir James Knott Trust, St Nicholas Educational Trust, Swire Charitable Trust, WA Handley Charity Trust, Wolfson Foundation

Corporates:

Adkins & Cheurfi, Aspire Technology Solutions, Explain Market Research, Greggs Plc, Henry Colbeck, Isis Facility Services, LWC Drinks, Molson Coors, Nexus, Northern Elevator, Pioneer Foodservice, Sage Plc, Solution Group, Zerolight, Power Wholesale, Unilink, Northumbrian Water, Fenwick

Commercial Events and Hires

As the region's prime conference spot, we greeted over 26,000 delegates, often introducing them to the North East. Profit from this area of our work is gifted across to the charity and conference organisers know that holding their event at The Glasshouse supports our work in the region and beyond.

49 events took place in 2024/25 (2023/24: 59) with a contracted value of £1,123,553 (2023/24: £741,573).

It's also the first time in 20 years that we have secured over £1m in revenue from this area of work!

Trustees' Report

Royal Northern Sinfonia Limited

During the financial year to 31 March 2025 the trading subsidiary earned income of £5.5m (2023/24: £5.1m) which comes from both Classical Box Office sales and Grant Income. Profit of £1.3m (2023/24: £0.8m) was recorded for the year after the application of Orchestra Tax relief.

Consolidated balance sheet

Fixed assets

The Trust invested £0.7m (2023/24: £0.7m) in fixed assets and improvements to the building during the year.

Unrestricted general and designated funds

Consolidated unrestricted reserves increased during the year to a surplus of £6.4m (2023/24: surplus of £6.2m).

Restricted funds

Consolidated restricted reserves decreased slightly during the year to £0.56m (2023/24: £0.58m).

Endowment funds

The charity has two sources of endowment income:

A fund of £11.2m (2023/24: £11.7m) which is held off balance sheet on behalf of North Music Trust by the Community Foundation. An annual grant is drawn down from the Community Foundation proportional to the Trust's interest in the fund and this income is included within the Trust's voluntary income for the year.

North Music Trust also has its own endowment fund held on its balance sheet at a value of £9.4m (2023/24: £7.5m). £6.4m of this fund is invested and managed by CCLA, while the remaining £3m is held in a high interest Notice Account at Barclays. The fund was created from £4m in donations to The Glasshouse and £2m in matched funding from Arts Council England via its Catalyst fund. A further £2m was added in 24/25 following a donation from the Foyle Foundation. An annual contribution from the investment, income will be applied to each year's results in perpetuity.

Investment management

Our endowment fund at North Music Trust is managed by CCLA Investment Management Limited. We're aiming for a balanced approach, seeking both income and capital growth, with a medium risk profile to achieve returns above inflation over time.

We also have some important ethical investment rules:

• No direct investments in tobacco, pornography, gambling, environmental damage, high-interest unsecured loans, or any companies supporting oppressive regimes.

Going concern

We understand that times are tough, and things change quickly. That's why we regularly review our risks with a strategic risk register to stay on top of everything. We're happy to report that all our current risks are well within manageable limits.

Our trustees have thoroughly checked, and they're confident that we have the resources to keep going strong for the foreseeable future. So, we're continuing with our current plans and preparing our financial statements accordingly. You can find more details about this in our accounting policies.

Risk management

Our trustees keep a close eye on our progress by reviewing our business plan every year. To keep things running smoothly, our directors have created a risk management strategy that includes:

• An annual review of potential risks to the charity.

• Setting up systems and procedures to reduce those risks.

• Implementing procedures to minimize the impact if any risks do occur.

The main challenges we face at The Glasshouse are the speed of audience recovery, the broader economic climate, and the development happening next door.

Reserves policy

The trustees have agreed that the level of free reserves (that is, funds not tied up in fixed assets or designated and restricted funds) required to sustain the Trust's operations will be in the region of £1,000,000, which represents staff salaries and other operating expenses for 3 months. After taking into account the group's unrestricted funds not tied up in fixed assets, free reserves as at 31 March 2025 are £1.5m (23/24: £1.6m).

Structure, governance and management

Governance

North Music Trust is a charitable company limited by guarantee and does not have share capital. The charity is governed by its memorandum and articles of association last amended on 21/01/2009.

The trustees agree to contribute £1 in the event of the charity winding up.

North Music Trust

Trustees' Report

Organisational structure and decision making policies

To help us run smoothly, our Board has set up four subcommittees: Finance & Audit, Investment, People, and Programme & Development. These subcommittees, made up of Board members, allow for more regular and detailed involvement from nonexecutives and independent representatives than would be possible in full Board meetings.

Since North Music Trust was established in 2000, the Board and its subcommittees have played an active role in shaping our goals, policies, strategies, and procedures. They're involved in any major decisions that fall outside our approved framework. Board recruitment is open, with opportunities advertised, and candidates go through a formal interview process. New trustees get an induction, meet key staff, explore all our activities, and learn about our policies and responsibilities.

The Board appoints the Chief Executive Officer, and other key members of the Leadership Team to carry out our work within aims policies and procedures approved by the board. The Chair reviews the Managing Director's performance against set targets annually, following our organisation-wide performance review process.

Our Chair, committee chairs, and Board members often consult with the Senior Management Team on policy development and specific issues or opportunities. They also meet with SMT periodically to discuss progress, plans, and any significant current concerns.

Our trustees are confident that our governance and management structures are well-suited to the needs of our diverse, large, and growing organisation.

Pay policy for key management personnel

Pay levels for all staff including senior staff are set in a banding system and are benchmarked against peer organisations as part of the Newcastle Gateshead Cultural Venues group.

Related party relationships

The trust has a close relationship with Arts Council England, North East and Gateshead Council, both of which provide funding to enable the charity to carry out its charitable objectives.

D/deaf and Disabled People

We welcome job applications from people who identify as D/deaf or disabled, focusing on their abilities. If any staff member becomes disabled, we make every effort to continue their employment and provide the necessary training. Our policy ensures that training, career development, and promotion opportunities for disabled employees are as similar as possible to those for other employees.

North Music Trust

Trustees' Report

Public benefit

North Music Trust is a company limited by guarantee and a registered charity which operates under the name North Music Trust, trading as The Glasshouse International Centre for Music. It was founded in 2000 to expand musical horizons of audience, artists, students and staff through musical discovery; seeking to make connections between performance, education and participation. It has a particular objective of serving the North East in which it is based. This objective is set out in its memorandum and articles of association and forms the basis upon which the charity's vision, mission and aims are formulated.

The directors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission and are satisfied that the charity's activities are faithful to the charity's objectives and are for public benefit.

We bring some of the world's best music to people in the North East – hosting top-notch gigs and concerts in our own venue, in communities across the region, and online. And we support people in the North East to create some of the world's best music – running classes for all ages and stages, nurturing new artists, and sharing our orchestra with audiences across the globe.

We're also focusing on making events accessible to everyone. We're carefully planning ticket prices and offering schemes to allow first-time attendees to join events or projects for free. We aim to offer a range of ticket prices to ensure affordability for all - 50% of young people participating in our Weekend School receive a bursary and other bursaries are available for some Make Music projects. Participants in Make Music can also enjoy special ticket offers for performances.

Accessibility has always been important to us. The pandemic highlighted the need for streamed live performances and online lessons, which have been a hit with our audiences. We're continuing to offer hybrid models to ensure everyone can participate, whether in person or online.

Plans for the future - into our third decade

As the charity moves into its third decade, our positioning focuses on increasing creative ambition and reach with young people, financial accessibility, producing world-class music, and securing and developing our iconic building and campus.

We are committed to serving the whole region, and to being an anchor institution with an international profile. Board membership and team profile, programme plans, and external relations have all been aligned behind this. We are making substantial progress in developing our business model and income profile. By the end of this decade, the charity aims to have proved that a national cultural institution can substantively be based outside of London, with all the impact for the region which this brings.

Disclosure of information to auditor

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and

- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Trustees' Report

Auditor

The auditor, Azets, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

North Music Trust

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of North Music Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the company on 12/12/25 and signed on its behalf by:

.....
Emily Cox MBE
Trustee

North Music Trust

Independent Auditor's Report to the Members of North Music Trust

Opinion

We have audited the financial statements of North Music Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent Auditor's Report to the Members of North Music Trust

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report as been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 20), 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of North Music Trust

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

Independent Auditor's Report to the Members of North Music Trust

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

Use of our report

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

Simm Brown.....

Simon Brown BA Hons ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date:...12/12/2025.....

North Music Trust

Consolidated Statement of Financial Activities for the Year Ended 31 March 2025 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Endowment £	Total 2025 £	Total 2024 £
Income and Endowments from:						
Donations and legacies	3	6,012,747	421,054	2,000,000	8,433,801	6,612,449
Charitable activities	4	6,740,835	-	-	6,740,835	6,000,972
Other trading activities	5	3,350,939	-	-	3,350,939	2,725,941
Investment income	6	212,392	-	247,157	459,549	490,486
Total Income		16,316,913	421,054	2,247,157	18,985,124	15,829,848
Expenditure on:						
Raising funds - fundraising	7	(254,978)	-	(14,094)	(269,072)	(371,502)
Raising funds - Trading activities	8	(2,377,119)	-	-	(2,377,119)	(2,152,432)
Charitable activities	9	(13,737,307)	(421,054)	-	(14,158,361)	(13,731,195)
Total Expenditure		(16,369,404)	(421,054)	(14,094)	(16,804,552)	(16,255,129)
Gains/losses on investment assets		-	-	(99,217)	(99,217)	334,279
Net (expenditure)/income		(52,491)	-	2,133,846	2,081,355	(91,002)
Transfers between funds		263,777	(16,620)	(247,157)	-	-
Net movement in funds		211,286	(16,620)	1,886,689	2,081,355	(91,002)
Reconciliation of funds						
Total funds brought forward		6,214,607	577,542	7,547,520	14,339,669	14,430,671
Total funds carried forward	26	6,425,893	560,922	9,434,209	16,421,024	14,339,669

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

The funds breakdown for 2024 is shown in note 26.

North Music Trust

(Registration number: 04044936)
Consolidated Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	16	4,974,143	4,710,309
Investments	17	6,431,390	5,547,520
		11,405,533	10,257,829
Current assets			
Stocks	18	58,899	43,910
Debtors	19	5,063,209	3,177,266
Cash at bank and in hand	20	7,018,079	7,967,612
		12,140,187	11,188,788
Creditors: Amounts falling due within one year	21	(4,166,248)	(3,926,471)
Net current assets		7,973,939	7,262,317
Total assets less current liabilities		19,379,472	17,520,146
Creditors: Amounts falling due after more than one year	22	(2,958,448)	(3,180,477)
Net assets		16,421,024	14,339,669
Funds of the group:			
Endowment		9,434,209	7,547,520
Restricted		560,922	577,542
Unrestricted income funds			
General funds		6,425,893	6,214,607
Total funds	26	16,421,024	14,339,669

The financial statements on pages 25 to 55 were approved by the trustees, and authorised for issue on 12/12/25 and signed on their behalf by:

.....
Emily Cox MBE
Trustee

North Music Trust

(Registration number: 04044936)
Company Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	16	4,905,982	4,648,210
Investments	17	6,431,392	5,547,522
		11,337,374	10,195,732
Current assets			
Debtors	19	1,693,825	692,858
Cash at bank and in hand	20	5,367,189	6,796,963
		7,061,014	7,489,821
Creditors: Amounts falling due within one year	21	(4,154,984)	(3,447,129)
Net current assets		2,906,030	4,042,692
Total assets less current liabilities		14,243,404	14,238,424
Creditors: Amounts falling due after more than one year	22	(2,958,448)	(3,180,477)
Net assets		11,284,956	11,057,947
Funds of the company:			
Endowment		9,434,209	7,547,520
Restricted		560,922	577,542
Unrestricted income funds			
Unrestricted funds		1,289,825	2,932,885
Total funds	26	11,284,956	11,057,947

The financial statements on pages 25 to 55 were approved by the trustees, and authorised for issue on 12/12/25 and signed on their behalf by:

.....
Emily Cox MBE
Trustee

North Music Trust

Consolidated Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net movement in funds		2,081,354	(91,002)
Adjustments to cash flows from non-cash items			
Depreciation		488,515	546,949
Investment income		(459,549)	(490,486)
Interest payable		62,051	64,777
Revaluation of investments		93,821	(333,906)
		2,266,192	(303,668)
Working capital adjustments			
(Increase)/decrease in stocks	18	(14,989)	11,509
Increase in debtors	19	(1,885,942)	(904,007)
Increase in creditors	21	149,450	249,329
Net cash flows from operating activities		514,711	(946,837)
Cash flows from investing activities			
Acquisitions of tangible assets		(752,349)	(700,472)
Proceeds from sale of investments		6,260,817	1,184,608
Dividend income		459,549	490,486
Purchase of investments		(7,238,508)	(1,153,138)
Net cash flows from investing activities		(1,270,491)	(178,516)
Cash flows from financing activities			
Interest payable		(62,051)	(64,777)
Movement on other loans		(131,702)	(14,402)
Net cash flows from financing activities		(193,753)	(79,179)
Net decrease in cash and cash equivalents		(949,533)	(1,204,532)
Cash and cash equivalents at 1 April		7,967,612	9,172,144
Cash and cash equivalents at 31 March		7,018,079	7,967,612

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

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Company status

The company is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is: St Mary's Square, Gateshead, Tyne & Wear, NE8 2JR

The charity meets the definition of a public benefit entity under FRS102.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2025.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The company made a surplus after tax for the financial year of £227,009 (2024 - deficit of £1,017,155).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The Charitable company's forecasts and projections for the next 12 months show that the charity will be able to continue in operational existence for that period. The charity has strong positive cash and investment balances alongside a programme of activity for the year that reflects our commitments to our core funder, our strategic direction, and a realistic view on audience numbers.

Based on these factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Estimation uncertainty and judgements

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

A group subsidiary claims Orchestra Tax Relief. At the year end included within accrued income are amounts claimed from HMRC for prior years and current years which we are awaiting payment. Until the claim is processed, the debtor reflects the best estimate of the value of the claim.

Income and endowments

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

Donations and legacies

Income from donations and legacies includes sponsorships and donations and grants that provide core funding or are of a general nature. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation relates to future accounting periods.

Grants receivable

Orchestra tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation. Other grants are recognised at the earliest opportunity, unless there are any performance conditions preventing recognition.

Gifts in kind

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, or capitalised as a fixed asset if the goods are to be retained for future benefits.

North Music Trust leases the premises from which it operates from Gateshead Metropolitan Borough Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income nor the corresponding rental charge have been recognised in the statement of financial activities.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Other trading activities

Income generated from commercial trading is recognised as earned as the related goods and services are provided.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Charitable activities

Performance income includes box office sales, engagement income, hall hire and other performance related income.

It is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Tickets are sold through the box office for three different event categories in terms of income recognition; Self-Promotions, Co-Promotions and Hall Hires. Where the event is a Self-Promotion, ticket sales are recognised gross in full within revenue. Where the event is a Co-Promotion, a portion of the ticket income is recognised within revenue; where the event is a Hall Hire, any income from ticket sales belongs to the promoter and thus does not form part of the revenue figure.

Education income includes education fees from music lessons and school visits and other education related income. It is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performances or event to which they relate or when the donor specifies that the grant or donation relates to future accounting periods.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Expenditure on charitable activities includes costs associated with the staging of concerts, musical performances and educational programmes and includes both the direct costs and support costs relating to these activities.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Notes to the Financial Statements for the Year Ended 31 March 2025

Governance costs
These include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

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

Intangible assets
Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation.

Tangible fixed assets
Individual tangible fixed assets costing £5,000 or more are capitalised. Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds.

Depreciation and amortisation
Depreciation is not charged on stringed instruments as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of stringed instruments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the statement of financial activities.

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

Asset class	*Depreciation method and rate*
Furniture, fixtures and fittings	3-10 years straight line
Music & Instruments	10 years straight line
Computer Equipment	3 years straight line
Technical Equipment	5 years straight line
Leasehold property improvements	10 - 20 years straight line
Forestage lift	50 years straight line
Kitchen Equipment	3-5 years straight line
Car park equipment	5 years straight line

Notes to the Financial Statements for the Year Ended 31 March 2025

Fixed asset investments
The group's endowment fund investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through the statement of financial activities.

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Stock
Stocks are valued on a first in first out basis and stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Stock held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange
Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All transaction differences are taken to the statement of financial activities, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Fund structure
Designated funds are unrestricted funds earmarked for specific purpose by the directors. They include amounts held as fixed assets purchased with specific capital funding secured.

The Trust has a number of restricted income and capital funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in the notes.

The permanent endowment fund is treated by the directors as a long term fund.

All other funds are unrestricted income funds, receivable or generated for the objects of the charity without further specified purpose.

Pensions and other post retirement obligations
The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Financial instruments

Classification

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans from related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

Notes to the Financial Statements for the Year Ended 31 March 2025

3 Income from donations and legacies

	Unrestricted		Endowment		
	General £	Restricted £	Permanent £	Total 2025 £	Total 2024 £
Arts Council England - core grant	3,576,745	-	-	3,576,745	3,576,745
GMBC - core grant	187,534	-	-	187,534	187,534
Community Foundation - The Glasshouse Fund	678,953	-	-	678,953	646,424
Other income from donations and legacies	1,569,515	421,054	2,000,000	3,990,569	2,201,746
	6,012,747	421,054	2,000,000	8,433,801	6,612,449

4 Income from charitable activities

	Unrestricted funds General £	Total 2025 £
Income from performance programming and Make Music activities	6,740,835	6,740,835

	Unrestricted funds General £	Total 2024 £
Income from performance programming and Make Music activities	6,000,972	6,000,972

5 Income from other trading activities

	Unrestricted General £	Total 2025 £	Total 2024 £
Conferences and events	1,172,686	1,172,686	824,138
Catering income	1,988,301	1,988,301	1,715,668
Car park income	147,595	147,595	139,415
Retail sales	42,357	42,357	46,720
	3,350,939	3,350,939	2,725,941

Notes to the Financial Statements for the Year Ended 31 March 2025

6 Investment income

	Unrestricted funds General £	Endowment funds Permanent £	Total 2025 £	Total 2024 £
Income from dividends;				
Dividends receivable from other listed investments	-	149,121	149,121	243,335
Interest receivable and similar income;				
Interest receivable on bank deposits	212,392	98,036	310,428	247,151
	212,392	247,157	459,549	490,486

7 Expenditure on raising funds - fundraising

a) Raising funds - fundraising

	Direct costs £	Allocated support costs £	Total 2025 £	Total 2024 £
Costs of generating donations and legacies	90,474	164,504	254,978	344,966
Investment management costs	14,094	-	14,094	26,536
	104,568	164,504	269,072	371,502

8 Expenditure on raising funds - trading activities

	Note	Unrestricted funds General £	Total 2025 £	Total 2024 £
Other resources expended		1,965,859	1,965,859	1,764,704
Allocated support costs	10	411,260	411,260	387,728
		2,377,119	2,377,119	2,152,432

9 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Provision of charitable activities	13,737,307	421,054	14,158,361

Notes to the Financial Statements for the Year Ended 31 March 2025

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Provision of charitable activities	13,247,344	483,851	13,731,195

	Activity undertaken directly £	Activity support costs £	2025 £	2024 £
Performance Programming - classical	3,902,090	3,020,430	6,922,520	6,738,437
Performance Programming - popular and contemporary	1,024,201	3,020,430	4,044,631	3,752,787
Make Music - Young People Programme	1,219,897	1,197,311	2,417,208	2,621,707
Make Music - Public Engagement Programme	159,693	411,260	570,953	555,486
Other costs	203,049	-	203,049	62,778
	6,508,930	7,649,431	14,158,361	13,731,195

Notes to the Financial Statements for the Year Ended 31 March 2025

10 Analysis of governance and support costs

	Cost of Raising funds £	Trading Activities £	Charitable Activities £	Total £	2024 £
Building services	40,126	100,316	1,865,881	2,006,323	2,039,196
Depreciation	9,524	23,810	442,868	476,202	534,279
Direction and policy	17,655	44,137	820,955	882,747	703,963
Finance and audit fee	7,709	19,273	358,485	385,467	505,994
People Team	5,872	14,681	273,063	293,616	261,826
Irrecoverable VAT	5,455	13,638	253,669	272,762	376,385
IT	11,984	29,961	557,275	599,220	576,883
Marketing and CE	40,149	100,372	1,866,923	2,007,444	1,417,582
Strategy & external relations	9,900	24,750	460,359	495,009	696,693
Technology	16,130	40,322	749,953	806,405	641,758
	164,504	411,260	7,649,431	8,225,195	7,754,559

11 Net incoming/outgoing resources

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

	2025 £	2024 £
Operating leases - other assets	-	13,733
Audit fees	30,780	34,000
Other non-audit services	8,525	1,600
Depreciation of fixed assets	488,515	534,503

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year (2024: £Nil).

The amount expenses waived by the trustees during the year totalled £3,015 (2024 - £5,526).

13 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	7,327,321	6,893,829
Social security costs	590,036	551,973
Pension costs	340,122	291,405
	8,257,479	7,737,207

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

	2025 No	2024 No
Performance and programme	58	57
Make Music	81	79
Management and Admin	84	86
Customer Services	182	183
	405	405

The number of employees whose emoluments fell within the following bands was:

	2025 No	2024 No
£70,001 - £80,000	1	2
£80,001 - £90,000	1	2
£90,001 - £100,000	2	-
£100,001 - £110,000	1	2
£120,001 - £130,000	1	-

The total employee benefits of the key management personnel of the group were £564,885 (2024 - £535,832).

14 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15 Intangible fixed assets

Group

Software & Website Development costs of £60,163 which were previously capitalised have been fully amortisted.

16 Tangible fixed assets

Group

	Leasehold property improvements £	Furniture and equipment £	Assets under construction £	Instruments £	Total £
Cost					
At 1 April 2024	4,493,126	5,047,698	57,482	617,624	10,215,930
Additions	438,923	269,409	44,017	-	752,349
At 31 March 2025	4,932,049	5,317,107	101,499	617,624	10,968,279
Depreciation					
At 1 April 2024	1,441,303	3,637,388	-	426,930	5,505,621
Charge for the year	194,204	281,994	-	12,317	488,515
At 31 March 2025	1,635,507	3,919,382	-	439,247	5,994,136
Net book value					
At 31 March 2025	3,296,542	1,397,725	101,499	178,377	4,974,143
At 31 March 2024	3,051,823	1,410,310	57,482	190,694	4,710,309

Company

	Leasehold property improvements £	Furniture and equipment £	Assets under construction £	Instruments £	Total £
Cost					
At 1 April 2024	4,493,126	4,244,760	29,448	617,624	9,384,958
Additions	438,923	243,974	44,017	-	726,914
At 31 March 2025	4,932,049	4,488,734	73,465	617,624	10,111,872
Depreciation					
At 1 April 2024	1,441,303	2,868,515	-	426,930	4,736,748
Charge for the year	194,204	262,621	-	12,317	469,142
At 31 March 2025	1,635,507	3,131,136	-	439,247	5,205,890
Net book value					
At 31 March 2025	3,296,542	1,357,598	73,465	178,377	4,905,982
At 31 March 2024	3,051,823	1,376,245	29,448	190,694	4,648,210

17 Fixed asset investments

Group

	2025 £	2024 £
Other investments	6,431,390	5,547,520

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2024	5,547,520	5,547,520
Revaluation	(93,821)	(93,821)
Additions	7,238,508	7,238,508
Disposals	(6,260,817)	(6,260,817)
At 31 March 2025	6,431,390	6,431,390
Net book value		
At 31 March 2025	6,431,390	6,431,390
At 31 March 2024	5,547,520	5,547,520

Notes to the Financial Statements for the Year Ended 31 March 2025

Company

	2025 £	2024 £
Shares in group undertakings and participating interests	2	2
Other investments	6,431,390	5,547,520
	6,431,392	5,547,522

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2024	2	2
At 31 March 2025	2	2
Net book value		
At 31 March 2025	2	2
At 31 March 2024	2	2

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2024	5,547,520	5,547,520
Revaluation	(93,821)	(93,821)
Additions	7,238,508	7,238,508
Disposals	(6,260,817)	(6,260,817)
At 31 March 2025	6,431,390	6,431,390
Net book value		
At 31 March 2025	6,431,390	6,431,390
At 31 March 2024	5,547,520	5,547,520

Notes to the Financial Statements for the Year Ended 31 March 2025

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2025	2024	
Subsidiary undertakings					
Music North Limited	United Kingdom	Ordinary	100%	100%	Supporting activities to the performing arts
Royal Northern Sinfonia	United Kingdom	Ordinary	100%	100%	Performances for the Royal Northern Sinfonia

Subsidiaries

The profit for the financial period of Music North Limited was £1,379,231 (2024 - £921,512) and the aggregate amount of capital and reserves at the end of the period was £1,511,802 (2024 - £994,537).

The profit for the financial period of Royal Northern Sinfonia was £1,337,081 (2024 - £829,497) and the aggregate amount of capital and reserves at the end of the period was £3,624,268 (2024 - £2,287,187).

Reserves within Royal Northern Sinfonia are signfiicant due to the timing of the receipt of the orchestrial Tax Relief. The 2025 and 2024 year end debtors includes two years worth of claims that were not yet received.

18 Stock

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Finished goods	58,899	43,910	-	-

19 Debtors

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	194,648	469,723	181,173	251,754
Due from group undertakings	-	-	28,876	245,868
Prepayments and accrued income	4,584,835	2,629,156	1,200,050	116,849
Other debtors	283,726	78,387	283,726	78,387
	5,063,209	3,177,266	1,693,825	692,858

20 Cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Cash on hand	41,202	27,265	14,559	8,212
Cash at bank	6,976,877	7,940,347	5,352,630	6,788,751
	7,018,079	7,967,612	5,367,189	6,796,963

21 Creditors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	477,468	268,968	448,453	261,639
Other loans	169,547	79,220	169,547	79,220
Due to group undertakings	-	-	270,396	-
Other taxation and social security	260,843	302,969	152,446	183,143
Other creditors	44,841	39,133	44,841	39,133
Accruals and deferred income	3,213,549	3,236,181	3,069,301	2,883,994
	4,166,248	3,926,471	4,154,984	3,447,129

Deferred income

Group

	2025	2024
	£	£
Deferred income at 1 April 2024	2,564,368	2,513,110
Resources deferred in the period	2,417,469	2,564,368
Amounts released from previous periods	(2,564,368)	(2,513,110)
Deferred income at year end	2,417,469	2,564,368

Company

	2025	2024
	£	£
Deferred income at 1 April 2024	2,280,764	2,215,046
Resources deferred in the period	2,362,654	2,280,764
Amounts released from previous periods	(2,280,764)	(2,215,046)
Deferred income at year end	2,362,654	2,280,764

22 Creditors: amounts falling due after one year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Other loans	2,958,448	3,180,477	2,958,448	3,180,477

Other loans are made up of the GMBC loan with Gateshead Council, £Nil (2024: £79,220) repayable in annual instalments until 1 April 2024 and bear interest annually at a rate of 1.62%, and a further loan of £3,000,000, which was taken out on 10 March 2021 to support and maintain the cultural ecology of the charity. The balance at the end of the year was £3,127,995 (2024: £3,180,477). The loan is repayable in bi-annual instalments until 10 March 2041, commencing from 1 February 2025. The loan bears interest annually at a rate of 2%. The loan balance above includes accumulated interest of £242,355 (2024: £180,477) and one repayment of £114,552 has been made.

23 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2025 £	2024 £	2025 £	2024 £
Other				
Within one year	12,020	14,668	12,020	14,668
Between one and five years	12,020	26,748	12,020	26,748
	24,040	41,416	24,040	41,416

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £313,116 (2024 - £291,405).

Contributions totalling £44,517 (2024 - £37,174) were payable to the scheme at the end of the year and are included in creditors.

25 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2024 - £28,000).

Company

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2024 - £Nil).

Notes to the Financial Statements for the Year Ended 31 March 2025

26 Funds

Group

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2025 £
Unrestricted funds						
General						
Unrestricted Funds	1,609,874	16,316,913	(16,369,404)	(44,702)	-	1,512,681
Designated						
Fixed Asset Fund	4,104,733	-	-	308,479	-	4,413,212
Designated Financial Security Fund	500,000	-	-	-	-	500,000
	4,604,733	-	-	308,479	-	4,913,212
Total unrestricted funds	6,214,607	16,316,913	(16,369,404)	263,777	-	6,425,893
Restricted funds						
Forestage Lift	577,542	-	-	(16,620)	-	560,922
In Harmony	-	207,689	(207,689)	-	-	-
Centre for Advanced Training	-	143,054	(143,054)	-	-	-
David Goldman Awards	-	39,102	(39,102)	-	-	-
Community Music Sparks	-	9,960	(9,960)	-	-	-
CoMusica - National Foundation for Youth Music	-	21,249	(21,249)	-	-	-
Total restricted funds	577,542	421,054	(421,054)	(16,620)	-	560,922
Endowment funds						

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2025 £
Permanent						
Endowment Funds	7,547,520	2,247,157	(14,094)	(247,157)	(99,217)	9,434,209
Total funds	14,339,669	18,985,124	(16,804,552)	-	(99,217)	16,421,024

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds						
General						
Unrestricted Funds	2,128,801	15,102,662	(15,744,742)	123,153	-	1,609,874
Designated						
Fixed Asset Fund	3,962,624	-	-	142,109	-	4,104,733
Designated Financial Security Fund	500,000	-	-	-	-	500,000
	4,462,624	-	-	142,109	-	4,604,733
Total unrestricted funds	6,591,425	15,102,662	(15,744,742)	265,262	-	6,214,607
Restricted funds						
Forestage Lift	594,162	-	-	(16,620)	-	577,542
In Harmony	-	250,324	(250,324)	-	-	-
Centre for Advanced Training	-	172,050	(172,050)	-	-	-
David Goldman Awards	-	26,912	(26,912)	-	-	-
Community Music Sparks	-	11,120	(11,120)	-	-	-
CoMusica - National Foundation for Youth Music	-	23,445	(23,445)	-	-	-
Total restricted funds	594,162	483,851	(483,851)	(16,620)	-	577,542
Endowment funds						
Permanent						
Endowment Funds	7,245,084	243,335	(26,536)	(248,642)	334,279	7,547,520
Total funds	14,430,671	15,829,848	(16,255,129)	-	334,279	14,339,669

Notes to the Financial Statements for the Year Ended 31 March 2025

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

Designated funds
The fixed asset fund represents the value of fixed assets held on the balance sheet, and the financial security fund is a fund designated by trustees to be used in the event of any financial difficulties which may arise in the future.

Restricted funds
Forestage lift is funding used to purchase the lift, with depreciation charged against the fund each year. The two grants used to purchase the asset have been combined into one fund to represent the underlying asset. All other restricted funds related to revenue projects for a variety of programmes, the activities of which are described in the trustees report.

Notes to the Financial Statements for the Year Ended 31 March 2025

27 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Endowment funds £	Total funds at 31 March 2025 £
Tangible fixed assets	4,413,221	560,922	-	4,974,143
Fixed asset investments	-	-	6,431,390	6,431,390
Current assets	9,137,368	-	3,002,819	12,140,187
Current liabilities	(4,166,248)	-	-	(4,166,248)
Creditors over 1 year	(2,958,448)	-	-	(2,958,448)
Total net assets	6,425,893	560,922	9,434,209	16,421,024

	Unrestricted funds General £	Restricted funds £	Endowment funds £	Total funds at 31 March 2024 £
Tangible fixed assets	4,132,767	577,542	-	4,710,309
Fixed asset investments	-	-	5,547,520	5,547,520
Current assets	9,188,788	-	2,000,000	11,188,788
Current liabilities	(3,926,471)	-	-	(3,926,471)
Creditors over 1 year	(3,180,477)	-	-	(3,180,477)
Total net assets	6,214,607	577,542	7,547,520	14,339,669

Notes to the Financial Statements for the Year Ended 31 March 2025

28 Analysis of net funds

Group

	At 1 April 2024 £	Financing cash flows £	Other non cash changes £	At 31 March 2025 £
Cash at bank and in hand	7,967,612	(949,533)	-	7,018,079
Debt due within one year	(79,220)	79,220	(169,547)	(169,547)
Debt due after more than one year	(3,180,477)	222,029	-	(2,958,448)
Net funds	4,707,915	(648,284)	(169,547)	3,890,084

	At 1 April 2023 £	Financing cash flows £	Other non cash changes £	At 31 March 2024 £
Cash at bank and in hand	9,172,144	(1,204,532)	-	7,967,612
Debt due within one year	(76,714)	76,704	(79,210)	(79,220)
Debt due after more than one year	(3,197,385)	-	16,908	(3,180,477)
Net funds	5,898,045	(1,127,828)	(62,302)	4,707,915

29 Related party transactions

Company

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

During the year, the group made purchases of £597,115 (2024: £739,556) from Gateshead Energy Company Limited, a company under common directorship. Payments made in the year totalled £658,642 (2024: £782,938) and the amount owed at the year end, included within the company's creditors, totalled £56,037 (2024: £65,870).

During the year, the group made purchases of £138,900 (2024: 189,065) and sales of £196,754 (2024: £187,534) with Gateshead Council, an organisation under common directorship. Payments in the year totalled £100,031 (2024: £193,331) and the amount included in the company's creditors at the year end totalled £37,296 (2024: £Nil). The was no debtor at the year end (2024: £Nil).

During the year, the group made sales of £25,602 (2024: £Nil) to Thinking Digital Limited, a company under common directorship. There was no year end debtor (2024: £Nil).

During the course of the year, the company made payments on behalf of the subsidiary, Music North Limited, totalling £806,300 (2024: £610,232). Receipts from the subsidiary against these payments totalled £806,300 (2024: £946,512) and the amount owed at the year end, included within the company's debtors, totalled £28,876 (2024: £28,395). The company also recieved donations of £861,966 (2024: £824,925) from the subsidiary in the year, no amounts remain outstanding in respect of these donations at the balance sheet date.

At the year end, the company owed £270,396 (2024: £245,868 Debtor) to its subsidiary Royal Northern Sinfonia Limited, included within the company's creditors (2024: debtors).

North Music Trust

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Endowment £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	6,128,598	483,851	-	6,612,449
Charitable activities	4	6,000,972	-	-	6,000,972
Other trading activities	5	2,725,941	-	-	2,725,941
Investment income	6	247,151	-	243,335	490,486
Total income		15,102,662	483,851	243,335	15,829,848
Expenditure on:					
Raising funds	7	(344,966)	-	(26,536)	(371,502)
Charitable activities	9	(13,247,344)	(483,851)	-	(13,731,195)
Other expenditure	8	(2,152,432)	-	-	(2,152,432)
Total expenditure		(15,744,742)	(483,851)	(26,536)	(16,255,129)
Gains/losses on investment assets		-	-	334,279	334,279
Net (expenditure)/income		(642,080)	-	551,078	(91,002)
Transfers between funds		265,262	(16,620)	(248,642)	-
Net movement in funds		(376,818)	(16,620)	302,436	(91,002)
Reconciliation of funds					
Total funds brought forward		6,591,425	594,162	7,245,084	14,430,671
Total funds carried forward	26	6,214,607	577,542	7,547,520	14,339,669

NORTH MUSIC TRUST

England & Wales - Charity number 1087445

Accounts

Company registration number: 04044936

Charity registration number: 1087445

NORTH MUSIC TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

North Music Trust

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North Music Trust

Reference and Administrative Details

Trustees	Sir Martin Narey, Chair Roy McEwan-Brown OBE, Vice-Chair Michael Barker Darren Collins Emily Cox MBE Emyr Dance Subashis Das Gabriel Day Hilary Florek Jacqueline Hodgson Caroline Jackson (resigned 8 December 2023) Young Kim Joanna Lawson Ruth Lyon Jane Spiers Tony Wadsworth CBE Alfred Whillis
Secretary	Lindsay Tuck
Senior Management Team	Abigail Pogson, Managing Director Fraser Anderson, Executive Director Wendy Smith, Creative Director Lindsay Tuck, Chief Operating Officer James Thomas, Director of Royal Northern Sinfonia & Classical Programme Sara Venning, Director of Finance and People
Registered Office	St Mary's Square Gateshead Tyne & Wear NE8 2JR The company is incorporated in England & Wales.

North Music Trust

Reference and Administrative Details

Company Registration Number	04044936
Charity Registration Number	1087445
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF
Bankers	Barclays Bank plc Percy Street Percy Street Newcastle upon Tyne NE1 4QL
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

North Music Trust

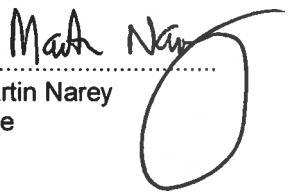
Chairman's Statement

This was a year of great highlights. In June we hosted the first-ever, weekend-long BBC Proms festival outside London in its 128-year history. More than 5,000 music lovers joined us at The Glasshouse - including 500 young audience members. Almost all of them were attending The Proms for the first time. There was also the small matter of starting the year as Sage Gateshead and finishing it as The Glasshouse International Centre for Music. Our new name was inspired by the idea that music lives and grows here. Because our communities told us that's why we matter.

As Chair of The Glasshouse I've attended many wonderful performances. But none bettered our In Harmony Celebration Day at the end of March when 300 children supported by The Glasshouse, but who attend schools in deeply challenged areas on Tyneside, came together with the Royal Northern Sinfonia to play on our main stage. It's moments like this, witnessing first-hand the difference music can make in young people's lives, that bring home just how special this organisation is.

We continue our recovery. Generous support from Arts Council England and donors, particularly from those in the North East, has meant that although we again ended the year in deficit, returning to a break-even position is moving closer. But as we move to balance the books, we are painfully aware that many who come to The Glasshouse are having to manage in a world of increasing costs. We are determined to do our part and we shall continue to prioritise making it affordable to take part in making music and to experience world class music. We're doing this not just on Tyneside but in the wider North East, particularly in Middlesbrough, Carlisle and Kendal where we are delivering classical programmes led by Royal Northern Sinfonia.

Chairing the charity running The Glasshouse (The Sage as was) has been one of the most satisfying roles in my working life. But my term is up in a few months so this is my final Chair's Statement. I have seen the organisation face great challenges and achieve great things, and I am confident that The Glasshouse, under the remarkable leadership of Managing Director Abigail Pogson, will continue to thrive, providing great entertainment, running the North East's only professional orchestra and making music accessible to all irrespective of financial circumstances. And I will be a very regular visitor!



Sir Martin Narey
Trustee

Trustees' Report

The trustees of The Glasshouse are delighted to present our annual report together with the audited financial statements of the North Music Trust for the year 1 April 2023 to 31 March 2024. This report not only serves the purposes of both a trustees' report and a strategic and directors' report under company law. But also highlights our achievements and progress over the year. We confirm that our annual report and financial statements meet all current legal requirements, align with our governing documents, and adhere to the relevant standards for charity accounts in the UK and Ireland (FRS102).

Objectives and activities

What is The Glasshouse?

We're a home for live music lovers – a place where absolutely anyone can enjoy and create outstanding music.

Our Charitable objectives are:

To promote and develop the enjoyment, practice and understanding of music, and the education of the public in the understanding and appreciation of the arts;

The provision and maintenance of The Glasshouse International Centre for Music as a base for production, presentation, participation, enjoyment and understanding of music, and as a fully accessible centre in which the public may explore, understand and enjoy them;

To foster awareness, knowledge, understanding, appreciation and participation in folk and traditional arts;

To bring together, maintain and promote musical ensembles including professional orchestras, paying particular regard to the repertoire for the chamber orchestra, and the traditional music of the North of England, the UK and beyond;

To provide and promote educational courses, programmes and activities in a broad range of music for the benefit of the people of, but not exclusively, the Northern region;

To achieve excellence in its work locally, regionally, nationally and internationally with all forms of music.

This means that

We bring some of the world's best music to people in the North East – hosting top-notch gigs and concerts in our own venue, in communities across the region, and online. And we support people in the North East to create some of the world's best music – running classes for all ages and stages, nurturing new artists, and sharing our orchestra with audiences across the globe.

Why does our work matter?

Because music is mighty – but not everyone gets the same chances to benefit from it. From boosting confidence and concentration to banishing loneliness and stress, music makes a practical difference in people's lives every day. So we're making sure that anyone can grab hold of the power of music – no matter where you're from, how old you are, how much money you have, or what challenges you face.

Trustees' Report

Achievements and performance

Headlines

Music lives and grows here. The Glasshouse is a home for live music lovers – from diehard fans, aspiring artists, and tambourine-shaking toddlers to rock legends, pop icons, and our own acclaimed orchestra, Royal Northern Sinfonia. With top-notch gigs, concerts, and classes every week – in our home at Gateshead Quays, out in communities across the North East, and online – anyone can join us in creating and celebrating outstanding music. And as a charity we're focused on making sure all of that is available to anyone – no matter where you're from, how old you are, how much money you have, or what challenges you face.

And while we started 2023 as Sage Gateshead, in September we became The Glasshouse International Centre for Music. Our search for a new name started when it was announced that the arena and conference centre built next door would be called The Sage. Our new name was inspired by the idea that music lives and grows here. Because our communities told us that's why we matter. You talked, we listened, and here we are, The Glasshouse International Centre for Music. New name, same great home for live music lovers

Audiences and programme

Numbers don't quite capture the magic of live music, but they do capture just how busy we've been.

We put on 452 individual performance events and reached over 2.5 million people in person, via radio, and online. And to make sure the doors are open to everyone, we gave out more than 25,000 free or heavily discounted tickets for locals who've never been before, young people, those out of work, and people facing hardship at Christmas, and we were part of Gateshead Council's Warm Spaces network.

Environmental responsibility

The climate crisis is a critical threat to our audiences, artists, region, and planet. That's why we've made a pledge to be net-zero by 2030. We're steadily reducing our carbon emissions to a minimum by 2030. After that, we'll contribute to local rewilding projects that suck in carbon to offset whatever is left. So, when people come to us, they'll know we're not just looking after them, but the Earth too.

Our journey to net-zero involves working with artists and audiences, as well as making changes to our building. It won't come as a surprise – the building takes a lot to keep going, and at 20 years old, there's lots to upgrade. Plus, we're out on tour, and all that fuel adds up.

- Measuring and reporting on our carbon emissions since 2013 has helped us learn where to focus our efforts
- We encourage people attending concerts and events at our venue to use public transport - for example with free Metro tickets for concert goers
- Our energy is generated round the corner at Gateshead District Energy Centre - it's more efficient than energy from the National Grid
- Joining with Music Declares Emergency is one way we're working hard to make change in the music sector
- We're taking part in local environmental action as part of the North East England Climate Coalition
- We have an Environmental Action Plan which acts as our annual to do list

Trustees' Report

- By switching to electronic tickets, we'll save in the region of 20km of paper tickets every year
- We're working to reduce our orchestra's touring emissions by setting annual carbon budgets
- We're investing in the energy efficiency of our building and equipment so we're ready for the future.
- We've been replacing our lights with LED lighting which uses 80-90% less power than halogen bulbs. We replaced a grand total of 382 house lights, 70 downlights, and 78 emergency lights.

And because music can change hearts and minds, we put music about the climate crisis on our stages. Kerrin Tatman premiered his post-apocalyptic tale, *Requiem for a Fading World.* And *Fell Silent* was Anna Hughes' exploration of the links between human activity and the natural world.

Our greenhouse gas emissions and energy consumption for 2023/24 was:

- Greenhouse gas emissions for the year were 1,229 tonnes CO2e*
- Total energy use was 3,324,952kWh split between 1,783,515kWh electricity, 1,481,500kWh heat, and 59,937kWh gas (not weather normalised)

This has been calculated with help from our friends at Julie's Bicycle and their creative green toolkit. We can't measure everything, but we do track energy and water usage, waste in our bins, and travel from our staff and audiences.

Equality, Diversity and Inclusion

20 years ago, inclusion was one of our founding principles, and it's still at the heart of everything we do. We want lots of voices to shine bright. This goes for our team, the artists we support and put on our stages, and the music lovers who come to hear and make music with us. Knowing our communities, we focus on making sure people from different backgrounds and with different (dis)abilities can join in. Because for lots of people money's tight, or they need some extra help to get involved, and this should never stop us from enjoying music, or making a career out of it.

It matters who we see on our stages. Here are some of the things we have been doing this year.

- 12 up-and-coming female conductors participated in our WoCo sessions, grounded in quality rehearsal time with Royal Northern Sinfonia and mentoring for Alice Farnham.
- Recruiting Classical is growing in reach beyond string players, award winning and recognised as driving change in the UKs orchestral sector
- We kept up with our 2019 Keychange pledge, guaranteeing gender balance among headline artists.
- In our work supporting artists, we focussed on musicians whose tunes might otherwise get overlooked. Including CRYSTALQUEER, a collaborative audiovisual commission from Liza Bec and CHAINES.

And we made sure local people can live their best creative life.

- Young adults with additional needs and disabilities played, sang, and experimented with tech during their music weekly sessions.
- Over half of the young people on our Make Music programme received a bursary. And more than 25,000 tickets were free or heavily discounted.
- 30 Young Programmers got involved in shaping what happens on stage.

All this means that people from across the community can make The Glasshouse into their stage, have a say in what happens here, and live their version of creativity.

Trustees' Report

Review of activities

Music isn't just something that happens on our stages. It's in our audiences singing along, it's in babies coming to their first classes, it's in the 100-year-old practicing her guitar, it's in the schools and in the parks, it's beaming digitally across the world. We don't just host music, we're the place for living it.

This year we put on 260 gigs at The Glasshouse and 62 gigs out and about beyond The Glasshouse for a live audience of 250,000 and 2.5 million through broadcast and stream. We held 12,082 courses, classes and workshops for all ages with attendance of over 100,000. We also supported 258 up and coming artists and worked with 50,000 young people in schools projects.

Artistic Programme

In June, we hosted the first-ever, weekend-long BBC Proms festival outside of London in its history. More than 5,000 music lovers – including 500 young people – joined us. Almost all of them were attending the Proms for the first time. From a pop-classical mash-up with Self Esteem and Royal Northern Sinfonia, to an all-Northern jazz group, and from spirituals to CBeebies. The critics loved it, our audiences raved about it.

"The festival goes north for a euphoric weekend that moves from Brahms to barking like dogs... a triumphant communal experience." The Guardian

There were sold-out concerts across the board – Beverley Knight brought the house down, living legend Graham Nash had us hooked from start to finish, and Kelis brought us all to the yard. Teaming up with our neighbours at GemArts allowed us to spotlight the best classical Indian music through Riverside Ragas.

'It was an excellent gig, incredible band. You should check them out. The Glasshouse is really the best live music venue in the area and it's not even close.' Lanterns on The Lake audience member

It was another stellar year for Royal Northern Sinfonia, led with gusto by Principal Conductor Dinis Sousa. They played at home and away, in halls and in schools, from Kendal to South Korea, and beamed live into people's living rooms.

"Every orchestra wants to make its concerts stand out from the crowd, and on Friday night, the Royal Northern Sinfonia certainly succeeded." The Telegraph

We are very proud that more than 50% of Royal Northern Sinfonia gigs took place outside The Glasshouse. More than half of this touring was to venues in post codes within the lowest 30% of deprivation indices.

Among this year's original commissions were Wander by Heloise Werner for Royal Northern Sinfonia and RNS Moves and CRYSTALQUEER, a collaborative audiovisual commission from Liza Bec and CHAINES.

We know that it matters who folk see on our stages so this year we continued to champion those underrepresented in the music industry. We've backed aspiring woman conductors alongside our friends at the Royal Philharmonic Society. Our commitment to gender balance through our Keychange pledge remains a top priority. Our Recruiting Classical project working with BLiM and other UK orchestras has expanded to include wind players and won an award for its impact on the UKs orchestral sector. And 72% of those engaged with our artist development programme were from underrepresented groups.

Trustees' Report

Our concert series From The Glasshouse brought audiences a garden of musical delights including homegrown talent, wildflowers from further afield, and new music. Among them, Ruth Lyon and Eliza Hull brought us their Access All Areas tour, celebrating disabled creatives.

Through residencies, stage time, rehearsal space, financial support, expert advice and networking opportunities, musicians were able to try new things, get gig ready, write new music, and connect with fellow musicians and industry contacts.

Last year's Artists in Residence showcased the results of their hard work having created a living picture of life in the North through sound (Cetidh Mac) an incredible Requiem for a Fading World combining contemporary classical music and graphic art (Kerrin Tatman), an intimate soundworld inspired by experiences of loneliness (Late Girl) and a reconnection with the sound of nature itself (Anna Hughes). New Artists in residence Hayden Thorpe and Faye MacCalman embarked on ambitious new projects and we can't wait to see what they come up with.

Our programme felt a burst of fresh energy, thanks to Young Programmers making creative decisions behind the scenes. These 16- to 25-year-old local music lovers had a say in who's on our stages and how we do things at The Glasshouse, picking up new skills and new friends along the way.

Make Music

'It is the highlight of my week. The tutor is very patient with the class and the sessions are always fun. It is great to learn something new and get those braincells working!' Samabanistas Participant

'The Glasshouse is a wonderful, welcoming space that I enjoy spending time in. I like that participation in all types of music is encouraged, with free performances on the concourse, and free tickets for some concerts.' Parent/Guardian

Stars don't just grace our stages, they grace our Make Music Centre too. For example, Royal Northern Sinfonia teamed up with superstars Benjamin Grosvenor, Sheku Kanneh Mason and Hyeyoon Park. Over 3,000 people came to see them, and over 30 young people learned tricks of the trade in a workshop with the stars.

Young people took centre stage throughout the year. Young Sinfonia created new music with composer and former member Anna Appleby. Jazz band Jambone lit up our concourse stage during BBC Proms. Quay Voices joined Royal Northern Sinfonia on stage to perform Home Alone. And 2,300 children from 60 local schools sang their hearts out at our annual Big Sing.

Adults got their weekly dose of stress busting music from classes ranging from West African percussion to
Elizabethan Madrigals; a continued range of live streamed classes; and On Demand packages.

We delivered over 12,000 Make Music sessions across the whole programme with a whopping 104,000 attendances.

Digital

"Wonderful concert. Living some distance away so much appreciate being able keep up with Royal Northern Sinfonia concerts on livestream." - Audience member

Our The Glasshouse Player, is where we host livestreamed, hybrid and On Demand classes, from beginners' electric bass to an intro to music production. And for those who can't make it to our home, our livestreams are now free to watch on YouTube and reaching all corners of the world from Mexico to Taiwan; hola and li-hó.

We also teamed up with international media arts agency, Mediale. We co-produced work that explores how music, digital art and tech can present new ways of experiencing music. We commissioned visual artist Daisy Dickinson, who created three films set in and around the ancient sites and nature of the North East. And in the autumn, people could step inside Jazz Maze, the virtual reality world of composer, spoken word artist and jazz musician Marcus Joseph. His interactive, immersive comic book VR experience took audiences on an unforgettable journey.

Performance against Strategic Aims

1. Being creative

In the next five years...

With artists, musicians and other creative folk we'll share brilliant live music that stands out from the crowd. Audiences will be entertained, enthralled and come from all walks of life.

Pick up a gig guide or scroll the Royal Northern Sinfonia website and you'll see an international programme with a proud North East accent. This'll happen at home in The Glasshouse, across the North, further afield, and through a growing digital presence.

Our famous music centre, with its fantastic facilities, music lovers and learners, and awe-inspiring artists will create a home for live music where we all feel welcome. A place where music lives and grows.

For this year and next we are focused on ...

- Getting more people to see live music on our stages.
- Building local support for Royal Northern Sinfonia's concerts across the North - part of our promise to bring music direct to communities.
- Working with a small number of big-name artists to develop cracking new collaborations

2. Supporting breakthrough artists and all music makers

In the next five years...

Whatever you want to do in music The Glasshouse will help make it happen.

For this year and next we are focused on ...

- Making it easier for people to make music with the latest digital tech, with some cracking new partners like Mediale
- Offering friendship and support to artists who have extra challenges placed on their path, like women conductors (still an all-too-rare sight) and artists struggling to make ends meet.

3. The Glasshouse experience for music lovers

In the next five years...

We're savvy business folk with a keen eye for commercial opportunities. This in the service of bringing everyone - whatever their background or income - the joy and nourishment of live music.

Trustees' Report

For this year and next we are focused on ...

- Getting as many people coming to live music as we did before the pandemic
- Asking everyone to champion and support colleagues who are making the sale and tell our story - we're one voice
- Putting on more shows to appeal to people who are a bit younger

4. Working together

In the next five years...

We'll work together to live our values and care for our culture. This'll help us be brilliant at serving audiences. We'll also create new routes into careers in the cultural industries.

For this year and next we are focused on ...

- Starting a new project linking our values, behaviours, audience experience and organisation design - we're currently calling these things 'The Glasshouse World'
- Updating some of our HR systems

5. Building to support our mission

In the next five years...

We'll give our 20-year-old building and facilities some TLC, ensuring we can keep our doors open and stages humming with live music. We'll also get fully back on our feet after the pandemic, creating as much financial and human value from music as possible.

For this year and next we are focused on ...

- Working as one team to get as much value as possible from our event spaces
- Taking our joyful new brand and ensuring this is felt by audiences in all their interactions with us

6. Telling the world our story

In the next five years...

We'll use our new brand to shout about the difference music can make to people's lives and why this is important.

For this year and next we are focused on ...

- Making the case for culture to people who decide or influence our country's and community's priorities - all of us can do something to help
- Ensuring as many as possible are aware of our new name, and building up the brand so people feel good about it

Trustees' Report

7. Having money to spend where it matters

In the next five years...

We'll be financially sustainable, maximising the money we get from our live events, while also unearthing new sources of bankable income.

For this year and next we are focused on ...

- Building the fundraising team.
- Planning an expansion of our commercial company's plans to generate income that supports our charity
- Hitting income targets for the year!

Duty to promote the success of the company to achieve its charitable purposes

The trustees believe, both individually and as a group, that they have acted in good faith and in a way that they believe will best promote the success of the charity for the benefit of all its members. They have considered several important factors, including:

- The long-term consequences of any decision, discussed in the Risk Management section on page 14.
- The interests of the charity's employees, detailed in the Equality, Diversity, and Inclusion section on page 7 and the Working Together section on page 9.
- The importance of fostering good relationships with third-party stakeholders such as funders, audiences, artists, partner organizations, statutory bodies, and the government, which is highlighted throughout the report.
- The impact of the charity's operations on the community and the environment, specifically covered in the Environmental Responsibility section on page 6 and the Public Benefit section on page 18.
- The importance of maintaining a reputation for high standards of business conduct, as discussed in the Financial Review.
- The need to act fairly among all members of the community, ensuring everyone is fully represented.

In considering these factors, the trustees aim to ensure the charity operates in a way that benefits everyone involved.

Trustees' Report

Financial review

Financial performance

We make a difference in our communities through music but we're also financially savvy. We don't rely on one income source to support our charitable work - instead we balance lots of different things. We make money from selling tickets, food and bevvies, and from hosting conferences and events. We get investment from government, and support from businesses, trusts and foundations and people all over the region - and beyond

In 2023/24 21.1% of our income is from grants, philanthropy and endowments, 23.8% from public sources, 37.9% from earned income and 17.2% from trading.

Fundraising

Fundraising is a vital part of our financial mix. As we navigate rising costs our communities and audiences are also facing tough challenges. This means that our income from tickets, and our food and drinks
offer is considerably lower than it was. Philanthropic contributions mean we can continue our charitable work for children, young people, artists and local communities.

We are grateful that Arts Council England and Gateshead Council (our two statutory funders), have maintained their grants to us despite the strains on their own budgets.

We want to sincerely thank our Founding Patrons, Founding Endowment Donors, Friends and Champions of The Glasshouse, Friends, Champions and Principal Partners of Royal Northern Sinfonia, as well as everybody who donated online.

Every donation from individuals, institutions and companies helps us provide world-class music and life-changing music-making opportunities to people across the North East.

Trusts and Foundations
Esmée Fairbairn Foundation, Sir James Knott Trust, Netherton Park Trust, Andrew Lloyd Webber Foundation, Garfield Weston Foundation, Kavli Trust, PRS for Music Foundation, ABO Trust Sirens Fund, St Nicholas' Educational Trust, Swire Charitable Trust, Clore Duffield Foundation, Shears Foundation, D'Oyly Carte Charitable Trust, WA Handley Charity Trust, Hadrian Trust, Austin and Hope Pilkington Trust, Percy Hedley 1990 Charitable Foundation, Barbour Foundation, Community Foundation Tyne & Wear and Northumberland, The John Horseman Trust, The Vardy Foundation, Youth Music, Marchus Trust, Anonymous

Corporates:

Adkins & Cheurfi, Aspire Technology Solutions, Greggs Plc, Henry Colbeck, Isis Property Services, Kilfrost Ltd, LWC Drinks, Molson Coors, Nexus, Northern Elevator, Pioneer Foodservice, Sage Plc, Solution Group, Zerolight, Power Wholesale, Unilink, Northumbrian Water, Fenwick

Trustees' Report

Commercial Events and Hires

As the region's prime conference spot, we greeted over 22,000 delegates, often introducing them to the North East. Profit from this area of our work is gifted across to the charity and conference organisers know that holding their event at The Glasshouse supports our work in the region and beyond.

59 events took place in 2022/23 (2022/23: 41) with a contracted value of £741,573 (2022/23: £497,555).

Royal Northern Sinfonia Limited

During the financial year to 31 March 2024 the trading subsidiary earned income of £5.1m (2022/23: £4.2m) which comes from both Classical Box Office sales and Grant Income. Profit of £0.8m (2022/23: £0.6m) was recorded for the year after the application of Orchestra Tax relief.

Consolidated balance sheet

Fixed assets

The Trust invested £0.7m (2022/23: £0.9m) in fixed assets and improvements to the building during the year.

Unrestricted general and designated funds

Consolidated unrestricted reserves decreased during the year down to a surplus of £6.2m (2022/23: surplus of £6.6m).

Restricted funds

Consolidated restricted reserves decreased during the year to £0.58m (2022/23: £0.59m).

Endowment funds

The charity has two sources of endowment income:

A fund of £11.7m (2022/23: £11.3m) which is held off balance sheet on behalf of North Music Trust by the Community Foundation. An annual grant is drawn down from the Community Foundation proportional to the Trust's interest in the fund and this income is included within the Trust's voluntary income for the year.

North Music Trust also has its own endowment fund held on its balance sheet at a value of £7.5m (2022/23: £7.2m). £5.5m of this fund is invested and managed by Rathbones, while the remaining £2m is held in a high interest Notice Account at Barclays. The fund was created from £4m in donations to The Glasshouse and £2m in matched funding from Arts Council England via its Catalyst fund. An annual contribution from the investment income will be applied to each year's results in perpetuity.

Trustees' Report

Investment management

Our endowment fund at North Music Trust is managed by Rathbone Investment Management Limited. We're aiming for a balanced approach, seeking both income and capital growth, with a medium risk profile to achieve returns above inflation over time.

We also have some important ethical investment rules:

> No direct investments in tobacco, pornography, gambling, environmental damage, high-interest unsecured loans, or any companies supporting oppressive regimes.

Going concern

We understand that times are tough, and things change quickly. That's why we regularly review our risks with a strategic risk register to stay on top of everything. We're happy to report that all our current risks are well within manageable limits.

Our trustees have thoroughly checked, and they're confident that we have the resources to keep going strong for the foreseeable future. So, we're continuing with our current plans and preparing our financial statements accordingly. You can find more details about this in our accounting policies.

Risk management

Our trustees keep a close eye on our progress by reviewing our business plan every year. To keep things running smoothly, our directors have created a risk management strategy that includes:

- An annual review of potential risks to the charity
- Setting up systems and procedures to reduce those risks
- Implementing procedures to minimize the impact if any risks do occur

The main challenges we face at The Glasshouse are the speed of audience recovery, the broader economic climate, and the development happening next door.

Reserves policy

The trustees have agreed that the level of free reserves (that is funds not tied up in fixed assets or designated and restricted funds) required to sustain the Trust's operations will be in the region of £1,000,000. After taking into account the group's unrestricted funds not tied up in fixed assets, free reserves as at 31 March 2024 are £1.6m (2022/23: £2.1m). Therefore, free reserves remain above the level agreed by trustees but consolidated unrestricted reserves decreased by £0.5m during the year to £1.6m.

Structure, governance and management

Governance

North Music Trust is a charitable company limited by guarantee and does not have share capital. The charity is governed by its memorandum and articles of association last amended on 21/01/2009.

The trustees agree to contribute £1 in the event of the charity winding up.

Trustees' Report

Organisational structure and decision making policies

To help us run smoothly, our Board has set up four subcommittees: Finance & Audit, Investment, People, and Programme & Development. These subcommittees, made up of Board members, allow for more regular and detailed involvement from nonexecutives and independent representatives than would be possible in full Board meetings.

Since North Music Trust was established in 2000, the Board and its subcommittees have played an active role in shaping our goals, policies, strategies, and procedures. They're involved in any major decisions that fall outside our approved framework. Board recruitment is open, with opportunities advertised, and candidates go through a formal interview process. New trustees get an induction, meet key staff, explore all our activities, and learn about our policies and responsibilities.

The Board appoints the Managing Director, who serves as our Chief Executive, and other key members of the Senior Management Team to carry out our work within aims policies and procedures approved by the board. The Chair reviews the Managing Director's performance against set targets annually, following our organisation-wide performance review process.

Our Chair, committee chairs, and Board members often consult with the Senior Management Team on policy development and specific issues or opportunities. They also meet with SMT periodically to discuss progress, plans, and any significant current concerns.

Our trustees are confident that our governance and management structures are well-suited to the needs of our diverse, large, and growing organisation.

Pay policy for key management personnel

Pay levels for all staff including senior staff are set in a banding system and are benchmarked against peer organisations as part of the Newcastle Gateshead Cultural Venues group.

Related party relationships

The trust has a close relationship with Arts Council England, North East and Gateshead Council, both of which provide funding to enable the charity to carry out its charitable objectives.

Disabled persons

We welcome job applications from people who identify as D/deaf or disabled, focusing on their abilities. If any staff member becomes disabled, we make every effort to continue their employment and provide the necessary training. Our policy ensures that training, career development, and promotion opportunities for disabled employees are as similar as possible to those for other employees.

Trustees' Report

Public benefit

North Music Trust is a company limited by guarantee and a registered charity which operates under the name North Music Trust trading as The Glasshouse International Centre for Music. It was founded in 2000 to expand musical horizons of audience, artists, students and staff through musical discovery; seeking to make connections between performance, education and participation. It has a particular objective of serving the North East in which it is based. This objective is set out in its memorandum and articles of association and forms the basis upon which the charity's vision, mission and aims are formulated.

The directors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission and are satisfied that the charity's activities are faithful to the charity's objectives and are for public benefit.

We bring some of the world's best music to people in the North East - hosting top-notch gigs and concerts in our own venue, in communities across the region, and online. And we support people in the North East to create some of the world's best music - running classes for all ages and stages, nurturing new artists, and sharing our orchestra with audiences across the globe.

We're also focusing on making events accessible to everyone. We're carefully planning ticket prices and offering schemes to allow first-time attendees to join events or projects for free. We aim to offer a range of ticket prices to ensure affordability for all, and bursaries are available for some Make Music projects. Participants in Make Music can also enjoy special ticket offers for performances.

Accessibility has always been important to us. The pandemic highlighted the need for streamed live performances and online lessons, which have been a hit with our audiences. We're continuing to offer hybrid models to ensure everyone can participate, whether in person or online

Plans for future periods - Onto our next two decades

The North East has a lot going for it – a booming Premier League club, too many epic bridges to count, and hard-working, dead canny folk. But money's tight and lots of people are struggling with their health. Too many children are having a tough time in school, while funding is dwindling. And young people feel they need to move away to get ahead in life.

There's no quick fix. There's no simple answer. But a thriving music centre is a vital part of the jigsaw. Because we give children's education a much-needed boost. Because we help locals live happier and healthier lives. Because we encourage people to dream big. And because as an international centre for music, we get people raving about the region and attract investment.

A laser-sharp focus

We know what we need to do. Our next era will put music at the heart of our region and its culture. It will involve:

– Royal Northern Sinfonia starting its most artistically ambitious chapter yet. We're talking vibrant community projects, searingly good performances, strong connections with people and places across the region, international touring, and brave leadership.

– New support for young artists, enabling the next generation of musicians from our region to thrive.

– Being a place where everyone can experience brilliant music, whatever their financial means.

Trustees' Report

– Achieving net zero by 2030.

– Our region blossoming as a music hot spot, drawing in visitors, audiences, and artists

Auditor

The auditor, Azets, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Statement of trustees' responsibilities

The trustees (who are also the directors of North Music Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

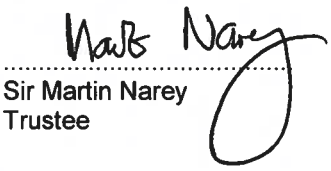
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Trustees' Report

The annual report was approved by the trustees of the company on 13-12-24 and signed on its behalf by:



Sir Martin Narey
Trustee

Independent Auditor's Report to the Members of North Music Trust

Opinion

We have audited the financial statements of North Music Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent Auditor's Report to the Members of North Music Trust

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report as been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 17), 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;

Independent Auditor's Report to the Members of North Music Trust

- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Reviewing financial statement disclosures and testing to support documentation.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment laws; and compliance with the UK Companies Act and Charities Act.

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

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

Independent Auditor's Report to the Members of North Music Trust

Use of our report

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

Simon Brown BA Hons ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 18-12-24

Consolidated Statement of Financial Activities for the Year Ended 31 March 2024
(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Endowment £	Total 2024 £	Total 2023 £
Income and Endowments from:						
Donations and legacies	3	6,128,598	483,851	-	6,612,449	5,908,518
Charitable activities	4	6,000,972	-	-	6,000,972	4,855,674
Other trading activities	5	2,725,941	-	-	2,725,941	1,893,843
Investment income	6	247,151	-	243,335	490,486	207,022
Total Income		15,102,662	483,851	243,335	15,829,848	12,865,057
Expenditure on:						
Raising funds - fundraising	7	(344,966)	-	(26,536)	(371,502)	(286,499)
Raising funds - Trading activities	8	(2,152,432)	-	-	(2,152,432)	(1,360,225)
Charitable activities	9	(13,247,344)	(483,851)	-	(13,731,195)	(12,417,878)
Total Expenditure		(15,744,742)	(483,851)	(26,536)	(16,255,129)	(14,064,602)
Gains/losses on investment assets		-	-	334,279	334,279	(280,316)
Net (expenditure)/income		(642,080)	-	551,078	(91,002)	(1,479,861)
Transfers between funds		265,262	(16,620)	(248,642)	-	-
Net movement in funds		(376,818)	(16,620)	302,436	(91,002)	(1,479,861)
Reconciliation of funds						
Total funds brought forward		6,591,425	594,162	7,245,084	14,430,671	15,910,532
Total funds carried forward	26	6,214,607	577,542	7,547,520	14,339,669	14,430,671

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

The funds breakdown for 2023 is shown in note 26.

(Registration number: 04044936)
Consolidated Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	16	4,710,309	4,556,786
Investments	17	5,547,520	5,245,084
		10,257,829	9,801,870
Current assets			
Stocks	18	43,910	55,419
Debtors	19	3,177,266	2,273,259
Cash at bank and in hand	20	7,967,612	9,172,144
		11,188,788	11,500,822
Creditors: Amounts falling due within one year	21	(3,926,471)	(3,674,636)
Net current assets		7,262,317	7,826,186
Total assets less current liabilities		17,520,146	17,628,056
Creditors: Amounts falling due after more than one year	22	(3,180,477)	(3,197,385)
Net assets		14,339,669	14,430,671
Funds of the group:			
Endowment		7,547,520	7,245,084
Restricted		577,542	594,162
Unrestricted income funds			
General funds		6,214,607	6,591,425
Total funds	26	14,339,669	14,430,671

The financial statements on pages 23 to 52 were approved by the trustees, and authorised for issue on 13.12.24 and signed on their behalf by:

Sir Martin Narey
Trustee

North Music Trust

(Registration number: 04044936)
Company Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	16	4,648,210	4,549,947
Investments	17	5,547,522	5,245,086
		10,195,732	9,795,033
Current assets			
Debtors	19	692,858	856,059
Cash at bank and in hand	20	6,796,963	7,929,568
		7,489,821	8,785,627
Creditors: Amounts falling due within one year	21	(3,447,129)	(3,308,173)
Net current assets		4,042,692	5,477,454
Total assets less current liabilities		14,238,424	15,272,487
Creditors: Amounts falling due after more than one year	22	(3,180,477)	(3,197,385)
Net assets		11,057,947	12,075,102
Funds of the company:			
Endowment		7,547,520	7,245,084
Restricted		577,542	594,162
Unrestricted income funds			
Unrestricted funds		2,932,885	4,235,856
Total funds	26	11,057,947	12,075,102

The financial statements on pages 23 to 52 were approved by the trustees, and authorised for issue on ...13.12.24.. and signed on their behalf by:

Mark Narey

.....

Sir Martin Narey
Trustee

Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash expenditure		(91,002)	(1,479,861)
Adjustments to cash flows from non-cash items			
Depreciation		546,949	611,485
Investment income		(490,486)	(207,022)
Interest payable		64,777	63,438
Revaluation of investments		(333,906)	280,316
		(303,668)	(731,644)
Working capital adjustments			
Decrease/(increase) in stocks	18	11,509	(4,530)
Increase in debtors	19	(904,007)	(829,196)
Increase/(decrease) in creditors	21	249,329	(106,800)
Net cash flows from operating activities		(946,837)	(1,672,170)
Cash flows from investing activities			
Acquisitions of tangible assets		(700,472)	(822,631)
Proceeds from sale of investments		1,184,608	872,088
Transfer from Investments		-	2,000,000
Dividend income		490,486	207,022
Purchase of investments		(1,153,138)	(841,169)
Net cash flows from investing activities		(178,516)	1,415,310
Cash flows from financing activities			
Interest payable		(64,777)	(63,438)
Movement on other loans		(14,402)	(15,782)
Net cash flows from financing activities		(79,179)	(79,220)
Net decrease in cash and cash equivalents		(1,204,532)	(336,080)
Cash and cash equivalents at 1 April		9,172,144	9,508,224
Cash and cash equivalents at 31 March		7,967,612	9,172,144

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

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Company status

The company is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is: St Mary's Square, Gateshead, Tyne & Wear, NE8 2JR

The charity meets the definition of a public benefit entity under FRS102.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2024.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The company made a deficit after tax for the financial year of £1,017,086 (2023 - deficit of £2,796,207).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements for the Year Ended 31 March 2024

Going concern
The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The Charitable company's forecasts and projections for the next 12 months show that the charity will be able to continue in operational existence for that period. The charity has strong positive cash and investment balances alongside a programme of activity for the year that reflects our commitments to our core funder, our strategic direction, and a realistic view on audience numbers.

Based on these factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

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

A group subsidiary claims Orchestra Tax Relief. At the year end included within accrued income are amounts claimed from HMRC for prior years and current years which we are awaiting payment. Until the claim is processed, the debtor reflects the best estimate of the value of the claim.

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

Donations and legacies

Income from donations and legacies includes sponsorships and donations and grants that provide core funding or are of a general nature. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation relates to future accounting periods.

Grants receivable

Orchestra tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation. Other grants are recognised at the earliest opportunity, unless there are any performance conditions preventing recognition.

Gifts in kind

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, or capitalised as a fixed asset if the goods are to be retained for future benefits.

North Music Trust leases the premises from which it operates from Gateshead Metropolitan Borough Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income nor the corresponding rental charge have been recognised in the statement of financial activities.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Other trading activities

Income generated from commercial trading is recognised as earned as the related goods and services are provided.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Charitable activities

Performance income includes box office sales, engagement income, hall hire and other performance related income.

It is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Tickets are sold through the box office for three different event categories in terms of income recognition; Self-Promotions, Co-Promotions and Hall Hires. Where the event is a Self-Promotion, ticket sales are recognised gross in full within revenue. Where the event is a Co-Promotion, a portion of the ticket income is recognised within revenue; where the event is a Hall Hire, any income from ticket sales belongs to the promoter and thus does not form part of the revenue figure.

Education income includes education fees from music lessons and school visits and other education related income. It is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performances or event to which they relate or when the donor specifies that the grant or donation relates to future accounting periods.

Notes to the Financial Statements for the Year Ended 31 March 2024

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Expenditure on charitable activities includes costs associated with the staging of concerts, musical performances and educational programmes and includes both the direct costs and support costs relating to these activities.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs
These include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

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

Intangible assets
Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation.

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

Asset class	*Amortisation method and rate*
Software and website development	3 years straight line

Notes to the Financial Statements for the Year Ended 31 March 2024

Tangible fixed assets
Individual tangible fixed assets costing £5,000 or more are capitalised. Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds.

Depreciation and amortisation
Depreciation is not charged on stringed instruments as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of stringed instruments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the statement of financial activities.

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

Asset class	*Depreciation method and rate*
Furniture, fixtures and fittings	3-10 years straight line
Music & Instruments	10 years straight line
Computer Equipment	3 years straight line
Technical Equipment	5 years straight line
Leasehold property improvements	10 years straight line
Forestage lift	50 years straight line
Kitchen Equipment	3-5 years straight line
Car park equipment	5 years straight line

Fixed asset investments
The group's endowment fund investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through the statement of financial activities.

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Stock
Stocks are valued on a first in first out basis and stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Stock held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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

Notes to the Financial Statements for the Year Ended 31 March 2024

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange
Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All transaction differences are taken to the statement of financial activities, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Fund structure
Designated funds are unrestricted funds earmarked for specific purpose by the directors. They include amounts held as fixed assets purchased with specific capital funding secured.

The Trust has a number of restricted income and capital funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in the notes.

The permanent endowment fund is treated by the directors as a long term fund.

All other funds are unrestricted income funds, receivable or generated for the objects of the charity without further specified purpose.

Notes to the Financial Statements for the Year Ended 31 March 2024

Pensions and other post retirement obligations
The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Financial instruments

Classification

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans from related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

3 Income from donations and legacies

	Unrestricted			
	General £	Restricted £	Total 2024 £	Total 2023 £
Arts Council England - core grant	3,576,745	-	3,576,745	3,578,043
GMBC - core grant	187,534	-	187,534	187,534
Community Foundation - The Glasshouse Fund	646,424	-	646,424	662,961
Other income from donations and legacies	1,717,895	483,851	2,201,746	1,479,980
	6,128,598	483,851	6,612,449	5,908,518

Notes to the Financial Statements for the Year Ended 31 March 2024

North Music Trust is the sole beneficiary of The Glasshouse International Centre for Music Fund, which is a restricted fund at the Community Foundation serving Tyne & Wear and Northumberland (registered charity number 700510). This fund was created from donations and sponsorship monies given to support the work of The Glasshouse International Centre for Music, some of which resulted in naming privileges to parts of the The Glasshouse building and related facilities. From this fund, North Music Trust derived income totalling £646,424 (2023: £662,961) in the year.

4 Income from charitable activities

	Unrestricted funds General £	Total 2024 £
Income from performance programming and Make Music activities	6,000,972	6,000,972

	Unrestricted funds General £	Total 2023 £
Income from performance programming and Make Music activities	4,855,674	4,855,674

5 Income from other trading activities

	Unrestricted General £	Total 2024 £	Total 2023 £
Conferences and events	824,138	824,138	602,288
Catering income	1,715,668	1,715,668	1,126,875
Car park income	139,415	139,415	151,159
Retail sales	46,720	46,720	13,521
	2,725,941	2,725,941	1,893,843

6 Investment income

	Unrestricted funds General £	Endowment funds Permanent £	Total 2024 £	Total 2023 £
Income from dividends;				
Dividends receivable from other listed investments	-	243,335	243,335	161,994
Interest receivable and similar income;				
Interest receivable on bank deposits	247,151	-	247,151	45,028
	247,151	243,335	490,486	207,022

7 Expenditure on raising funds - fundraising

	Direct costs £	Allocated support costs £	Total 2024 £	Total 2023 £
Costs of generating donations and legacies	189,875	155,091	344,966	260,733
Investment management costs	26,536	-	26,536	25,766
	216,411	155,091	371,502	286,499

8 Expenditure on raising funds - trading activities

	Note	Unrestricted funds General £	Total 2024 £	Total 2023 £
Other resources expended		1,764,704	1,764,704	1,049,403
Allocated support costs	10	387,728	387,728	310,822
		2,152,432	2,152,432	1,360,225

9 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Provision of charitable activities	13,247,344	483,851	13,731,195

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Provision of charitable activities	11,785,153	632,725	12,417,878

Notes to the Financial Statements for the Year Ended 31 March 2024

	Activity undertaken directly £	Activity support costs £	2024 £	2023 £
Performance Programming - classical	3,918,153	2,820,284	6,738,437	5,878,784
Performance Programming - popular and contemporary	932,503	2,820,284	3,752,787	3,376,300
Make Music - Young People Programme	1,438,263	1,183,444	2,621,707	2,576,879
Make Music - Public Engagement Programme	167,758	387,728	555,486	557,415
Other costs	62,778	-	62,778	28,500
	6,519,455	7,211,740	13,731,195	12,417,878

10 Analysis of governance and support costs

	Cost of Raising funds £	Trading Activities £	Charitable Activities £	Total £	2023 £
Building services	40,784	101,960	1,896,452	2,039,196	1,969,459
Depreciation	10,686	26,714	496,879	534,279	674,202
Direction and policy	14,077	35,198	654,688	703,963	734,190
Finance and audit fee	10,120	25,300	470,574	505,994	485,951
People Team	5,237	13,091	243,498	261,826	322,881
Irrecoverable VAT	7,528	18,819	350,038	376,385	359,458
IT	11,538	28,844	536,501	576,883	502,823
Marketing and CE	28,352	70,879	1,318,351	1,417,582	1,153,137
Strategy & external relations	13,934	34,835	647,924	696,693	647,197
Technology	12,835	32,088	596,835	641,758	4,630
	155,091	387,728	7,211,740	7,754,559	6,853,928

Notes to the Financial Statements for the Year Ended 31 March 2024

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Operating leases - other assets	13,733	13,297
Audit fees	34,000	21,570
Other non-audit services	1,600	1,250
Depreciation of fixed assets	534,503	611,326
Amortisation	-	159

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year (2023: £Nil).

The amount expenses waived by the trustees during the year totalled £5,526 (2023 - £2,021).

Notes to the Financial Statements for the Year Ended 31 March 2024

13 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	6,893,829	5,837,195
Social security costs	551,973	491,689
Pension costs	291,405	256,185
	7,737,207	6,585,069

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

	2024 No	2023 No
Performance and programme	57	56
Make Music	79	72
Management and Admin	86	74
Customer Services	183	143
	405	345

The number of employees whose emoluments fell within the following bands was:

	2024 No	2023 No
£60,001 - £70,000	-	2
£70,001 - £80,000	2	-
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1

The total employee benefits of the key management personnel of the group were £535,832 (2023 - £470,515).

14 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15 Intangible fixed assets

Group

Software & Website Development costs of £60,163 which were previously capitalised have been fully amortisted.

16 Tangible fixed assets

Group

	Leasehold property improvements £	Furniture and equipment £	Assets under construction £	Instruments £	Total £
Cost					
At 1 April 2023	3,771,214	4,534,274	592,346	617,624	9,515,458
Additions	223,591	413,424	63,457	-	700,472
Transfers	498,321	100,000	(598,321)	-	-
At 31 March 2024	4,493,126	5,047,698	57,482	617,624	10,215,930
Depreciation					
At 1 April 2023	1,207,437	3,336,975	-	414,260	4,958,672
Charge for the year	233,866	300,413	-	12,670	546,949
At 31 March 2024	1,441,303	3,637,388	-	426,930	5,505,621
Net book value					
At 31 March 2024	3,051,823	1,410,310	57,482	190,694	4,710,309
At 31 March 2023	2,563,777	1,197,299	592,346	203,364	4,556,786

Notes to the Financial Statements for the Year Ended 31 March 2024

Company

	Leasehold property improvements £	Furniture and equipment £	Assets under construction £	Instruments £	Total £
Cost					
At 1 April 2023	3,771,214	3,771,007	592,346	617,624	8,752,191
Additions	223,591	373,753	35,423	-	632,767
Transfers	498,321	100,000	(598,321)	-	-
At 31 March 2024	4,493,126	4,244,760	29,448	617,624	9,384,958
Depreciation					
At 1 April 2023	1,207,437	2,580,547	-	414,260	4,202,244
Charge for the year	233,866	287,968	-	12,670	534,504
At 31 March 2024	1,441,303	2,868,515	-	426,930	4,736,748
Net book value					
At 31 March 2024	3,051,823	1,376,245	29,448	190,694	4,648,210
At 31 March 2023	2,563,777	1,190,460	592,346	203,364	4,549,947

17 Fixed asset investments

Group

	2024 £	2023 £
Other investments	5,547,520	5,245,084

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2023	5,245,084	5,245,084
Revaluation	333,906	333,906
Additions	1,153,138	1,153,138
Disposals	(1,184,608)	(1,184,608)
At 31 March 2024	5,547,520	5,547,520
Net book value		
At 31 March 2024	5,547,520	5,547,520
At 31 March 2023	5,245,084	5,245,084

Notes to the Financial Statements for the Year Ended 31 March 2024

Company

	2024 £	2023 £
Shares in group undertakings and participating interests	2	2
Other investments	5,547,520	5,245,084
	5,547,522	5,245,086

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2023	2	2
At 31 March 2024	2	2
Net book value		
At 31 March 2024	2	2
At 31 March 2023	2	2

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2023	5,245,084	5,245,084
Revaluation	333,906	333,906
Additions	1,153,138	1,153,138
Disposals	(1,184,608)	(1,184,608)
At 31 March 2024	5,547,520	5,547,520
Net book value		
At 31 March 2024	5,547,520	5,547,520
At 31 March 2023	5,245,084	5,245,084

Notes to the Financial Statements for the Year Ended 31 March 2024

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
Music North Limited	United Kingdom	Ordinary	100%	100%	Supporting activities to the performing arts
Royal Northern Sinfonia	United Kingdom	Ordinary	100%	100%	Performances for the Royal Northern Sinfonia

Notes to the Financial Statements for the Year Ended 31 March 2024

Subsidiaries

The profit for the financial period of Music North Limited was £921,512 (2023 - £817,069) and the aggregate amount of capital and reserves at the end of the period was £994,537 (2023 - £897,950).

The profit for the financial period of Royal Northern Sinfonia was £829,497 (2023 - £582,839) and the aggregate amount of capital and reserves at the end of the period was £2,287,187 (2023 - £1,457,690).

Reserves within Royal Northern Sinfonia are signfiicant due to the timing of the receipt of the orchestrial Tax Relief. The 2024 year end reserves includes two years worth of claims that were not yet received.

18 Stock

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Finished goods	43,910	55,419	-	-

19 Debtors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	469,723	161,941	251,754	123,944
Due from group undertakings	-	-	245,868	501,157
Prepayments	2,629,156	2,083,054	116,849	202,697
Other debtors	78,387	28,264	78,387	28,261
	3,177,266	2,273,259	692,858	856,059

20 Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Cash on hand	27,265	55,460	8,212	21,131
Cash at bank	7,940,347	9,116,684	6,788,751	7,908,437
	7,967,612	9,172,144	6,796,963	7,929,568

Notes to the Financial Statements for the Year Ended 31 March 2024

21 Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	268,968	442,548	261,639	431,962
Other loans	79,220	76,714	79,220	76,714
Other taxation and social security	302,969	171,975	183,143	172,266
Other creditors	39,133	41,109	39,133	41,109
Accruals and deferred income	3,236,181	2,942,290	2,883,994	2,586,122
	3,926,471	3,674,636	3,447,129	3,308,173

Deferred income

Group

	2024	2023
	£	£
Deferred income at 1 April 2023	2,513,110	1,966,577
Resources deferred in the period	2,564,368	2,015,528
Amounts released from previous periods	(2,478,929)	(1,468,995)
Deferred income at year end	2,598,549	2,513,110

Company

	2024	2023
	£	£
Deferred income at 1 April 2023	2,215,046	1,843,220
Resources deferred in the period	2,280,764	7,841,285
Amounts released from previous periods	(2,194,396)	(7,469,459)
Deferred income at year end	2,301,414	2,215,046

Deferred Income Comprises:

Advance Box Office Sales
Education fee income and hall and conference bookings invoiced in advance; and
Grant income and core funding relating to future accounting periods.

22 Creditors: amounts falling due after one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Other loans	3,180,477	3,197,385	3,180,477	3,197,385

Other loans comprise £79,220 (2023: £154,671) which are repayable in annual instalments until 1 April 2024 and bear interest annually at a rate of 1.62%. A further loan of £3,000,000 was taken out on 10 March 2021 to support and maintain the cultural ecology of the charity. The loan is repayable in bi-annual instalments until 10 March 2041, commencing from 1 February 2025. The loan bears interest annually at a rate of 2%. The loan balance above includes accumulated interest of £180,477 (2023: £119,428).

23 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Other				
Within one year	14,668	10,728	14,668	10,728
Between one and five years	26,748	2,569	26,748	2,569
	41,416	13,297	41,416	13,297

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £291,405 (2023 - £256,185).

Contributions totalling £37,174 (2023 - £33,736) were payable to the scheme at the end of the year and are included in creditors.

25 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £28,000 (2023 - £127,819).

Company

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2023 - £127,819).

Notes to the Financial Statements for the Year Ended 31 March 2024

26 Funds

Group

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds						
General						
Unrestricted Funds	2,128,801	15,102,662	(15,744,742)	123,153	-	1,609,874
Designated						
Fixed Asset Fund	3,962,624	-	-	142,109	-	4,104,733
Designated Financial Security Fund	500,000	-	-	-	-	500,000
	4,462,624	-	-	142,109	-	4,604,733
Total unrestricted funds	6,591,425	15,102,662	(15,744,742)	265,262	-	6,214,607
Restricted funds						
Forestage Lift	594,162	-	-	(16,620)	-	577,542
In Harmony	-	250,324	(250,324)	-	-	-
Centre for Advanced Training	-	172,050	(172,050)	-	-	-
David Goldman Awards	-	26,912	(26,912)	-	-	-
Community Music Sparks	-	11,120	(11,120)	-	-	-
CoMusica - National Foundation for Youth Music	-	23,445	(23,445)	-	-	-
Total restricted funds	594,162	483,851	(483,851)	(16,620)	-	577,542
Endowment funds						

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Permanent						
Endowment Funds	7,245,084	243,335	(26,536)	(248,642)	334,279	7,547,520
Total funds	14,430,671	15,829,848	(16,255,129)	-	334,279	14,339,669

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General						
Unrestricted Funds	3,373,173	12,070,338	(13,406,111)	91,401	-	2,128,801
Designated						
Fixed Asset Fund	3,847,702	-	-	114,922	-	3,962,624
Designated Financial Security Fund	500,000	-	-	-	-	500,000
	4,347,702	-	-	114,922	-	4,462,624
Total unrestricted funds	7,720,875	12,070,338	(13,406,111)	206,323	-	6,591,425
Restricted funds						
Forestage Lift	588,890	-	-	5,272	-	594,162
In Harmony	-	199,972	(199,972)	-	-	-
Centre for Advanced Training	-	201,005	(201,005)	-	-	-
David Goldman Awards	-	27,601	(27,601)	-	-	-
Community Music Sparks	-	32,383	(32,383)	-	-	-
CoMusica - National Foundation for Youth Music	-	171,764	(171,764)	-	-	-
Capital Project	44,448	-	-	(44,448)	-	-
Total restricted funds	633,338	632,725	(632,725)	(39,176)	-	594,162
Endowment funds						
Permanent						
Endowment Funds	7,556,319	161,994	(25,766)	(167,147)	(280,316)	7,245,084
Total funds	15,910,532	12,865,057	(14,064,602)	-	(280,316)	14,430,671

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

Designated funds
The fixed asset fund represents the value of fixed assets held on the balance sheet, and the financial security fund is a fund designated by trustees to be used in the event of any financial difficulties which may arise in the future.

Restricted funds
Forestage lift is funding used to purchase the lift, with depreciation charged against the fund each year. The two grants used to purchase the asset have been combined into one fund to represent the underlying asset. All other restricted funds related to revenue projects for a variety of programmes, the activities of which are described in the trustees report.

Transfers related to the completion of the Capital Project.

27 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Endowment funds £	Total funds at 31 March 2024 £
Tangible fixed assets	4,132,767	577,542	-	4,710,309
Fixed asset investments	-	-	5,547,520	5,547,520
Current assets	9,188,788	-	2,000,000	11,188,788
Current liabilities	(3,926,471)	-	-	(3,926,471)
Creditors over 1 year	(3,180,477)	-	-	(3,180,477)
Total net assets	6,214,607	577,542	7,547,520	14,339,669

	Unrestricted funds General £	Restricted funds £	Endowment funds £	Total funds at 31 March 2023 £
Tangible fixed assets	3,962,624	594,162	-	4,556,786
Fixed asset investments	-	-	5,245,084	5,245,084
Current assets	9,500,822	-	2,000,000	11,500,822
Current liabilities	(3,674,636)	-	-	(3,674,636)
Creditors over 1 year	(3,197,385)	-	-	(3,197,385)
Total net assets	6,591,425	594,162	7,245,084	14,430,671

28 Analysis of net funds

Group

	At 1 April 2023 £	Financing cash flows £	Other non cash changes £	At 31 March 2024 £
Cash at bank and in hand	9,172,144	(1,204,532)	-	7,967,612
Debt due within one year	(76,714)	76,704	(79,210)	(79,220)
Debt due after more than one year	(3,197,385)	-	16,908	(3,180,477)
Net funds	5,898,045	(1,127,828)	(62,302)	4,707,915

	At 1 April 2022 £	Financing cash flows £	Other non cash changes £	At 31 March 2023 £
Cash at bank and in hand	9,508,224	(336,080)	-	9,172,144
Debt due within one year	(190,043)	75,491	37,838	(76,714)
Debt due after more than one year	(3,099,838)	-	(97,547)	(3,197,385)
Net funds	6,218,343	(260,589)	(59,709)	5,898,045

29 Related party transactions

Group

Company

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

During the year, the company made purchases of £739,556 (2023: £746,922) from Gateshead Energy Company Limited, a company under common directorship. Payments made in the year totalled £782,938 (2023: £717,415) and the amount owed at the year end, included within the company's creditors, totalled £65,870 (2023: £57,913).

During the course of the year, the company made payments on behalf of the subsidiary, Music North Limited, totalling £610,232 (2023: £638,356). Receipts from the subsidiary against these payments totalled £946,512 (2023: £2,529,181) and the amount owed at the year end, included within the company's creditors, totalled £28,395 (2023: £126). The company also recieved donations of £824,925 (2023: £83,564) from the subsidiary in the year, no amounts remain outstanding in respect of these donations at the balance sheet date.

At the year end, the company was owed £245,868 (2023: £415,260) from its subsidiary Royal Northern Sinfonia Limited, included within the company's debtors. At the balance sheet date the amount due to/from was £Nil (2023 - £Nil).

North Music Trust

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Endowment £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	5,275,793	632,725	-	5,908,518
Charitable activities	4	4,855,674	-	-	4,855,674
Other trading activities	5	1,893,843	-	-	1,893,843
Investment income	6	45,028	-	161,994	207,022
Total income		12,070,338	632,725	161,994	12,865,057
Expenditure on:					
Raising funds	7	(260,733)	-	(25,766)	(286,499)
Charitable activities	9	(11,785,153)	(632,725)	-	(12,417,878)
Other expenditure	8	(1,360,225)	-	-	(1,360,225)
Total expenditure		(13,406,111)	(632,725)	(25,766)	(14,064,602)
Gains/losses on investment assets		-	-	(280,316)	(280,316)
Net expenditure		(1,335,773)	-	(144,088)	(1,479,861)
Transfers between funds		206,323	(39,176)	(167,147)	-
Net movement in funds		(1,129,450)	(39,176)	(311,235)	(1,479,861)
Reconciliation of funds					
Total funds brought forward		7,720,875	633,338	7,556,319	15,910,532
Total funds carried forward	26	6,591,425	594,162	7,245,084	14,430,671

NORTH MUSIC TRUST

England & Wales - Charity number 1087445

Accounts

Registered number: 04044936
Charity number: 1087445

North Music Trust
(A company limited by guarantee)

Annual report

31 March 2023

North Music Trust

(A company limited by guarantee)

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North Music Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 March 2023

Trustees	Sir Martin Narey, Chair Roy McEwan-Brown OBE, Vice Chair Michael Barker Darren Collins Emily Cox MBE Emyr Dance (appointed 9 December 2022) Subashis Das Gabriel Day Hilary Florek Jacqui Hodgson Caroline Jackson Herb Kim Joanna Lawson Ruth Lyon Oliver Mack (resigned 10 June 2022) Vidya Sarangapani (resigned 9 December 2022) Marianne Sice (resigned 10 June 2022) Jane Spiers Tony Wadsworth CBE Alfred Whillis (appointed 9 December 2022)
Company registered number	04044936
Charity registered number	1087445
Registered office	The Sage Gateshead St Mary's Square Gateshead Tyne and Wear NE8 2JR
Company secretary	Lindsay Tuck
Senior management team	Abigail Pogson - Managing Director Lindsay Tuck – Chief Operating Officer Wendy Smith – Director of Contemporary Music Sara Vening – Director of Finance and HR Fraser Anderson – Director of External Relations and Strategic Development Thorben Dittes – Director of RNS and Classical Music Programme (resigned 23 July 2022) James Thomas - Director of RNS and Classical Music Programme
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE

Reference and administrative details (continued)
Year ended 31 March 2023

Bankers	Barclays Bank plc Percy Street Newcastle upon Tyne NE1 4QL
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4AD

North Music Trust

(A company limited by guarantee)

Chair's statement
Year ended 31 March 2023

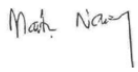
Since the late Queen opened our doors in 2004, Sage Gateshead has contributed over half a billion pounds into the North East economy. We've welcomed ten million visitors and sold more than seven million tickets. Ten thousand musicians have received support from our charity and two million young people and adults have been enabled to participate in musical activity. This has been a success story by any measure. But our determination is to achieve even more in our next twenty years.

We shall be doing so under a new name. Sage Gateshead is now The Glasshouse International Centre for Music. This change of name was not something we sought, nor initiated, but it has been necessary to distinguish ourselves from our soon to be neighbour, because the new Arena and Conference Centre being built next door to us will now carry the name The Sage.

This has been a great year for music at what is now The Glasshouse International Centre for Music. We hosted the first ever BBC Prom in the North in 2022 when Royal Northern Sinfonia, folk ensemble Spell Songs and a new choir of 100 young adults came together. As I write this, we are coming to the end of a second visit by The Proms, this time for a full weekend and, once again, the performances have been stunning. Also in 2022, we saw RNS Moves work with Bournemouth Symphony Orchestra's Resound, performing a brand new commission by award winning composer Kate Whitley in both Poole and Gateshead continuing the important work of giving a platform to disabled musicians.

Our recovery from the Covid-19 crisis has been slow but steady. Generous support from Arts Council England and donors, particularly from those in the North- East, has meant that although we ended the year in deficit, returning to a break even position is now in sight. But as we move to balance the books, we are painfully aware that many who come to The Glasshouse International Centre for Music are having to manage a cost of living crisis. We are determined to do our part and we shall continue to prioritise making music and listening to world class music affordable, not just on Tyneside but in the wider North East, particularly in Middlesbrough and Carlisle where we have re-introduced classical programmes led by Royal Northern Sinfonia.

The challenges ahead are many. But I'm confident that under the remarkable leadership of Managing Director Abigail Pogson, we shall more than meet them.



Sir Martin Narey, Chair
8 December 2023

North Music Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 March 2023

The trustees present their annual report together with the audited financial statements of the North Music Trust for the year 1 April 2022 to 31 March 2023. The annual report serves the purposes of both a trustees' report and a strategic and directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

Charitable objectives

To promote and develop the enjoyment, practice and understanding of music, and the education of the public in the understanding and appreciation of the arts;

The provision and maintenance of Sage Gateshead as a base for production, presentation, participation, enjoyment and understanding of music, and as a fully accessible centre in which the public may explore, understand and enjoy them;

To foster awareness, knowledge, understanding, appreciation and participation in folk and traditional arts;

To bring together, maintain and promote musical ensembles including professional orchestras, paying particular regard to the repertoire for the chamber orchestra, and the traditional music of the North of England, the UK and beyond;

To provide and promote educational courses, programmes and activities in a broad range of music for the benefit of the people of, but not exclusively, the Northern region;

To achieve excellence in its work locally, regionally, nationally and internationally with all forms of music.

Strategic aims

Our Mission: For audiences, for artists, for the North, for the long term.

Our Vision: Our Vision is to play an active part in contemporary culture, community and place through music. We achieve this with people of all ages and walks of life, as an international music organisation with deep northern roots.

Our Values:
Diverse - We work alongside people and communities of all backgrounds and life experiences. The results are visible in our creative programme and in our team. We actively create a place where everyone can feel included and belong.

Responsible - We understand and take responsibility for our impact on people and the world, and we are always acting to secure a more positive future.

Creative - We seek to unleash people’s creativity through music, and we encourage and support our team to be creative.

Focused - We are focused on our mission and strategy. We celebrate our achievements and are always learning and developing.

Leading - We champion quality and excellence, support the development of others, and engage with the challenges our communities face now and will in the future.

Achievements and performance

Headlines

The North East is our home. From the banks of the River Tyne we not only host the best music from our region (and around the world!), we make it too. Whether it's kids picking up an instrument for the very first time, artists taking their music to the next level or Royal Northern Sinfonia performing Brahms in Middlesbrough, we make sure everyone in the North East can enjoy a creative life full of music.

Because music is mighty. Music boosts mood and confidence. It banishes loneliness and stress. It teaches children skills for life, and helps young people thrive. Music brings communities together and drives prosperity. Music can be an inspiration, a motivation and a career.

We have done more this year than last year: more performances, more work with artists and more people making music with us than since the world went quiet in 2020. But it has still been a planned recovery year and that's ok. We're here for our communities, we're here for music and steadily, sustainably, we're rebuilding and seeing a return to form.

Audiences and programme

Numbers don't quite capture the magic of live music, but they do capture just how busy we've been.

We hosted 424 performances and reached over 1.1 million people in person, via radio, and online. And to make sure the doors are open to everyone, we discounted more than 8,026 tickets for locals who've never been before, young people, those out of work, and people facing hardship at Christmas, and we were part of Gateshead Council's Warm Spaces network.

Finance

We are still recovering from the impact of the pandemic. But we are regrowing and building back; this year we reached more people in the building and on tour. Compared with last year, we sold more tickets, and increased ancillary spend in 2022/23, but earned income is still down. We were projecting a loss, but we have made a smaller loss than originally anticipated. We have continued to benefit from higher rates of orchestra tax relief and the generosity of our donors and benefactors seeing us through.

Achievements and performance (continued)

Environmental responsibility

Since 2012 we've kept a record of our impact on the environment. Now we have over a decade of data to help us decide how we can do what we know is best for the planet.

With such a big building it takes a lot to keep the lights on, so it's no surprise that energy use is the source of carbon we need to bring down the most. Reaching people across the region also means a lot of moving about, and all that fuel adds up, especially when Royal Northern Sinfonia go on tour – and even more so for international tours.

Thanks to all our years of work, we know exactly what to do to get our carbon footprint down to a minimum by 2030. After that, we'll contribute to local rewilding projects that suck in carbon to offset whatever is left. So, when people come to us, they'll know we're not just looking after them, but the Earth too.

Our greenhouse gas emissions and energy consumption for 2022/23 was:

- Greenhouse gas emissions for the year were 1,725 tonnes CO2e*
- Total energy use was 3,368,773.3 kWh split between 1,786,236 kWh electricity, 1,512,000 kWh heat, and 0,537.3 kWh gas (not weather normalised)

This has been calculated with help from our friends at Julie's Bicycle and their creative green toolkit. We can't measure everything, but we do track energy and water usage, waste in our bins, and travel from our staff and audiences.

What have we done so far:

- Reducing emissions: We've been exceeding our annual reduction targets since introducing them in 2018.
- Free Metro travel: In partnership with Nexus, we give people a green way to get to us by offering free travel on the Metro (Tyne and Wear's light rail transport system) with a Sage Gateshead ticket.
- Reducing meat consumption: 50% of the menu in our restaurant and café is plant based.
- Gateshead District Energy Scheme: We're part of the Gateshead District Energy Scheme for heat and electricity. Not only is this a more ecofriendly way to power our building, but by 2030 they'll be net zero too.
- Playing a positive role in our sector: We've been part of Julie's Bicycle's Spotlight Programming in the cultural sector and hold a seat on the European Concert Halls Organisation Sustainability Group steering committee. We have pledged our support for Music Declares Emergency.

What's next:

- Since Royal Northern Sinfonia's travel can add a lot to our emissions, we're setting carbon budgets so that future tours are smarter about their environmental impact.
- We're speaking to our suppliers about their carbon footprint. We'll use what we find out to pick the products and suppliers that are best for the planet.
- We have updated our Ethical Giving and Investment Policies.
- As we approach our 20th anniversary, we're working to raise money to update our building and equipment to be high-tech and low carbon for a sustainable future.

Achievements and performance (continued)

Equality, Diversity and Inclusion

“Quite often, if you’re disabled, then you’re invisible one way or another. I hope some of the audience can see themselves on stage in RNS Moves, seeing that maybe there’s a way into any type of music for them.” - RNS Moves musician

The charity began with inclusion as a founding principle nearly 20 years ago and we’ve never lost sight of that. Diversity is front and centre in all that we do with communities, our workforce, the artists on stage, and our leadership and board.

We’re not a one man band trying to do it all. We look at evidence, context and need, and we collaborate with expert partners. Knowing who lives in our communities and the needs of the region, we focus our efforts on making sure people of all socioeconomic backgrounds and (dis)abilities can enjoy music. We have these areas centre stage, but that doesn’t mean there’s no support elsewhere – whatever somebody’s gender, ethnicity, sexual orientation, or age, Sage Gateshead is here for them.

All these voices are at the heart of our work, and over the last few years we’ve talked with audiences, artists and the community to make sure they are active in our planning and decision making. We’ve listened and this year we have:

- Teamed up with Royal Philharmonic Society to boost the careers of seven Women Conductors over two years.
- Kept up with our 2019 Keychange pledge to gender balance headline musicians in all genres.
- Seen RNS Moves work with Bournemouth Symphony Orchestra’s Resound Ensemble to produce brand new music in a new way – championing the brilliance of inclusive ensembles.
- Supported musicians whose tunes might otherwise get overlooked: disabled artists, and musicians from diverse socio-economic backgrounds, and diverse ethnic backgrounds.
- Made sure everyone could see and hear themselves in classical music by running an open call for Global Majority string players. This wasn’t just adding variety to our violas; we also joined up with Black Lives in Music, Bournemouth Symphony Orchestra, Royal Liverpool Philharmonic Orchestra, and Royal Philharmonic Orchestra to elevate talent across the country.
- LGBTQ+ artists shone bright thanks to collaboration with Curious Arts.
- Levelled the stage around who gets to learn music by focussing on reaching families from diverse socioeconomic backgrounds for Make Music Children and Young People
- And we kept on learning. A deep dive into who works for us has helped us set up plans for increasing the socioeconomic diversity amongst our staff.

Alongside all this we got stuck into creativity in the community. People shared their favourite Sage Gateshead memories, told us their hopes for the future, and pitched in by suggesting a new name for the charity. As autumn arrived, we had new Young Trustees join our Board, 30 Young Programmers got involved in shaping what happens on stage, and a Fun Palaces Ambassador put down roots in Gateshead. All this means that people from across the community can make Sage Gateshead into their stage, have a say in what happens here, and live their version of creativity.

We kept our doors open to everyone through the winter, especially as the weather grew cold and money was feeling tight. By joining Gateshead Councils Warm Spaces network and offering Pay What You Decide tea and coffee alongside other resources, our building was a much needed comfort to the community. And with 1,000 £5 and £2.50 tickets on offer for our Christmas favourites, people could enjoy a show as well as the warmth.

Achievements and performance (continued)

Review of activities

Music isn't just something that happens on our stages. It's in our audiences singing along, it's in babies coming to their first classes, it's in the 100 year old still practicing her guitar, it's in the schools and in the parks, it's beaming digitally across the world. We don't just host music, we're the place for living it.

This year we did more of all this than we have done since the pandemic. We all came back to live music and making music together, side by side.

2022/23		2021/22	2020/21
222	performances with audience in Sage Gateshead	152	6
10	live streamed performances	21	13
58	performances beyond Sage Gateshead	31	2
134,409	live audience	73,041	3,337
1,000,000	radio audience	2,000,000	-
11,781	courses, classes and workshops	10,356	8,601
95,869	attendances at workshops or classes	89,693	39,049
293	artists supported	296	84

Royal Northern Sinfonia and Classical Programme

'The memory that stays with me was looking over to see my son totally enthralled, with tears dripping off his chin. Such a moving, memorable concert.' – Audience Member

Bombastic, beautiful, back in action: it was a bumper year for Royal Northern Sinfonia. From coast to coast, from the Tweed to the Tees, and back to Sage Gateshead, they played a stunning season in person, through live streams and as part of our Make Music Children and Young People programme.

Lively and creative, Principal Conductor Dinis Sousa wowed new and returning audiences alike, while leader Maria Woszcowska moved one and all with her virtuoso violin. The orchestra welcomed new players, and stellar guest artists such as Dame Sarah Connolly and Benjamin Grosvenor.

For the first ever BBC Proms in the North, Royal Northern Sinfonia, folk ensemble Spell Songs and a new choir of 100 young adults came together to deliver a spellbinding performance that could only have come from the North East.

We're breaking new ground in the classical world with original commissions for Royal Northern Sinfonia and RNS Moves, supporting seven aspiring woman conductors alongside our friends at the Royal Philharmonic Society and making sure everyone can see and hear themselves in classical music by running an open call for global majority string players.

In amongst the joy that great music brings there was also sadness. Lars Vogt, our former Music Director, passed away in September. Colleagues and audiences came together to celebrate his life in an incredibly moving concert.

Achievements and performance (continued)

Contemporary Programme

“Great gig, amazing sound and the standing layout made it so much better in terms of atmosphere” – Mogwai Attendee

The crowds came streaming in to sing along with Mogwai, Gabrielle and Jacob Collier, along with countless others from across the region and the world. And thanks to recent changes made possible by our supporters, audiences could dance along too! Clearing the stalls seats in Sage One has opened up the space so the music can flow more freely than ever. Teaming up with our neighbours at GemArts allowed us to spotlight the best classical Indian music through Riverside Ragas, and Curious Arts helped us amp up the party in Sage Two with a queer cabaret.

Our programme has felt a burst of fresh energy, thanks in no small part to the hard work of Young Programmers making creative decisions behind the scenes.

Make Music

“They have developed other qualities, like leadership and communication. Beyond music, it’s opened their world up to new things.” - Parent of Young Musicians

Coming together to sing, we leave our baggage at the door. Family problems, pain and sickness, things to do, things to remember – they all have to be let go. For 1 hour 30 minutes, our only concern is to join together to make the music come alive.’ – Adult taking part in Make Music Classes

At every age and every stage, everyone should be able to make music. People tell us all the time how music makes them happier and healthier, so it’s only right we spread the joy to as many folks as possible. For children and young people, learning music means new skills, new found confidence, and new dreams. Tomorrow’s musicians, innovators and community champions are here, and we are right there behind them.

From nursery pupils picking up their first tambourine, to college students composing their own concertos, our Young Musicians Programme is helping a new generation of musicians to gain a lifelong love of music and who knows where that might lead. And with over half of students receiving bursaries, we’ve made sure money isn’t a barrier keeping young people from their passion for music.

Sage One was jam packed when 2,500 children from 58 local schools were able to get out of the classroom and sing their hearts out as part of our Big Sing and Big Sing for Mini Singers events. And that’s not the only party. For the 10th birthday of our In Harmony Newcastle Gateshead orchestral programme, 700 primary school pupils came together to celebrate.

With nearly 1,500 classes and workshops, we’ll have to stick to the edited highlights: our classes for families with babies and toddlers, including looked after and adopted children; a new songwriting and music productioncourse for young adults; and the continuation of Music Spark, a programme for those with additional needs. Adults got their weekly dose of stress busting music from classes ranging from West African percussion to Elizabethan Madrigals; a continued range of live-streamed classes; and brand new On Demand packages. It’s been a huge year for learning – and that was the short version.

Achievements and performance (continued)

Artist Development

“Had an awesome four days in residency, putting together the production for the live band ... massive thanks to Sage Gateshead for their support and the opportunity to work in one of the best venue spaces going!” - Artist taking part in The Foundry.

The North East music scene is vibrant, lively and creative and we're determined to play our part. Our Artist Development programme reaches out to musicians from all backgrounds and supports them to have thriving creative careers right here in the North East.

Through residencies, stage time, rehearsal space, financial support, expert advice and networking opportunities, musicians were able to try new things, get gig ready, write new music, and connect with fellow musicians and industry contacts.

Our fortnight long Summer Studios residencies welcomed 51 musicians, producers, artists, rappers and singers to access rehearsal space, create music videos, and link up with industry professionals. New Artists in residence Anna Hughes, Ceitidh Mac, Kerrin Tatman and Late Girl worked on ambitious new projects over the course of 10 months. And we sent last year’s residents Beccy Owen, Hannabiell, Sågaboi and Martha Hill out into the world with a showcase of electric new work.

In between concerts we handed over Sage Two to artists for four days of intense development and rehearsal time as part of The Foundry. Our From the Glasshouse series turned over the stage to emerging artists, introducing audiences to the freshest new talent, strutting their stuff in Sage Two.

The best new music is happening right here right now.

Achievements and performance (continued)

Performance against Strategic Aims

Significantly increase the number and range of people connected with music in the North, and the depth of those connections

It's been a jam packed year and audiences have been right along with us. With sell out shows and halls buzzing with people, it's almost like we were never apart. And that's not all, we've been out and about on tour in the region, as well as lending a hand to neighbouring venues to expand what they have on offer.

Everyone has been affected differently by the last couple of years. People with disabilities, in particular, have faced a lot of barriers returning to live music so we've redoubled our efforts to make sure our building and our programme is welcoming. The community put their trust in us and now our audience profile is as diverse and lively as ever, with plenty of young faces coming through the door, many for the first time.

We gave out more subsidised tickets for the Christmas season than ever before. We are aware that as the cost of living rises, we will have to work with our communities to keep people connected.

Our programme will be known for excellence, innovation and inclusion. It will be artist and audience led, in live and digital work

What makes live music special, for audiences, artists, and us, is the rhythm of bodies on stage, voices echoing across the hall, feeling your fingers on the strings, and someone sharing your passion sitting next to you. Letting those special moments happen only works if everyone has the chance to get involved, that's why we worked with Children North East to poverty proof our work, emphasised diversity in artist development, put a rich range of performers on our stage, and started the brand new Voices of the River's Edge choir for young people. All this work is so that people don't just get to listen to music, they are included in it.

Our Digital Team has been laser focussed on innovating our relationship with tech, working with partners to turn Sage One into a multi-dimensional installation that combined music, dance and poetry with immersive technology to create a jaw dropping experience which brought the spirit of water to life. And for those seeking a cosy night in or who can't make it to our home, our live streams are now higher quality and easier to watch than ever.

Across the country there's a whole generation of emerging musicians determined to make, mix, and master their careers. Hundreds of these hopefuls applied for our Summer Studios, to benefit from time and space toc crack on with music creation and get to know the business through contacts at PRS Foundation and Sony. The two week programme was a breath of fresh air, energising a new wave of musical careers.

And of course, our stages were taken over with activity for Folk Connections, the first BBC Proms concert in the North East. Thousands of people flooded into the building and listened on the radio, as we welcomed the biggest classical music event of the year into their homes. It was such a blast we'll have to do it again.

We will maintain a sustainable business model for the organisation and develop our building and surrounding environment

We were able to open regularly this year and it's been a while since that was the case – over two years in fact. During that time we did a whole bunch of work to get us ready: we created a standing area in Sage One, improved the café, bars, and restaurants, and got new audio visual equipment. Now that we're making our return all this hard work has paid off. There's been a 5% jump in how people rate our food and drink areas, and people are keener than ever to host conferences here. The new look and feel has clearly gone down well, boosting our confidence as we build back.

Achievements and performance (continued)

Meanwhile, we're not taking our focus off environmental responsibility: we're an active member of Music Declares Emergency and have a net zero 2030 strategy, so that we can care for the Earth the same way we care for our building.

Our people and partnerships will be strong, flexible and outward facing, defining our place in the North

From the moment people apply for a job with us, we're here for our staff to sharpen their skills, build relationships, and experience everything Sage Gateshead has to offer. Thanks to the support of Black Lives in Music and The Bridge Group our culture is more inclusive than ever: diverse recruitment, continued development, and a new People Strategy, means that wherever our staff come from, their voices are integral to what we do.

We believe in working together to make a positive impact. We are active members of Newcastle Gateshead Cultural Venues working together to advocate for culture and coordinate activity. We contribute to policy by working with DCMS (Department for Digital, Culture, Media and Sport) and using our networks to make sure that the transformative power of culture is recognised and leveraged to improve lives.

Duty to promote the success of the company to achieve its charitable purposes

The trustees consider, both individually and collectively, that they have acted in the way they consider in good faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole, having regard amongst other matters to:

The likely consequences of any decision in the long term – as covered in the section on Risk Management on page 16.

The interests of the company's employees - as covered in the sections on Equality, Diversity and Inclusion on page 7 and Our People and Partnerships above on this page.

The need to foster the charity's relationship with third party stakeholders such as funders, audiences, artists, partner organisations, statutory bodies and government - which is covered throughout the report.

The impact of the charity's operations on the community and the environment - as covered throughout the report specifically in the sections on Environmental Responsibility on page 6 and Public Benefit on page 18.

The desirability of the charity maintaining a reputation for high standards of business conduct - as covered in the Financial Review.

The need to act fairly as between members of the company which we do by ensuring all members of the community are fully represented.

Financial performance

We make a difference in our communities through music but we're also financially savvy – it's one of our strengths as a charity. We don't rely on one income source to support our charitable work - instead we operate a mixed model, balancing lots of different things.

In 2023/23 17.7% of our income is from grants, philanthropy and endowments, 29.5% from public sources, 38.0% from earned income and 14.8% from trading.

Fundraising

We're now rebuilding our charity following the pandemic, while navigating rising costs. Communities and audiences are also facing tough challenges. This means that our income from tickets, and our food and drinks offer is considerably lower than it was before the pandemic making fundraising even more vital. Philanthropic contributions mean we can continue our charitable work for children, young people, artists and local communities.

Arts Council England and Gateshead Council (our two statutory funders), have maintained their grants to us despite the strains on their own budgets. In January 2023 we were delighted to receive the news that our application to be an Arts Council England National Portfolio Organisation for 2023-26 was successful.

Thank you to all our donors helping us through ongoing challenges and providing vital support year round you're making sure that people all across the North East can access world class music and life changing music making opportunities.

Trust and Foundations
Ambache Trust, Andrew Lloyd Webber Foundation, Austin & Hope Pilkington Trust, Barbour Foundation, Community Foundation Tyne & Wear Northumberland, D'Oyly Carte Charitable Trust, Esmee Fairbairn Foundation, Fidelity UK Foundation, Garfield Weston Foundation, The Hadrian Trust, Kavli Trust, The Harrison-Frank Family Foundation, The John Horseman Trust, Netherton Park Trust, The Percy Hedley 1990 Charitable Trust, PRS for Music Foundation, Sir James Knott Trust, Swire Charitable Trust, St Nicholas' Educational Trust, The Shears Foundation, The WA Handley Charitable Trust, Youth Music.

Corporate supporters
Adkins & Cheurfi, Aspire Technology Solutions, Bidvest Noonan, Greggs Plc, Henry Colbeck, Hive HR, Isis Property Services, Kilfrost Ltd, LWC Drinks, Molson Coors, Muckle LLP, Nexus, Northern Elevator, Pioneer Foodservice, Sage Plc, Solution Group, Zerolight.

Commercial Events and Hires

In addition to our programme of music and cultural activity, we are one of the biggest conference centres in the North East of England. Profit from this area of our work is gifted across to the charity and conference organisers know that holding a conference at Sage Gateshead supports an important local charity and venue.

41 events took place in 2022/23 (2021/22: 18) with a contracted value of £497,555 (2021/22: £103k) with 19,682 delegates attending (2021/22: 3,000) of which 10% of delegates came from out of the region.

Financial review

Sage Gateshead is the trading name of North Music Trust. The Trust has two wholly owned subsidiary companies, Music North Limited, from which the trust benefits from an annual distribution of profits and Royal Northern Sinfonia Limited.

North Music Trust

Income

During the financial year to 31 March 2023 the group generated income of £12.7m (2021/22: £11.3m) which comes from a range of different sources:

- Earned income through ticket sales
- Fundraised income, including endowment income
- Contracts and commissions
- Public grants
- Traded income

This spread of income is an important part of the Trust's ongoing sustainability and public benefit. For every £1 of public subsidy a further £2.39 was traded, earned or fundraised.

Expenditure

Total resources expended in the year amounted to £14.1m (2021/22: £10.1m), of which £0.3m (2021/22: £0.3m) was incurred on raising funds, £1.4m (2020/21 £0.6m) on trading activities and £12.4m (2021/22: £9.8m) was spent on the Trust's programming and other charitable activities across:

- Creative Learning
- Artistic programmes
- Conferencing and Events
- Other earned income

Outturn

During the year a deficit of £1.5m (2021/22: £1.4m surplus) was generated, that included a reduction of £1.1m (2021/22: positive movement of £0.8m) on unrestricted reserves.

Music North Limited

During the financial year to 31 March 2023 the trading subsidiary earned income of £1.9m (2021/22: £0.6m) which comes from a range of different sources:

- Conferences and events
- Retail sales
- Room hires
- F&B sales
- Car parking

A profit before taxation of £0.8m (2021/22: loss before taxation £0.2m) was made in the year.

Royal Northern Sinfonia Limited

During the financial year to 31 March 2023 the trading subsidiary earned income of £4.2m (2021/22: £3.4m) which comes from both Classical Box Office sales and Grant Income. Profit of £0.6m (2021/22: £0.4m) was recorded for the year after the application of Orchestra Tax relief.

Consolidated balance sheet

Fixed assets

The Trust invested £0.9m (2021/22: £1.5m) in fixed assets and improvements to the building during the year.

Unrestricted general and designated funds

Consolidated unrestricted reserves decreased during the year down to a surplus of £6.6m (2021/22: surplus of £7.7m).

Restricted funds

Consolidated restricted reserves decreased during the year to £0.59m (2021/22: £0.63m).

Endowment funds

The charity has two sources of endowment income:

A fund of £11.3m (2021/22: £12.4m) which is held off balance sheet on behalf of North Music Trust by the Community Foundation. An annual grant is drawn down from the Community Foundation proportional to the Trust's interest in the fund and this income is included within the Trust's voluntary income for the year.

North Music Trust also has its own endowment fund held on its balance sheet at a value of £7.2m (2021/22: £7.6m). £5.2m of this fund is invested and managed by Rathbones, while the remaining £2m is held in a high interest Notice Account at Barclays. The fund was created from £4m in donations to Sage Gateshead and £2m in matched funding from Arts Council England via its Catalyst fund. An annual contribution from the investment income will be applied to each year's results in perpetuity.

Investment management

North Music Trust's own endowment fund is managed by Rathbone Investment Management Limited. The investment objective is to find a balance between income and capital growth and the approach to risk is a medium risk profile that aims over time to achieve returns above the rate of inflation.

The following ethical investment restrictions are in place: No direct investment: tobacco, pornography, gambling, environmental damage, high interest unsecured loans or any company which supports oppressive regimes.

Going concern

The charity recognises that it is operating in an extremely challenging and fast changing external environment. The charity is a going concern and reviews risk through a strategic risk register on a regular basis. It does not currently have any risks which are outside the terms of these registers.

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

Risk management

The trustees monitor progress against the strategic objectives set out in the agreed business plan and a comprehensive review of the plan is carried out annually. As part of this process, the directors have developed a risk management strategy that comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The principal risks and uncertainties facing Sage Gateshead are the pace of audience recovery, the wider economic climate in which we are operating and the challenges inherent in the next door development.

Reserves policy

The trustees have agreed that the level of free reserves (that is funds not tied up in fixed assets or designated and restricted funds) required to sustain the Trust's operations will be in the region of £1,000,000, which represents staff salaries and other operating expenses for 3 months. After taking into account the group's unrestricted funds not tied up in fixed assets, free reserves as at 31 March 2023 are £2.1m (2021/22: £3.4m). Therefore, free reserves remain above the level agreed by trustees but consolidated unrestricted reserves decreased by £1.1m during the year to £6.6m.

Structure, governance and management

Governance

North Music Trust is a charitable company limited by guarantee and does not have share capital. The charity is governed by its memorandum and articles of association last amended on 21/01/2009.

The trustees agree to contribute £1 in the event of the charity winding up.

Organisational structure and decision making policies

Four subcommittees of the Board, represented by Board members, have been established to facilitate more regular and detailed involvement of nonexecutives and independent representatives in four core areas of operation (Finance & Audit, Investment, People, Programme & Development) than would be feasible at meetings of the full Board.

Since North Music Trust was formally constituted in 2000 the Board and its subcommittees have been actively involved in the formulation, approval and implementation of aims, policies, strategies and procedures across the whole range of activities in which North Music Trust is engaged. The Board is involved in any significant decision that falls outside that approved framework. Recruitment to the board is open with any opportunities advertised. Applicants are subject to a formal interview process. Trustees undertake an induction with key members of staff, visit all areas of activity and are introduced to all our policies and their responsibilities as trustees.

The Board selects and appoints the Managing Director as its Chief Executive and other key members of the Senior Management Team to carry out the business of the Trust within aims, policies, strategies and procedures approved by the Board. The performance of the Managing Director is reviewed against agreed targets once a year by the Chair, in line with an organisation wide performance review framework.

The Chair of the Board, Chairs of Committees and individual Board members are frequently consulted by members of the Senior Management Team on policy development or on specific problems or opportunities. The Chair of the Board, the Vice Chair, Board and subcommittee members also meet the senior management periodically to discuss progress, plans and any significant items of current concern.

The trustees are confident that the governance and management structures that have been established are appropriate to the needs of a diverse, large, and growing organisation.

Pay policy for key management personnel

Pay levels for all staff including senior staff are set in a banding system and are benchmarked against peer organisations as part of the Newcastle Gateshead Cultural Venues group.

Related party relationships

The trust has a close relationship with Arts Council England, North East and Gateshead Council, both of which provide funding to enable the charity to carry out its charitable objectives.

Structure, governance and management (continued)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Public benefit

North Music Trust is a company limited by guarantee and a registered charity which operates under the name North Music Trust. It was founded in 2000 to expand musical horizons of audience, artists, students and staff through musical discovery; seeking to make connections between performance, education and participation. It has a particular objective of serving the North East in which it is based. This objective is set out in its memorandum and articles of association and forms the basis upon which the charity's vision, mission and aims are formulated.

The directors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission and are satisfied that the charity's activities are faithful to the charity's objectives and are for public benefit.

The charity's Performance programme and Make Music programme are planned to serve a broad cross section of the North East communities. The programme embraces a wide range of artists, and the locations of events and projects are varied to serve different age groups and sections of the community.

The performance programme brings world class artists into the region and nurtures local creativity. The Make Music programme offers a range of opportunities in music: from a first encounter to long term and high level training. As noted earlier in this report this is the second year of our recovery and indications are that this will be a long process.

In our future planning particular attention is being paid to ticket pricing and to schemes which enable first time attenders to come to events or participate in projects for free. Pricing of all activities takes into account affordability, and we aim to offer a range of different prices for ticketed events; this is particularly a factor within Make Music in which bursaries are offered for some projects. Additional ticket offers for performances are extended through our Make Music programme to participants.

The charity has always had a strong commitment to physical accessibility, the pandemic showed us that there is a demand for streamed live performances and online lessons, and this continues to be welcomed by audiences. We operate hybrid models in some areas of the programme to retain access for those who are unable to attend physically.

Plans for future periods

We'll admit that "2023-28 Strategy" isn't the most imaginative way to talk about our plan. Even the idea of "our plan" isn't quite right; we're out in the world with audiences, artists, young people, partners, and communities; asking talking and listening to make this everybody's plan – a plan connected to the people that matter to us. In 2023/24 we're putting this into action, supporting people to be creative and express their passion for music by:

Putting on activity that is open to diverse socio economic backgrounds, so that everyone can have life changing experiences through music.
Making sure that wherever people are and whatever their budget, they are can experience brilliant music.
Keeping in touch with the region through activity that reaches across the North East and Cumbria.
Showing off exciting digital work right next to our thriving and inclusive live programme.
Taking ambitious action to achieve net zero by 2030, leading conversations about environmental responsibility, and working towards regenerative action.

Of course, we're not the only ones hard at work. The construction site next door is quiet for now, but building will start again soon and although it feels a long way off at the moment it won't be long until the ribbons are being cut on the Sage Arena and Convention Centre, bringing us into a larger entertainment campus for the region. With a new "Sage" just a stone's throw away we've been thinking hard about our identity and what makes us special. To maintain our individuality and distinguish us from our new neighbours we are changing our trading name in 2023/24.

Disclosure of information to auditor

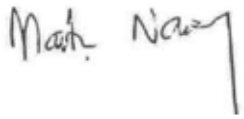
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

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

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 8 December 2023 and signed on their behalf by:



Sir Martin Narey
Chair of trustees

Statement of trustees' responsibilities
Year ended 31 March 2023

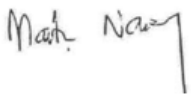
The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Approved by order of the members of the board of trustees on 8 December 2023 and signed on its behalf by:



Sir Martin Narey
Chair of trustees

Independent auditor's report to the members of North Music Trust

Opinion

We have audited the financial statements of North Music Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Secondly, the group is subject to many other laws and regulations where the consequences of non compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding and certain aspects of company legislation, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

8 December 2023

North Music Trust

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
Year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	2	**5,275,793**	**632,725**	**-**	**5,908,518**	7,132,659
Charitable activities	3	**4,855,674**	**-**	**-**	**4,855,674**	3,370,714
Other trading activities	4	**1,893,843**	**-**	**-**	**1,893,843**	634,073
Investments	5	**45,028**	**-**	**161,994**	**207,022**	117,851
Total income and endowments		**12,070,338**	**632,725**	**161,994**	**12,865,057**	11,255,297
Expenditure on:						
Raising funds:	6,7					
Fundraising		**260,733**	**-**	**25,766**	**286,499**	251,043
Trading activities		**1,360,225**	**-**	**-**	**1,360,225**	669,321
Charitable activities	8	**11,785,153**	**632,725**	**-**	**12,417,878**	9,187,942
Total expenditure		**13,406,111**	**632,725**	**25,766**	**14,064,602**	10,108,306
Net (expenditure)/income before net (losses)/gains on investments		**(1,335,773)**	**-**	**136,228**	**(1,199,545)**	1,146,991
Net (losses)/gains on investments		**-**	**-**	**(280,316)**	**(280,316)**	240,340
Net (expenditure) / income		**(1,335,773)**	**-**	**(144,088)**	**(1,479,861)**	1,387,331
Transfers between funds	20	**206,323**	**(39,176)**	**(167,147)**	**-**	-
Net movement in funds		**(1,129,450)**	**(39,176)**	**(311,235)**	**(1,479,861)**	1,387,331
Reconciliation of funds:						
Total funds brought forward		**7,720,875**	**633,338**	**7,556,319**	**15,910,532**	14,523,201
Net movement in funds		**(1,129,450)**	**(39,176)**	**(311,235)**	**(1,479,861)**	1,387,331
Total funds carried forward		**6,591,425**	**594,162**	**7,245,084**	**14,430,671**	15,910,532

North Music Trust

(A company limited by guarantee)

Consolidated balance sheet
At 31 March 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	13		**-**		159
Tangible assets	14		**4,556,786**		4,345,481
Investments	15		**5,245,084**		7,556,319
			9,801,870		11,901,959
Current assets					
Stocks	16	**55,419**		50,889	
Debtors	17	**2,273,259**		1,444,063	
Cash at bank and in hand		**9,172,144**		9,508,224	
		11,500,822		11,003,176	
Creditors: amounts falling due within one year	18	**(3,674,636)**		(3,894,765)	
Net current assets			**7,826,186**		7,108,411
Total assets less current liabilities			**17,628,056**		19,010,370
Creditors: amounts falling due after more than one year	19		**(3,197,385)**		(3,099,838)
Total net assets			**14,430,671**		15,910,532
Charity funds					
Endowment funds	20		**7,245,084**		7,556,319
Restricted funds	20		**594,162**		633,338
Unrestricted funds	20		**6,591,425**		7,720,875
Total funds			**14,430,671**		15,910,532

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

The financial statements were approved and authorised for issue by the trustees on 08 December 2023 and signed on their behalf by:

Sir Martin Narey
Chair of trustees

The notes on pages 31 to 61 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Company balance sheet
At 31 March 2023

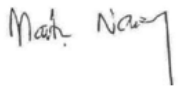
	Note		2023 £		2022 £
Fixed assets					
Intangible assets	13		**-**		159
Tangible assets	14		**4,549,947**		4,326,153
Investments	15		**5,245,086**		7,556,321
			9,795,033		11,882,633
Current assets					
Debtors	17	**856,059**		2,383,490	
Cash at bank and in hand		**7,929,568**		7,434,303	
		8,785,627		9,817,793	
Creditors: amounts falling due within one year	18	**(3,308,173)**		(3,729,280)	
Net current assets			**5,477,454**		6,088,513
Total assets less current liabilities			**15,272,487**		17,971,146
Creditors: amounts falling due after more than one year	19		**(3,197,385)**		(3,099,838)
Total net assets			**12,075,102**		14,871,308
Charity funds					
Endowment funds	20		**7,245,084**		7,556,319
Restricted funds	20		**594,162**		633,338
Unrestricted funds	20		**4,235,856**		6,681,651
Total funds			**12,075,102**		14,871,308

Company balance sheet continued)
At 31 March 2023

The company's net movement in funds for the year was a deficit of £2,796,206 (2022: surplus of £744,825).

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

The financial statements were approved and authorised for issue by the trustees on 08 December 2023 and signed on their behalf by:



Sir Martin Narey
Chair of trustees

Company registered number: 04044936

The notes on pages 31 to 61 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Consolidated statement of cash flows
Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	22	**(1,672,170)**	1,258,124
Cash flows from investing activities			
Dividends, interests and rents from investments		**207,022**	117,851
Purchase of tangible fixed assets		**(822,631)**	(1,464,401)
Proceeds from sale of investments		**872,088**	1,478,254
Purchase of investments		**(841,169)**	(1,444,710)
Transfer from investments		**2,000,000**	-
Net cash provided by/(used in) investing activities		**1,415,310**	**(1,313,006)**
Cash flows from financing activities			
Repayments of borrowing		**(75,491)**	(74,288)
Interest paid		**(3,729)**	(4,932)
Repayments of finance leases		**-**	(8,041)
Net cash used in financing activities		**(79,220)**	**(87,261)**
Change in cash and cash equivalents in the year		**(336,080)**	**(142,143)**
Cash and cash equivalents at the beginning of the year		**9,508,224**	9,650,367
Cash and cash equivalents at the end of the year	23	**9,172,144**	9,508,224

The notes on pages 31 to 61 form part of these financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertakingss. The results of the subsidiaries are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in England. The members of the company are the trustees names on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

Our recovery from the Covid-19 pandemic has been slow but steady. Generous support from the Arts Council and donors, particularly from those in the North East, has meant that although we ended the year in deficit, returning to a break even position is now in sight.

The charity benefits from high levels of reserves as a result of the funding received during the Covid 19 pandemic and has continued to build back both box office and traded income. Funding during 2022/23 has remained strong, while expenditure has increased year on year, driven by higher activity levels and rising general costs as seen across the UK economy. The Trust has been grateful to receive confirmation of continued funding from Arts Council England as a National Portfolio Organisation for the next three years.

We have created a programme of activity for this year that reflects our commitments to our core funder, our strategic direction, and a realistic view on returning audience numbers. The charity continues to build recovery carefully and cautiously, and believes that a stringent approach to cost management, while building income generating opportunities, will enable Sage Gateshead to navigate the next twelve months successfully.

As a result, after making enquiries, the trustees consider that the organisation remains a going concern and consequently these accounts have been prepared on that basis.

1. Accounting policies (continued)

1.4 Income

Incoming resources are recognised in the statement of financial activities when the charity has entitlement to the funds; any conditions attached to the income must have been met; it is probable that the income will be received and the amount can be measured reliably.

Income from donations and legacies
Income from donations and legacies includes sponsorships and donations and grants that provide core funding or are of a general nature. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation relates to future accounting periods.

Income from trading activities
Income generated from commercial trading is recognised as earned as the related goods and services are provided.

Income from charitable activities
Performance income includes box office sales, engagement income, hall hire and other performance related income.

It is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Tickets are sold through the box office for three different event categories in terms of income recognition; Self-Promotions, Co-Promotions and Hall Hires. Where the event is a Self-Promotion, ticket sales are recognised gross in full within revenue. Where the event is a Co-Promotion, a portion of the ticket income is recognised within revenue; where the event is a Hall Hire, any income from ticket sales belongs to the promoter and thus does not form part of the revenue figure.

Education income includes education fees from music lessons and school visits and other education related income. It is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performances or event to which they relate or when the donor specifies that the grant or donation relates to future accounting periods.

Income from investments
Interest receivable is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest by the bank.

Orchestra tax relief
Orchestra tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

1. Accounting policies (continued)

1.5 Donated services and facilities

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, or capitalised as a fixed asset if the goods are to be retained for future benefits.

North Music Trust leases the premises from which it operates from Gateshead Metropolitan Borough Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income nor the corresponding rental charge have been recognised in the statement of financial activities.

1.6 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds are those costs incurred in attracting donations.

Expenditure on charitable activities includes costs associated with the staging of concerts, musical performances and educational programmes and includes both the direct costs and support costs relating to these activities.

Governance costs are those incurred in governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs cover central functions and have been allocated to activity cost categories and costs of generating funds in proportion to the time given to support each activity.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

1. Accounting policies (continued)

1.7 Fund accounting

Restricted funds
The Trust has a number of restricted income and capital funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in the notes.

Designated funds
Designated funds are unrestricted funds earmarked for specific purpose by the directors. They include amounts held as fixed assets purchased with specific capital funding secured.

Unrestricted funds
All other funds are unrestricted income funds, receivable or generated for the objects of the charity without further specified purpose.

Endowment fund
The permanent endowment fund is treated by the directors as a long term fund.

1.8 Intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation. Intangible assets are amortised at their expected useful economic lives on a straight line basis as follows:

Software and website development	-	3 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income and expenditure.

1. Accounting policies (continued)

1.9 Tangible fixed assets

Individual tangible fixed assets costing £5,000 or more are capitalised. Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of the assets as follows:

Furniture, fixtures and fittings	-	3-10 years straight line
Music	-	10 years straight line
Instruments	-	10 years straight line
Computer equipment	-	3 years straight line
Technical equipment	-	5 years straight line
Leasehold property improvements	-	10 years straight line
Forestage lift	-	50 years straight line
Kitchen and catering equipment	-	3-5 years straight line
Car park equipment	-	5 years straight line

Depreciation is not charged on stringed instruments as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of stringed instruments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the statement of financial activities.

1.10 Fixed asset investments

The group's endowment fund investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through the statement of financial activities.

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

1.11 Stocks

Stocks are valued on a first in first out basis and stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Stock held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

1. Accounting policies (continued)

1.12 Foreign currencies

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction

All transaction differences are taken to the statement of financial activities, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

1.13 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans from related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

1.14 Debtors

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

1.15 Cash at bank and in hand

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

1.16 Creditors

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1. Accounting policies (continued)

1.17 Employee benefits

Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The charity operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

1.18 Critical accounting estimates and areas of judgment

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including the estimated useful life of assets. In addition, the accrued income in respect of Orchestra Tax Relief depends on a number of factors that are determined by management, including judgment over qualifying expenditure.

None of the judgments and estimates applied in the preparation of these financial statements are considered to carry a significant risk of material adjustments to the carrying amounts of assets and liabilities in the future.

2. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Arts Council England - core grant	3,578,043	-	**3,578,043**
GMBC - core grant	187,534	-	**187,534**
Other grants, recovery grant corporate donations and fundraising	847,255	632,725	**1,479,980**
Other grant income	-	-	**-**
Community Foundation - Sage Gateshead Fund*	662,961	-	**662,961**
	5,275,793	632,725	**5,908,518**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Arts Council England - core grant	3,576,742	-	3,576,742
GMBC - core grant	187,534	-	187,534
Other grants, corporate donations and fundraising	1,540,896	968,991	2,509,887
Other grant income	121,712	-	121,712
Community Foundation - Sage Gateshead Fund*	736,784	-	736,784
	6,163,668	968,991	7,132,659

*North Music Trust is the sole beneficiary of Sage Gateshead Fund, which is a restricted fund at the Community Foundation serving Tyne & Wear and Northumberland (registered charity number 700510). This fund was created from donations and sponsorship monies given to support the work of Sage Gateshead, some of which resulted in naming privileges to parts of the Sage Gateshead building and related facilities. From this fund, North Music Trust derived income totalling £662,961 (2022: £736,784) in the year).

3. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Income from performance programming and creative learning	4,855,674	**4,855,674**

	Unrestricted funds 2022 £	Total funds 2022 £
Income from performance programming and creative learning	3,370,714	3,370,714

4. Income from trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Conferences and events	602,288	**602,288**
Catering income	1,126,875	**1,126,875**
Car park income	151,159	**151,159**
Retail sales	13,521	**13,521**
	1,893,843	**1,893,843**

	Unrestricted funds 2022 £	Total funds 2022 £
Conferences and events	122,208	122,208
Catering income	87,255	87,255
Car park income	422,629	422,629
Retail sales	1,982	1,982
	634,074	634,074

5. Investment income

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Bank interest	45,028	-	**45,028**
Dividends	-	161,994	**161,994**
	45,028	161,994	**207,022**

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Bank interest	4,921	-	4,921
Dividends	-	112,930	112,930
	4,921	112,930	117,851

6. Expenditure on fundraising

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Marketing expenses	136,404	-	**136,404**
Investment management costs	-	25,766	**25,766**
Allocation of support costs (note 10)	124,329	-	**124,329**
	260,733	25,766	**286,499**

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Marketing expenses	132,430	-	132,430
Investment management costs	-	27,953	27,953
Allocation of support costs (note 10)	90,660	-	90,660
	223,090	27,953	251,043

7. Expenditure on trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Conferences and events	109,170	**109,170**
Catering expenses	895,042	**895,042**
Car park expenses	25,873	**25,873**
Retail expenses	19,318	**19,318**
Allocation of support costs (note 10)	310,822	**310,822**
Total 2023	1,360,225	**1,360,225**

	Unrestricted funds 2022 £	Total funds 2022 £
Conferences and events	3,310	3,310
Catering expenses	410,633	410,633
Car park expenses	18,496	18,496
Retail expenses	10,233	10,233
Allocation of support costs (note 10)	226,649	226,649
Total 2022	669,321	669,321

8. Expenditure on charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Provision of charitable activities	11,785,153	632,725	**12,417,878**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Provision of charitable activities	7,614,858	1,573,084	9,187,942

9. Analysis of expenditure by activities

	Direct costs 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Performance programming - classical	3,411,941	2,466,843	**5,878,784**
Performance programming - popular and contemporary	909,457	2,466,843	**3,376,300**
Creative learning - young people programme	1,436,884	1,139,995	**2,576,879**
Creative learning - public engagement programme	212,319	345,096	**557,415**
Other costs	28,500	-	**28,500**
	5,999,101	6,418,777	**12,417,878**

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £
Performance programming - classical	2,755,864	1,651,458	4,407,322
Performance programming - popular and contemporary	665,232	1,651,458	2,316,690
Creative learning - young people programme	1,387,124	686,105	2,073,229
Creative learning - public engagement programme	96,321	226,649	322,970
Other costs	67,731	-	67,731
	4,972,272	4,215,670	9,187,942

10. Support costs

	Costs of raising funds 2023 £	Trading activities 2023 £	Charitable activities 2023 £	Total funds 2023 £
Direction and policy	13,318	33,295	687,577	**734,190**
Human resources	5,857	14,642	302,382	**322,881**
Building services	35,725	89,314	1,844,420	**1,969,459**
Finance, accountancy and audit	8,815	22,038	455,098	**485,951**
IT	9,121	22,803	470,899	**502,823**
Marketing and customer experience	20,918	52,294	1,079,925	**1,153,137**
Irrecoverable VAT	6,521	16,301	336,636	**359,458**
Tech Team	84	210	4,336	**4,630**
Depreciation	12,230	30,575	631,397	**674,202**
Strategy and external relations	11,740	29,350	606,107	**647,197**
	124,329	310,822	6,418,777	**6,853,928**

	Costs of raising funds 2022 £	Trading activites 2022 £	Charitable activities 2022 £	Total funds 2022 £
Direction and policy	7,683	19,206	357,238	384,127
Human resources	2,602	6,505	120,993	130,100
Building services	23,646	59,114	1,099,527	1,182,287
Finance, accountancy and audit	7,614	19,034	354,041	380,689
IT	8,759	21,897	407,289	437,945
Marketing and customer experience	16,446	41,115	764,731	822,292
Irrecoverable VAT	4,405	11,012	204,816	220,233
Tech Team	8,036	20,089	373,664	401,789
Process Planning	5,018	12,544	233,322	250,884
Depreciation	6,451	16,133	300,049	322,633
	90,660	226,649	4,215,670	4,532,979

Notes to the financial statements
Year ended 31 March 2023

11. Net income

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	**611,326**	289,793
Amortisation of intangible fixed assets	**159**	211
Auditor's remuneration - audit	**21,570**	18,250
Auditor's remuneration - other services	**1,250**	1,250
Operating lease rentals	**13,297**	14,687

12. Staff costs

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Wages and salaries	**5,837,195**	4,777,716	**5,837,195**	4,777,716
Social security costs	**491,689**	380,817	**491,689**	380,817
Contribution to defined contribution pension schemes	**256,185**	231,008	**256,185**	231,008
	6,585,069	5,389,541	**6,585,069**	5,389,541

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

	Group 2023 No.	Group 2022 No.	**Company 2023 No.**	Company 2022 No.
Performance Programming	**56**	51	**56**	51
Creative Learning	**72**	70	**72**	70
Management and administration	**74**	59	**74**	59
Customer services team	**143**	103	**143**	103
	345	283	**345**	283

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	**2**	4
In the band £70,001 - £80,000	**-**	1
In the band £80,001 - £90,000	**1**	-
In the band £90,001 - £100,000	**1**	1
In the band £100,001 - £110,000	**1**	1

The key management personnel of the charity comprise the trustees and executive directors listed on page 1. The employees benefits total £470,515 (2022: £461,630).

Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2022: £nil).

During the year ended 31 March 2023, £2,021 of trustee expenses have been incurred (2022: £913) payable to 7 trustees (2022: 3).

13. Intangible assets

Group and company

	Software and website development £
Cost	
At 1 April 2022	**60,163**
At 31 March 2023	**60,163**
Amortisation	
At 1 April 2022	**60,004**
Charge for the year	**159**
At 31 March 2023	**60,163**
Net book value	
At 31 March 2023	**-**
At 31 March 2022	159

14. Tangible fixed assets

Group

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2022	**3,589,623**	**4,134,041**	**617,624**	**351,539**	**8,692,827**
Additions	**181,591**	**210,213**	**-**	**430,827**	**822,631**
Transfers between classes	**-**	**190,020**	**-**	**(190,020)**	**-**
At 31 March 2023	**3,771,214**	**4,534,274**	**617,624**	**592,346**	**9,515,458**
Depreciation					
At 1 April 2022	**891,058**	**3,059,045**	**397,243**	**-**	**4,347,346**
Charge for the year	**316,379**	**277,930**	**17,017**	**-**	**611,326**
At 31 March 2023	**1,207,437**	**3,336,975**	**414,260**	**-**	**4,958,672**
Net book value					
At 31 March 2023	**2,563,777**	**1,197,299**	**203,364**	**592,346**	**4,556,786**
At 31 March 2022	2,698,565	1,074,996	220,381	351,539	4,345,481

14. Tangible fixed assets (continued)

Company

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2022	**3,589,623**	**3,370,774**	**617,624**	**351,539**	**7,929,560**
Additions	**181,591**	**210,213**	**-**	**430,827**	**822,631**
Transfers between classes	**-**	**190,020**	**-**	**(190,020)**	**-**
At 31 March 2023	**3,771,214**	**3,771,007**	**617,624**	**592,346**	**8,752,191**
Depreciation					
At 1 April 2022	**891,058**	**2,315,106**	**397,243**	**-**	**3,603,407**
Charge for the year	**316,379**	**265,441**	**17,017**	**-**	**598,837**
At 31 March 2023	**1,207,437**	**2,580,547**	**414,260**	**-**	**4,202,244**
Net book value					
At 31 March 2023	**2,563,777**	**1,190,460**	**203,364**	**592,346**	**4,549,947**
At 31 March 2022	2,698,565	1,055,668	220,381	351,539	4,326,153

15. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2022	**7,556,319**
Additions	**841,169**
Disposals	**(998,214)**
Revaluations	**(154,190)**
Transfers to cash	**(2,000,000)**
At 31 March 2023	**5,245,084**
Net book value	
At 31 March 2023	**5,245,084**
At 31 March 2022	7,556,319

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2022	**2**	**7,556,319**	**7,556,321**
Additions	**-**	**841,169**	**841,169**
Disposals	**-**	**(998,214)**	**(998,214)**
Revaluations	**-**	**(154,190)**	**(154,190)**
Transfers to cash	**-**	**(2,000,000)**	**(2,000,000)**
At 31 March 2023	**2**	**5,245,084**	**5,245,086**
Net book value			
At 31 March 2023	**2**	**5,245,084**	**5,245,086**
At 31 March 2022	2	7,556,319	7,556,321

15. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the company:

Names	Company number	Class of shares	Holding	Included in consolidation
Music North Limited	04344453	Ordinary	100%	Yes
Royal Northern Sinfonia Limited	100998218	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit for the year £	Net assets/ (liabilities) £
Music North Limited	**1,908,944**	**(1,091,875)**	**817,069**	**897,950**
Royal Northern Sinfonia Limited	**5,360,155**	**(4,777,316)**	**582,839**	**1,457,690**

The income stated above in respect of Royal Northern Sinfonia Limited includes £1,060,571 relating to the Orchestra Tax Relief credit. The position before tax is therefore a loss of £477,732.

16. Stocks

	Group 2023 £	Group 2022 £
Goods for resale	**55,419**	50,889

17. Debtors

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Trade debtors	**161,941**	246,922	**123,944**	200,259
Amounts owed by group undertakings	**-**	-	**501,157**	1,847,428
Other debtors	**28,264**	914,742	**28,261**	83,393
Prepayments and accrued income	**2,083,054**	282,399	**202,697**	252,410
	2,273,259	1,444,063	**856,059**	2,383,490

Amounts owed by group companies are unsecured and repayable on demand.

18. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Other loans (see note 19)	**76,714**	190,043	**76,714**	190,043
Trade creditors	**442,548**	925,377	**431,962**	881,746
Other taxation and social security	**171,975**	155,093	**172,266**	155,384
Other creditors	**41,109**	30,269	**41,109**	29,691
Accruals and deferred income	**2,942,290**	2,593,983	**2,586,122**	2,472,416
	3,674,636	3,894,765	**3,308,173**	3,729,280

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Deferred income at 1 April 2022	**1,966,577**	2,651,221	**1,843,220**	2,501,183
Resources deferred during the year	**2,015,528**	1,355,124	**7,841,285**	1,355,124
Amounts released from previous periods	**1,506,668**	(2,039,768)	**(7,469,459)**	(2,013,087)
	2,513,110	1,966,577	**2,215,046**	1,843,220

Deferred income comprises:

Advance box office sales
Education fee income and hall bookings invoiced in advance; and
Grant income and core funding relating to future accounting periods.

19. Creditors: amounts falling due after more than one year

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Other loans	**3,197,385**	3,099,838	**3,197,385**	3,099,838

Other loans comprise £154,671 (2022: £230,163) which are repayable in annual instalments until 1 April 2024 and bear interest annually at a rate of 1.62%. A further loan of £3,000,000 was taken out on 10 March 2021 to support and maintain the cultural ecology of the charity. The loan is repayable in six monthly instalments until 10 March 2041, commencing from 1 February 2025. The loan bears interest annually at a rate of 2%. The loan balance above includes accumulated interest of £119,428 (2022: £59,719).

Notes to the financial statements
Year ended 31 March 2023

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Fixed asset fund	**3,847,702**	**-**	**-**	**114,922**	**-**	**3,962,624**
Financial security fund	**500,000**	**-**	**-**	**-**	**-**	**500,000**
	4,347,702	**-**	**-**	**114,922**	**-**	**4,462,624**
General funds						
General funds	**3,373,173**	**12,070,338**	**(13,406,111)**	**91,401**	**-**	**2,128,801**
Total Unrestricted funds	**7,720,875**	**12,070,338**	**(13,406,111)**	**206,323**	**-**	**6,591,425**
Endowment funds						
Endowment funds	**7,556,319**	**161,994**	**(25,766)**	**(167,147)**	**(280,316)**	**7,245,084**

20. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Forestage Lift	**588,890**	**-**	**-**	**5,272**	**-**	**594,162**
Capital Project	**44,448**	**-**	**-**	**(44,448)**	**-**	**-**
In Harmony	**-**	**199,972**	**(199,972)**	**-**	**-**	**-**
Centre for Advanced Training	**-**	**201,005**	**(201,005)**	**-**	**-**	**-**
David Goldman Awards	**-**	**27,601**	**(27,601)**	**-**	**-**	**-**
Community Music Sparks	**-**	**32,383**	**(32,383)**	**-**	**-**	**-**
CoMusica - National Foundation for Youth Music	**-**	**171,764**	**(171,764)**	**-**	**-**	**-**
	633,338	**632,725**	**(632,725)**	**(39,176)**	**-**	**594,162**
Total of funds	**15,910,532**	**12,865,057**	**(14,064,602)**	**-**	**(280,316)**	**14,430,671**

Designated funds
The fixed asset fund represents the value of fixed assets held on the balance sheet, and the financial security fund is a fund designated by trustees to be used in the event of any financial difficulties which may arise in the future.

Restricted funds

Forestage Lift is funding used to purchase the lift, with depreciation charged against the fund each year. The two grants used to purchase the asset have been combined into one fund to represent the underlying asset.

All other restricted funds relate to revenue projects for a variety of programmes, the activities of which are described in in the trustees report.

Transfers relate to the completion of the Capital Project.

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Capital projects	1,498,668	-	-	(1,498,668)	-	-
Fixed asset fund	1,066,695	-	-	2,781,007	-	3,847,702
Financial security fund	500,000	-	-	-	-	500,000
	3,065,363	-	-	1,282,339	-	4,347,702
General funds						
General Funds	2,305,060	10,173,376	(8,507,269)	(597,994)	-	3,373,173
Total Unrestricted funds	5,370,423	10,173,376	(8,507,269)	684,345	-	7,720,875
Endowment funds						
Endowment Funds	7,349,523	112,930	(27,953)	(118,521)	240,340	7,556,319

20. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Forestage Lift	605,510	-	-	(16,620)	-	588,890
Capital Project	322,745	270,907	-	(549,204)	-	44,448
Garfield Weston	875,000	-	(875,000)	-	-	-
In Harmony	-	186,184	(186,184)	-	-	-
LNER Customer and Community Fund	-	170,059	(170,059)	-	-	-
Arts Council England	-	30,674	(30,674)	-	-	-
CoMusica - National Foundation for Youth Music	-	41,610	(41,610)	-	-	-
David Goldman awards	-	269,557	(269,557)	-	-	-
	1,803,255	968,991	(1,573,084)	(565,824)	-	633,338
Total of funds	14,523,201	11,255,297	(10,108,306)	-	240,340	15,910,532

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,962,624	594,162	-	**4,556,786**
Fixed asset investments	-	-	5,245,084	**5,245,084**
Current assets	9,500,822	-	2,000,000	**11,500,822**
Creditors due within one year	(3,674,636)	-	-	**(3,674,636)**
Creditors due in more than one year	(3,197,385)	-	-	**(3,197,385)**
Total	6,591,425	594,162	7,245,084	**14,430,671**

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,756,591	588,890	-	4,345,481
Intangible fixed assets	159	-	-	159
Fixed asset investments	-	-	7,556,319	7,556,319
Current assets	10,958,728	44,448	-	11,003,176
Creditors due within one year	(3,894,765)	-	-	(3,894,765)
Creditors due in more than one year	(3,099,838)	-	-	(3,099,838)
Total	7,720,875	633,338	7,556,319	15,910,532

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

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(1,479,861)**	1,387,331
Adjustments for:		
Depreciation and amortisation charges	**611,485**	290,004
Interest payable	**63,438**	64,650
Losses/(gains) on investments	**280,316**	(240,340)
Dividends, interests and rents from investments	**(207,022)**	(117,851)
Increase in stocks	**(4,530)**	(22,143)
(Increase)/decrease in debtors	**(829,196)**	98,752
Decrease in creditors	**(106,800)**	(202,279)
Net cash provided by/(used in) operating activities	**(1,672,170)**	1,258,124

23. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	**9,172,144**	9,508,224

24. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	Other non-cash changes £	At 31 March 2023 £
Cash at bank and in hand	**9,508,224**	**(336,080)**	**-**	**9,172,144**
Debt due within 1 year	**(190,043)**	**75,491**	**37,838**	**(76,714)**
Debt due after 1 year	**(3,099,838)**	**-**	**(97,547)**	**(3,197,385)**
	6,218,343	**(260,589)**	**(59,709)**	**5,898,045**

Other non-cash changes comprise transfers between debt classifications and accumulated interest payable on debt due after one year.

25. Capital commitments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	**127,819**	343,228	**127,819**	343,228

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £256,185 (2022: £231,024). Contributions totalling £33,736 (2022: £29,343) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitment

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

	Group 2023 £	Group 2022 £
Not later than 1 year	**10,728**	12,688
Later than 1 year and not later than 5 years	**2,569**	9,015
	13,297	21,703

28. Related party transactions

During the year, the charity made purchases of £746,922 (2022: £219,390) from Gateshead Energy Company Limited, a company under common directorship. Payments made in the year totalled £717,415 (2022: £224,710) and the amount owed to the company at the year end, included within the charity's creditors, totalled £57,913 (2022: £28,406).

During the course of the year, the charity made payments on behalf of the subsidiary, Music North Limited, totalling £638,356 (2022: £192,794). Receipts from the subsidiary against these payments totalled £2,529,181 (2022: £88,559) and the amount owed at the year end, included within the charity's debtors, totalled £126 (2022: £1,890,951). The charity also received donations of £83,564 (2022: £nil) from the subsidiary in the year, no amounts remain outstanding in respect of these donations at the balance sheet date.

At the year end, the charity was owed £415,260 from its subsidiary Royal Northern Sinfonia Limited, included within the charity's debtors (2022: £43,432 creditor).

NORTH MUSIC TRUST

England & Wales - Charity number 1087445

Accounts

Registered number: 04044936
Charity number: 1087445

North Music Trust

(A company limited by guarantee)

Annual report

31 March 2022

North Music Trust

(A company limited by guarantee)

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North Music Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 March 2022

Trustees	Sir Martin Narey, Chair Roy McEwan-Brown OBE, Vice Chair Mike Barker Darren Collins Emily Cox MBE Suba Das Gabriel Day (appointed 17 September 2021) Hilary Florek Jacqui Hodgson (appointed 17 September 2021) Caroline Jackson Herb Kim Joanna Lawson (appointed 17 September 2021) Ruth Lyon (appointed 17 September 2021) Oliver Mack (resigned 10 June 2022) Vidya Sarangapani Jacinta Scannell (resigned 31 December 2021) Marianne Sice (resigned 10 June 2022) Sophie Speed (resigned 31 July 2021) Jane Spiers Tony Wadsworth CBE
Company registered number	04044936
Charity registered number	1087445
Registered office	The Sage Gateshead St Mary's Square Gateshead Tyne and Wear NE8 2JR
Company secretary	Lindsay Tuck
Senior management team	Abigail Pogson - Managing Director Lindsay Tuck – Chief Operating Officer Wendy Smith – Director of Contemporary Music Sara Vening – Director of Finance and HR Fraser Anderson – Director of External Relations and Strategic Development Thorben Dittes – Director of RNS and Classical Music Programme (resigned 23 July 2022)
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE

Bankers	Barclays Bank plc Percy Street Newcastle upon Tyne NE1 4QL
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4AD

North Music Trust

(A company limited by guarantee)

Chair's statement
Year ended 31 March 2022

This year was never going to be easy. Alongside many others we were hit hard by the effects of Covid and 21/22 has been only the beginning of our recovery. Despite the challenges of last year (2021/22) we were able - thanks to the generosity of so many supporters and significant financial support from The Arts Council - to return a small surplus. This year and the next few years will be more difficult and we have been forced to budget for a deficit every year up to, at least,2025/26 when we hope to move back into the black.

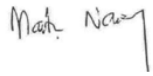
We have to overcome our financial challenges while, at the same time, becoming a more inclusive and relevant organisation, strengthening links with local communities and listening to those who may never have tried Sage Gateshead. We have been learning what we can do to make that possible, not least in finding ways to make things more affordable for families, and I am delighted to say that we have made real progress. We are not perfect, but we are determined to continue improving and this has been recognised by Arts Council England.

Our Creative Learning and Artist Development programmes continue to be at the heart of the organisation, forging links with communities. Both returned to in person delivery whilst maintaining some online activity. Well-Tuned Gateshead, community music groups for older people, were delivered in Deckham, Chopwell and Felling;three wards which have been identified as in the top seven per cent ‘at risk of loneliness’ wards in England, a situation which worsened in lockdown.
Despite the continued uncertainty we have brought back artists from across the UK and the world to North East audiences. Audiences told us that they were overjoyed to experience live music again, many finally attending gigs that had been rescheduled during the pandemic including John Grant, Jamie Cullum, Collabro and Gabrielle. Despite this enthusiasm in our returning audiences, recovery is slow, and some people are telling us they might never come back into the building. That will get better as we put Covid behind us but it’s why it’s so important that we continue to invest in and develop our streaming capacity.

This has been the first year with Dinis Sousa as RNS Principal Conductor and he has made a remarkable start. The People’s Requiem, based on Verdi’s Requiem, saw RNS and The RNS Chorus perform alongside 200 local singers and musicians in what was a truly moving performance and experience for all involved.

This year also saw the completion of our capital project giving us greater flexibility in Sage One and we are already seeing new audiences brought into the building by the new programming this allows.

Of the many lessons to take from the last few years there is one that rings particularly true. No matter how much you think you’ve planned for every scenario there will inevitably be something that you couldn’t have imagined. 2024 will see the completion of the Gateshead Quays with the opening of the Sage Arena and Convention Centre. This is something that is incredibly important for the region and has been some decades in the planning. When it is completed, we shall be part of an entertainment campus which will become one of the most visited in the North East. But, in order to maintain Sage Gateshead’s unique identity, and distinguish ourselves from our neighbouring venue, we are changing our name. As I write we are close to making an announcement. It will, in my view, be the beginning of a new and even more successful chapter for our iconic building and all who use it to listen to and to play music.



Sir Martin Narey, Chair
Date: 9 December 2022

North Music Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 March 2022

The trustees present their annual report together with the audited financial statements of the North Music Trust for the year 1 April 2021 to 31 March 2022. The annual report serves the purposes of both a trustees' report and a strategic and directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Charitable objectives

To promote and develop the enjoyment, practice and understanding of music, and the education of the public in the understanding and appreciation of the arts;

The provision and maintenance of Sage Gateshead as a base for production, presentation, participation, enjoyment and understanding of music, and as a fully accessible centre in which the public may explore, understand and enjoy them;

To foster awareness, knowledge, understanding, appreciation and participation in folk and traditional arts;

To bring together, maintain and promote musical ensembles including professional orchestras, paying particular regard to the repertoire for the chamber orchestra, and the traditional music of the North of England, the UK and beyond;

To provide and promote educational courses, programmes and activities in a broad range of music for the benefit of the people of, but not exclusively, the Northern region;

To achieve excellence in its work locally, regionally, nationally and internationally with all forms of music.

Strategic aims

Our Mission: For audiences, for artists, for the North, for the long term.

Our Vision: Our Vision is to play an active part in contemporary culture, community and place through music. We achieve this with people of all ages and walks of life, as an international music organisation with deep northern roots.

Our Values:

Diverse
We work alongside people and communities of all backgrounds and life experiences. The results are visible in our creative programme and in our team. We actively create a place where everyone can feel included and belong.

Responsible
We understand and take responsibility for our impact on people and the world, and we are always acting to secure a more positive future.

Creative
We seek to unleash people’s creativity through music, and we encourage and support our team to be creative.

(continued)

Focused
We are focused on our mission and strategy. We celebrate our achievements and are always learning and developing.

Leading
We champion quality and excellence, support the development of others, and engage with the challenges our communities face now and will in the future.

Headlines

Achievements and performance

This year has been a first recovery year, during which we were able to undertake live activity for half of the year. Prior to that our building remained closed and the majority of our activity was online. With the ongoing uncertainty around Covid we have inevitably reached fewer people than in a 'business as usual' year. Consequently, we are still seeing reduced earned income.

Audiences and programme

During the year we reached 13.5 million people through online and radio distribution. We began restoring activity within our building with in-person performances and classes. Activity was at about 40% of pre-Covid levels. Meanwhile our digital streams and classes were double pre-pandemic levels. We were able to restore some of our activity across the region, but this remained modest owning to restrictions and uncertainty. We anticipate activity will continue to build back in 22/23.

We reached a total live audience for concerts and classes of 166,000 compared with a pre-Covid level of 458,000. For much of the year there were still restrictions in place which meant limits to audience numbers. These numbers demonstrate how much further we have to go in recovery.

Finance

The charity is just at the start of a recovery from the impact of the pandemic. As noted above, our box office and traded income is gradually recovering, but this has been affected by restrictions throughout much of the year. While the support gratefully received in 2020/21 in the form of covid grants, loans and the furlough scheme have ceased, we have benefitted from higher rates of orchestra tax relief and continued and valued support from our donors and benefactors.

(continued)

Environmental responsibility

In December 2021, our Board agreed that Sage Gateshead would work towards being net-zero by 2030. By 'net-zero', we mean that we will lower our carbon emissions to as low as we possibly can by 2030, and then for that year and every subsequent year, offset the remaining emissions.

The group's greenhouse gas emissions and energy consumption for 2021/22 were:

- Greenhouse gas emissions for the year were 955 tonnes CO2e*
- Total energy use was 2,905,540 kWh split between 1,571,591 kWh electricity, 1,305,000 kWh heat, and 28,949 kWh gas (not weather normalised)
- Tonnes CO2e: activity days, was 38:5.

*calculated using Julie's Bicycle creative green toolkit and accounts for energy consumption, water, waste, and travel from our staff and audiences.

We will prioritise reducing emissions in areas that we have direct control over. For us these are:

Our Building:
As a building-based organisation, getting to net-zero will require significant investment in our building. We will need to fundraise a significant amount to upgrade systems and equipment around the building to make them more efficient and sustainable. We are a founder member of the Gateshead District Energy Scheme which will also be net-zero by 2030.

Our Activities:
We produce artistic work, tour our work regionally, nationally and internationally, welcome touring musicians to our building and welcome a large audience and visitor base every year. All of this activity creates a carbon footprint, and we are working across the entire range of our activity to find ways to reduce it.

We have been reducing energy, water and waste production for a number of years and work in partnership with Julie's Bicycle, Arts Council England's environmental management and sustainability partner. As the UK readied itself for COP26, we commissioned a cluster of contemporary artists including Yoko Ono, John Grant and Moor Mother to make a new digital work in response to the climate emergency. We joined Music Declares Emergency and undertook a public communications campaign about people, culture and the environment.

(continued)

Equality, Diversity and Inclusion

Diversity is one of Sage Gateshead's core values and inclusion is one of the charity's founding principles. We have been determined that, as we begin a post-Covid recovery, these values remain central within the charity.

Whilst we work across all protected characteristics, our Board is particularly focused on socio-economic background. Breaking the organisation into the three different areas of:

- Communities
- Workforce leadership & board
- Programme

this year has seen:

Communities & audiences

In spring and summer 2021 we undertook large scale consultation with young people, our surrounding communities, musicians and our audiences. We asked what music meant to them and what they would need in recovery. We have been using this to plan and develop future strategy. We established a group of 30 Young Programmers who are helping shape our programme and we developed a partnership with Fun Palaces, bringing a Fun Palaces Ambassador to Gateshead.

In re-opening our building in September 2021, we used our 2019 Poverty Proofing, our Attitude is Everything Gold Status and the See it Safely standard to guide our approach. Our aim was to achieve an audience as diverse as we had pre-pandemic. In particular we wanted to make sure those who were most vulnerable were able to return. For example, at the end of the year the proportion of our audience with disabilities had returned to previous levels.

We have always priced widely to reduce financial barriers and we put a new ticketing initiative in place in Christmas 2021 making over 800 £5 and £2.50 tickets available. Alongside this we offered a free first ticket to anyone in the North East who had not attended a Royal Northern Sinfonia event before.

Workforce, leadership & board

We retained strong diversity within our Board, which during the year committed to new EDI focuses on our workforce and orchestra – areas where change has been slower. The Board made a particular commitment to socio-economic background and appointed a Champion within the team.

The charity participated in a pilot use of the Social Mobility Index for cultural organisations, benchmarking the charity's approach against best practice and leading to changes in recruitment, induction, training and progression. It also worked on anti-racist approaches to recruitment and workforce culture with peer venues across the city and with specialist support from BRAP.

(continued)

Programme

Guided by the conversations we had with young people, musicians, communities and audiences, our programme sought to serve a wide audience and to reduce barriers to entry and progression for young people, artists and audiences. Our programme continued to focus on different protected characteristics, for example:

- A partnership with Royal Philharmonic Society supporting seven Women Conductors over two years; a continued gender balance in headline musicians promoted across all genres, following a Keychange pledge in 2019.
- Development of our orchestral ensemble of disabled and non-disabled musicians, RNS Moves, and a new partnership with Bournemouth Symphony Ochestra's Resound Ensemble developing new practice and championing inclusive ensembles; promoting the Paraorchestra.
- Our Artist Development Programme continued to focus on musicians from diverse socio-economic backgrounds, disabled musicians and musicians from a wide range of ethnic backgrounds.
- Partnership with Curious Arts to programme LGBTQ+ musicians and to offer training to teams.
- Our Young People's Programme continued to focus on recruitment from diverse socio-economic backgrounds.
- A new focus on large-scale performance participation, with The People's Requiem involving over 280 participants.
- A new partnership with Fun Palaces to build on Well Tuned Gateshead, a long-term participatory project for older people in Gateshead.

Review of Activities

The most significant thing that has happened this year is the return of in person performances and activity across our programmes.

Royal Northern Sinfonia and Classical Programme

Royal Northern Sinfonia is our full-time chamber orchestra based at Sage Gateshead. RNS rehearses and performs in the building and across the region as well as undertaking national and international tour dates. The orchestra supports our work with young people, develops the next generation of classical musicians and explores different approaches to performing classical music to develop the art-form and reach new audiences. RNS's activity is complemented by a programming of visiting orchestras and musicians performing in Sage Gateshead.

2021/22		2020/21	2019/20
59	performances with audience in Sage Gateshead	3	95
12	live streamed performances	8	-
29	performances beyond Sage Gateshead	2	70
2	festivals	-	3
5	premieres and commissions	1	3
28,026	live audience	1,066	88,000
4,294	ticketed streamed audience	2,711	-
2,000,000	radio audience	-	4,500,000

(continued)

The season opened with Oot-Owa the world premiere of a new commission from composer, performer and DJ Mira Calix who collaborated with film maker Sarah Turner to produce a work that reflects on local people's experiences of the past 18 months. This was also Dinis Sousa's first concert in the post of Principal Conductor, and we were delighted to be able to welcome a full audience for the first time in 18 months. Maria Wloszczowska joined RNS as Leader in succession to Bradley Creswick and over the summer RNS ran a successful fast-track recruitment campaign.

RNS continued to innovate working with MishMash productions to create a new classical music show for children and families. Chasing Dots explores sound, shape and space, bringing together four musicians from Royal Northern Sinfonia with a theatre director and designer. With the completion of our capital project, we were able to hold our first seats out gigs: Classical Immersion and After Dark. These two events were successful in bringing in a new audience.

Building on our ongoing commitment to 50% of guest conductors being female, we began a new multi-year partnership with the Royal Philharmonic Society to support women conductors – the Women Conductors Programme. Following a successful pilot in June 2021, January 2022 saw seven conductors meet for two days. The conductors will continue to receive support until the project enters its next phase in May 2022. RNS Moves performed alongside RNS in their first main series concert in Hall One, the performance featured a commission from Joe Cutler.

We made a return to large-scale music making. The People's Requiem saw c.280 community singers and musicians performing alongside RNS and RNS Chorus creating a moving performance of Verdi's Requiem in memory of those who lost their lives to Covid. RNS and RNS Chorus gave a series of free, outdoor performances in parks and other public spaces in South Shields, Gateshead, Newcastle, North Shields and Whitley Bay.

We were delighted that our 2020 project The World How Wide, a choral reimagining of Vaughan Williams's Fantasia on a Theme by Thomas Tallis won a Royal Philharmonic Society Award for series and events.

Contemporary Programme

Our Contemporary Programme spans genres of music and serves a wide audience base, bringing international musicians to audiences in the North East, championing the region's bands and musicians and supporting the next generation of musicians with first gigs and support slots. Across three spaces in the building, which can now all do a combination of standing and seated thanks to recent capital development, this is the biggest music programme in the region.

2021/22		**2020/21**	**2019/20**
66	performances with audience in Sage Gateshead	3	336
4	live streamed performances	4	2
1	festivals	-	8
4	premieres and commissions	1	7
42,087	live audience	626	130,000
804	ticketed streamed audience	976	1,222

Our Contemporary Programme was dominated by gigs that had been rescheduled, some multiple times, by the pandemic including John Grant, Rumours of Fleetwood Mac, Jamie Cullum, Collabro and Gabrielle. We were able to showcase a diverse range of musicians, with events like Swati Natekar and Curious Cabaret.

(continued)

Variations was our group of commissions around the theme of the climate emergency in autumn 21 to coincide with COP26. Variations included new songs and films, 'I Love You Earth', first recorded in 2015 as a duet between Anohni and Yoko Ono, with a new film created by Yoko Ono and The Rainforest Trust, 'Faint Positive Lateral Flow' from John Grant, Moor Mother with 'Spring Again' and 'Time No Time' from Tune-Yards and was made available on BBC's iPlayer.

To celebrate the 50th anniversary of John Lennon's album IMAGINE, Sage Gateshead hosted a unique surround sound screening of John Lennon & Yoko Ono's feature-length music film, IMAGINE. 11 million more joined the audience, as Tim Burgess' Tim's Twitter Listening Party hosted a simultaneous online watching party, enriching the experience with quotes and multimedia on Twitter led by Yoko Ono, the John Lennon Estate and many of the musicians, film-makers and friends involved in making the album and film.

We continue to work on the diversity of our programme with Young Programmers. The group are supporting Sage Gateshead's programme by playing a consultative role in Artist in Residence and Summer Studios recruitment, contributing to key programming decisions in the Contemporary, Royal Northern Sinfonia and Classical teams, taking part in audience consultation work and reviewing/feeding back on our programme.

Young People's Programme

Our Young People's Programme supports young people across the North to realise their potential as musicians, supported by over 100 professional musicians and tutors. Across a range of different programme areas we work on first access, progression to higher and specialist levels and targeted activity for those who face the greatest barriers. In addition we support the region's schools with resources for singing. We are particularly focused on inclusion, ensuring that a wide range of young people can access music learning.

2021/22		**2020/21**	**2019/20**
9,386	courses, classes and workshops	8,319	11,499
62,698	attendances at workshops or classes	28,262	125,395
23	digital learning content produced	79	8

We were able to return to in person delivery in all programmes this year as restrictions lifted.

Our high-level music training programme for 297 children and young people takes place each weekend through term time. On Saturdays we run Foundation and Step Up programmes and training ensembles for children aged 4 – 16. On Sundays we run a Centre for Advanced Training for young people aged 8 -19 and four Youth Ensembles. This year 297 sessions took place totalling almost 8,000 individual lessons, which supported over 300 young musicians. Four students from our Centre for Advanced Training were successful in gaining a place in the National Youth Orchestra.

Alongside this we run a programme of activity which supports care experienced children (Loud and Clear) and those with special educational needs and disabilities (Music Spark). We ran 110 Music Sparks workshops for 33 SEN/D young people, co-led by four young adults employed by Sage Gateshead as Support Musicians. There were 105 Loud and Clear Workshops for 46 adoptive and foster families, 43 Turn Up the Quiet workshops for musicians who identify as female and non-binary.

In Harmony Newcastle Gateshead is an immersive orchestral music programme based in two primary schools in the West End of Newcastle in which children learn a musical instrument and play in ensembles. In Harmony is for children with the greatest need and fewest resources – over 50% of children in the West End of Newcastle live in poverty. In Harmony partners include: Hawthorn Primary School and Ashfield Nursery, Bridgewater School and Nursery, West End Women and Girls Centre, West Newcastle Children's Community and Music Partnership North. 705 young people took part in the programme.

(continued)

Schools – We produced a resource material for teachers in KS1 and 2 to support their singing in schools and offered online training. Because of continued uncertainty our activity remained online.

Make Music

Make Music is a programme of classes and workshops for three groups: under-fives and their families, people over the age of 50 (Silver Programme) and all adults aged 18 and over. Those involved are aged 0 to 90.

2021/22		2020/21	2019/20
780	courses, classes and workshops	282	3,211
26,778	attendances at workshops or classes	10,787	59,010
13	digital learning content produced	26	1

As well as the steady return of in-person activity, we maintained our digital versions of Make Music. Our virtual tuition package Virtuition created during lockdown has been expanded and now offers 6 online courses.

We also expanded our family offer adding We are Family for EYFS and Key Stage 1 children and I Got You Babe for people starting a family to explore the benefits of making and sharing music with babies and young children and how you might use music in the home.

Meanwhile, the second year of our lottery funded project with Age UK (Gateshead) and Gateshead Older People's Assembly Well-Tuned Gateshead, held 120 sessions in Deckham, Chopwell and Felling engaging over 30 people. This project engages older people at risk of isolation and loneliness.

Artist Development

Our Artist Development Programme supports the next generation of musicians from the North in a range of musical genres. A structured programme of activity together with regular support and advice offers the widest artist development programme in the region outside a formal education setting.

2021/22		2020/21	2019/20
8	performances	-	-
834	physical audience	-	-
5	live streams	1	-
296	artists supported	84	243
45	artist advice sessions	40	-
12,500	views for other online content	26,333	2,685

This year has seen both continuation and development of our Artist Development programmes with more artists benefitting than ever before. From The Glasshouse, a gig series focusing on socio-economic diversity and disability has developed out of Sage Sessions. We launched Foundry 2022 making our Sage Two performance space available to artists for 4 days of intensive development and rehearsal time, handing the venue over to musicians making new work in an unprecedented way.

Artists in residence Holly Clarke, Rapasa Nyatrapas, Joe Snape and Me Lost Me completed their residencies with live performances in Sage Two and in August we announced four new Artists in Residence: Martha Hill, Beccy Owen, Hannabiell Sanders and Sågaboi.
56 artists took part in Summer Studios, our free, week-long residencies for musicians, producers, artists, rappers and singers of all genres creating new work, developing their practice and preparing for performances. We worked in partnership with Generator to deliver North East Music Industry Meet Up and Music Industry Advice sessions.

(continued)

Performance Against Strategic Aims & Future Plans

Significantly increase the number and range of people connected with music in our North, and the depth of those connections

Our audiences are beginning to recover but are still much reduced from pre Covid level. We have been able to restart regional touring allowing us to connect with audiences in their local venues. Our audience profile, particularly the proportion of visitors with disabilities, has varied throughout the year, but has now recovered to a similarly diverse profile as in 2019/20. We distributed more subsidised tickets for the Christmas season than in 2019/20, despite there being a smaller audience overall. We are aware that as the cost-of-living rises, we will have to work with our communities to keep people connected.

Our programme will be known for excellence, innovation and inclusion. It will be artist and audience led, in live and digital work

Programming continued to prioritise creative diversity and as an organisation we continued to focus on increasing the accessibility of our work. Recommendations from Children North East on poverty proofing our programmes, pricing structures and access to our building are now embedded in our planning processes. We continued to assess and promote the diversity of participants in our Artist Development and Creative Learning programmes, artists and composers across our performance programmes, audiences and our staff. Our People's Requiem was a welcome return to mass participation projects with inclusive practice at its heart.

The new post of Head of Digital was created this year to capitalise on recent progress and push forward the organisation's digital strategy.

Our Artist Development Programme continues to have national reach, particularly through projects such as Summer Studios. This programme attracts hundreds of applications from around the country each year and introduces emerging artists to contacts at key national organisations in the music industry such as PRS Foundation and Sony, as well as offering space to create.

Our relationship with the BBC continues to grow with Radio 3 choosing to work with us on their new festival format After Dark. We are creating a choir to work towards performing at Folk Connections: the first BBC Proms concert to be held in the North East, with a live audience and live broadcast on BBC Radio 3 in July 2022.

We will maintain a sustainable business model for the organisation and develop our building and surrounding environment

Sustaining the charity throughout Covid would not have been possible without significant reductions in our cost base including a major redundancy programme in 2020/21, alongside continuing generous philanthropic support from audiences and donors and financial support in the form of a £3m CRF loan in March 2021 from DCMS.

Despite our building being closed, we completed the first ever capital redevelopment of the building, giving us standing area in Sage One, improved cafes, bars and restaurants and new audio-visual equipment around the building. In addition we received support to develop our digital infrastructure in order to stream concerts and classes and create original digital content. All of this will support our recovery and changed audience needs and expectations.

As we rebuild our financial model, our Board have committed to new levels of Environmental Responsibility, including joining Music Declares Emergency and setting a net zero by 2030 target. It has also increased its EDI goals, particularly around socio-economic background.

(continued)

Our people and partnerships will be strong, flexible and outward facing, defining our place in the North

Through our first recovery year we continued to support and develop our workforce and to increase its diversity and our inclusive culture through a new People Strategy. Our orchestra undertook training in Inclusive Orchestras and set up their own EDI group, we appointed a lead on socio-economic background and worked with partners in the sector on anti-racism in our organisation culture.

Through a range of private, public and third sector partnerships we contribute to the region's civic life and to recovery. We contributed to policy through submissions to the Comprehensive Spending Review, DCMS Enquiry into Cultural Placemaking and Levelling Up, hosting a DCMS policy sprint on the visitor economy and making a number of other submissions to strategy for culture in the North. We co-Chaired Newcastle Gateshead Cultural venues co-ordinating activity and advocacy within the cultural sector in the city.

Plans for Future Periods

Our response to the pandemic and its effects along with our approach to long-term planning has been rooted in Arts Council England's Lets Create strategy. As we entered 2021/22 our plans were, by necessity, bridging ones and 2022/23 will be a second bridging year. In this second recovery year we will be anchored by these priorities:

1. World class creativity:
   - Deliver RNS's first full season since the pandemic, with a focus on quality, inclusion and innovation.
   - Experiment with new performance formats across the Contemporary and Classical programmes.
   - Restart and develop touring and creative partnerships regionally and nationally.
2. Supporting local music:
   - Develop our artist development programme's connections into our Young People's and
   - Contemporary performance programmes.
   - Develop Sage Two as a launchpad for emerging artists.
   - Use creative networks to listen and respond to need.
3. Fundraising and financial recovery:
   - Deliver a successful third year of our Crisis, Recovery and Renaissance campaign.
   - Extend our recovery in earned and commercial income.
4. Focus on existing and new audiences:
   - Recover like-for-like audience levels across our programmes.
   - Develop new audiences, with a focus on socio-economic background.
   - Extend a plan to develop younger audiences.
5. Build a new identify:
   - Engage our stakeholders in a conversation about our name and our visual identity.
   - Announce a new name for the organisation.
   - Embed and live a new brand.
6. Conversations with communities:
   - Start new co-creation work with communities, supported by a new post.
   - Support the ongoing recovery of our Make Music programme.
   - Continue audience listening and dialogue projects.
7. Invest in our people:
   - Continue to develop an inclusive and dynamic culture to support increased workforce diversity.
   - Ensure Sage Gateshead is a great place to work and support our freelance workers and local sector.

(continued)

In 2023/24 we will embark on a new strategic plan and Arts Council Investment period. We will publish our strategic plan in 2022 and we will deliver our mission over this period by:

- Running a 21st century anchor institution known for the excellence of its classical and contemporary programme, ensuring audiences across the North East and Cumbria enjoy sustained access to music of international status.
- Supporting people to be creative and to develop a passion for music – we help put music at the heart of communities.

Core themes that will run throughout all our work will include:

- Developing creative activity that reaches audiences across the geography of the North East and Cumbria.
- Developing excellence in digital as a companion to a thriving live programme.
- Making decisions and design activity to secure socio-economic inclusion and social mobility through music.
- Taking ambitious and deliberate action to reach net-zero by 2030 and promote environmental responsibility.

2024 will see the completion of the Gateshead Quays with the opening of the Sage Arena and Convention Centre. When it is completed we shall be part of an entertainment campus which will become one of the most visited in the North East. To maintain Sage Gateshead's unique identity, and distinguish ourselves from our neighbouring venue, we are changing our trading name during 2022/23 there will be a short transition period where we use both trading names.

Duty to promote the success of the company to achieve its charitable purposes

The trustees consider, both individually and collectively, that they have acted in the way they consider in good faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole, having regard to the stakeholders and members as set out in the s172(1) (a-f) of the Act in the decisions taken in the year ended 31 March 2022.

Financial performance

Fundraising

Last year saw an unprecedented financial emergency. And this year fundraising has been no less important. Our wide base of support from a broad range of sources has been key to our fundraising success in this year. The second year of our 3-year campaign A Future for Live Music in the North East: Crisis, Recovery and Renaissance Fundraising Campaign has again seen the public donate over £1 million.

In 2021/22 30% of our income is from grants, philanthropy and endowments, 35% from public sources, 30% from earned income and 5% from trading.

Our two statutory funders, Arts Council England and Gateshead Council have maintained their grants to us despite strains on their own budgets. In March 2021 we received a loan of £3 million from DCMS via their CRF fund administered by Arts Council England to support us through 2021/22 and beyond.

We would like to gratefully acknowledge the support of the following:

Trust & Foundations
Ambache Trust, Barbour Foundation, Barclays 100x100 Covid-19 Community Relief Fund, Community Foundation Tyne & Wear Northumberland, Esmee Fairbarin Foundation, Foyle Foundation, Garfield Weston Foundation, The Hadrian Trust, Kavli Trust, The Harrison-Frank Family Foundation, The John Horseman Trust, The Marchus Trust, Netherton Park Trust, The Percy Hedley 1990 Charitable Trust, PRS for Music Foundation, The Roy and Pixie Baker Charitable Trust, Sir James Knott Trust, Swire Charitable Trust, St Nicholas' Educational Trust, The Vardy Foundation, The W A Handley Charitable Trust, Youth Music.Corporate supporters Adkins & Cheurfi, Aspire Technology Solutions, Bidvest Noonan, Greggs Plc, Henry Colbeck, Hive HR, Isis Property Services, Kilfrost Ltd, Molson Coors, Muckle LLP, Nexus, Northern Elevator, Pioneer Foodservice, Sage Plc, Zerolight

Commercial activity Conference & Events

In addition to our programme of music and cultural activity, we are one of the biggest conference centres in the North East of England. Profit from this area of our work is gifted across to the charity and conference organisers know that holding a conference at Sage Gateshead supports an important local charity and venue.

18 events took place in 2021/22 with a contracted value of £103k with just short of 3,000 delegates attending.

- 18 conferences and events
- 2719 delegates +117 virtual delegates
- 28% delegates came from out of the region

9 large conferences and events scheduled pre pandemic to take place during 2021/22 were cancelled due to Covid. 6,180 delegates did not come, the projected lost income to Sage Gateshead was £93,938 and the projected lost visitor spend to the region was £605k.

Financial review

Sage Gateshead is the trading name of North Music Trust. The Trust has two wholly owned subsidiary companies, Music North Limited, from which the trust benefits from an annual distribution of profits and Royal Northern Sinfonia Ltd.

North Music Trust

I*ncome*

During the financial year to 31 March 2022 the group generated income of £11.3m (2020/21: £13.5m) which comes from a range of different sources:

- Earned income through ticket sales
- Fundraised income, including endowment income
- Contracts and commissions
- Public grants
- Traded income

This spread of income is an important part of the trust's ongoing sustainability and public benefit. For every £1 of public subsidy a further £1.88 was traded, earned or fundraised. However, we are still in recovery from the pandemic and the balance of income from this range of sources shifted due to a significant reduction in both traded and ticketed income.

Expenditure

Total resources expended in the year amounted to £10.1m (2020/21: £9.4m), of which £0.3m (2020/21: £0.3m) was incurred on raising funds, £0.7m (2020/21 £1.0m) on trading activities and £9.2m (2020/21: £7.6m) was spent on the Trust's programming and other charitable activities across:

- Creative Learning
- Artistic programmes
- Conferencing and Events
- Other earned income

Outturn

During the year a surplus of £1.4m (2020/21: £5.1m) was generated, including a positive movement of £2.4m (2020/21: positive movement of £3.1m) on unrestricted reserves.

Music North Limited

During the financial year to 31 March 2022 the trading subsidiary earned income of £0.6m (2020/21: £0.2m) which comes from a range of different sources:

- Conferences and events
- Retail sales
- Room hires
- F&B sales
- Car parking

A profit before taxation of £0.2m (2020/21: loss before taxation £0.2m) was made in the year.

Royal Northern Sinfonia Ltd

During the financial year to 31 March 2022 the trading subsidiary earned income of £3.4m (20/21:£1.8m) which comes from both Classical Box Office sales and Grant Income. Profit of £0.4m was recorded for the year after the application of Orchestra Tax relief.

Fixed assets

The Trust invested £1.5m (2020/21: £780k) in fixed assets and improvements to the building during the year.

Funds

Unrestricted General and Unrestricted Designated

Consolidated unrestricted reserves increased during the year up to a surplus of £7.7m (2020/21: surplus of £5.4m).

Restricted:

Consolidated restricted reserves decreased during the year to £0.6m (2020/21: £1.8m).

Endowment:

The charity has two sources of endowment income:

A fund of £12.4m (2020/21: £12.3m) which is held off balance sheet on behalf of North Music Trust by the Community Foundation. An annual grant is drawn down from the Community Foundation proportional to the Trust's interest in the fund and this income is included within the Trust's voluntary income for the year.

North Music Trust also has its own endowment fund held on its balance sheet at a value of £7.6m (2020/21: £7.3m). The fund was created from £4m in donations to Sage Gateshead and £2m in matched funding from Arts Council England via its Catalyst fund. An annual contribution from the investment income will be applied to each year's results in perpetuity.

Investment management

North Music Trust's own endowment fund is managed by Rathbone Investment Management Limited. The investment objective is to find a balance between income and capital growth and the approach to risk is a medium risk profile that aims over time to achieve returns above the rate of inflation.

Going concern

The charity recognises that it is operating in an extremely challenging and fast changing external environment. The charity is a going concern and reviews risk through a strategic risk register on a regular basis. It does not currently have any risks which are outside the terms of these registers.

For further information see the going concern accounting policy.

Risk management

Directors monitor progress against the strategic objectives set out in the agreed business plan and a comprehensive review of the plan is carried out annually. As part of this process, the directors have developed a risk management strategy that comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The principal risks and uncertainties facing Sage Gateshead are the pace of audience recovery, the wider economic climate in which we are operating and the challenges inherent in the next door development.

Reserves policy

The directors have agreed that the level of free reserves (that is funds not tied up in fixed assets or designated and restricted funds) required to sustain the Trust's operations will be in the region of £1,000,000, which represents staff salaries and other operating expenses for 3 months. After taking into account the group's unrestricted funds not tied up in fixed assets, free reserves as at 31 March 2022 are £3.4m (2021: £2.3m).

Therefore, free reserves are currently at the level agreed by trustees, consolidated unrestricted reserves increased during the year by £2.4m up to a surplus of £7.7m.

Structure, governance and management

Governance

North Music Trust is a charitable company limited by guarantee and does not have share capital. The charity is governed by its memorandum and articles of association last amended on 21/01/2009.

The trustees agree to contribute £1 in the event of the charity winding up.

Organisation

Three subcommittees of the Board, represented by Board members, have been established to facilitate more regular and detailed involvement of nonexecutives and independent representatives in three core areas of operation (Finance, People, Programme & Development) than would be feasible at meetings of the full Board. The Audit & Risk supporting committee advises the board meeting three times a year.

Since North Music Trust was formally constituted in 2000 the Board and its subcommittees have been actively involved in the formulation, approval and implementation of aims, policies, strategies and procedures across the whole range of activities in which North Music Trust is engaged. The Board is involved in any significant decision that falls outside that approved framework.

The Board selects and appoints the Managing Director as its Chief Executive and other key members of the Senior Management Team to carry out the business of the Trust within aims, policies, strategies and procedures approved by the Board. The performance of the Managing Director is reviewed against agreed targets once a year by the Chair, in line with an organisation wide performance review framework.

The Chair of the Board, Chairs of Committees and individual Board members are frequently consulted by members of the Senior Management Team on policy development or on specific problems or opportunities. The Chair of the Board, the Vice Chair, Board and subcommittee members and other members between them receive copies of agendas, papers and minutes of the regular meetings of the Senior Management Teams and Executive Directors and also meets the senior management periodically to discuss progress, plans and any significant items of current concern.

The Directors are confident that the governance and management structures that have been established are appropriate to the needs of a diverse, large, and growing organisation.

Related parties

The Trust has a close relationship with Arts Council England, North East and Gateshead Council, both of which provide funding to enable the charity to carry out its charitable objectives.

Pay policy for senior staff

Pay levels for all staff including senior staff are set in a banding system and are benchmarked against peer organisations as part of the Newcastle Gateshead Cultural Venues group.

Structure, governance and management (continued)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Public benefit

North Music Trust is a company limited by guarantee and a registered charity which operates under the name North Music Trust. It was founded in 2000 (with our home Sage Gateshead opening in 2004) to expand musical horizons of audience, artists, students and staff through musical discovery; seeking to make connections between performance, education and participation. It has a particular objective of serving the North East in which it is based. This objective is set out in its memorandum and articles of association and forms the basis upon which the charity's vision, mission and aims are formulated.

The directors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission and are satisfied that the charity's activities are faithful to the charity's objectives and are to public benefit.

The charity's Performance programme and Creative Learning programme are planned to serve a broad cross-section of the North East communities. The programme embraces a wide range of artists, and the locations of events and projects are varied to serve different age groups and sections of the community.

The performance programme brings world-class artists into the region and nurtures local creativity. The Creative Learning programme offers a range of opportunities in music: from a first encounter to long-term and high-level training. As noted earlier in this report this is the first year of our recovery and indications are that this will be a long process.

In our future planning particular attention is being paid to ticket pricing and to schemes which enable first time attenders to come to events or participate in projects for free. Pricing of all activities takes into account affordability and we aim to offer a range of different prices for ticketed events; this is particularly a factor within Creative Learning in which bursaries are offered for some projects. Additional ticket offers for performances are extended through our Creative Learning programme to participants.

The charity has always had a strong commitment to physical accessibility, the pandemic showed us that there is a demand for streamed live performances and online lessons. We have introduced hybrid models in some areas of the programme to retain access for those who are unable to attend physically.

Disclosure of information to auditor

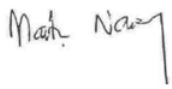
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

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

Auditor

A resolution to reappoint UNW LLP as auditor for the forthcoming financial year will be tabled at the Annual General Meeting.

Approved by order of the members of the board of trustees on 9 December 2022 and signed on their behalf by:



Sir Martin Narey
Chair of trustees

Statement of trustees' responsibilities
Year ended 31 March 2022

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Independent auditor's report to the members of North Music Trust

Opinion

We have audited the financial statements of North Music Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

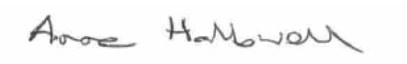
Secondly, the group is subject to many other laws and regulations where the consequences of non compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection and certain aspects of company legislation, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

9 December 2022

North Music Trust

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
Year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Restated Total funds 2021 £
Income and endowments from:						
Donations and legacies	2	**6,163,668**	**968,991**	**-**	**7,132,659**	12,226,150
Charitable activities	3	**3,370,714**	**-**	**-**	**3,370,714**	914,696
Other trading activities		**634,073**	**-**	**-**	**634,073**	181,149
Investments	5	**4,921**	**-**	**112,930**	**117,851**	175,546
Total income and endowments		**10,173,376**	**968,991**	**112,930**	**11,255,297**	13,497,541
Expenditure on:						
Raising funds:	6,7					
Fundraising		**223,090**	**-**	**27,953**	**251,043**	254,774
Trading activities		**669,321**	**-**	**-**	**669,321**	958,852
Charitable activities	8	**7,614,858**	**1,573,084**	**-**	**9,187,942**	7,619,290
Exceptional costs	12	**-**	**-**	**-**	**-**	601,466
Total expenditure		**8,507,269**	**1,573,084**	**27,953**	**10,108,306**	9,434,382
Net income/(expenditure) before net gains on investments		**1,666,107**	**(604,093)**	**84,977**	**1,146,991**	4,063,159
Net gains on investments		**-**	**-**	**240,340**	**240,340**	1,032,429
Net income / (expenditure)		**1,666,107**	**(604,093)**	**325,317**	**1,387,331**	5,095,588
Transfers between funds	21	**684,345**	**(565,824)**	**(118,521)**	**-**	-
Net movement in funds		**2,350,452**	**(1,169,917)**	**206,796**	**1,387,331**	5,095,588
Reconciliation of funds:						
Total funds brought forward		**5,370,423**	**1,803,255**	**7,349,523**	**14,523,201**	9,427,613
Net movement in funds		**2,350,452**	**(1,169,917)**	**206,796**	**1,387,331**	5,095,588
Total funds carried forward		**7,720,875**	**633,338**	**7,556,319**	**15,910,532**	14,523,201

North Music Trust

(A company limited by guarantee)

Consolidated balance sheet
At 31 March 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	14		**159**		370
Tangible assets	15		**4,345,481**		3,170,873
Investments	16		**7,556,319**		7,349,523
			11,901,959		10,520,766
Current assets					
Stocks	17	**50,889**		28,746	
Debtors	18	**1,444,063**		1,542,815	
Cash at bank and in hand		**9,508,224**		9,650,367	
		11,003,176		11,221,928	
Creditors: amounts falling due within one year	19	**(3,894,765)**		(3,994,263)	
Net current assets			**7,108,411**		7,227,665
Total assets less current liabilities			**19,010,370**		17,748,431
Creditors: amounts falling due after more than one year	20		**(3,099,838)**		(3,225,230)
Total net assets			**15,910,532**		14,523,201
Charity funds					
Endowment funds	21		**7,556,319**		7,349,523
Restricted funds	21		**633,338**		1,803,255
Unrestricted funds	21		**7,720,875**		5,370,423
Total funds			**15,910,532**		14,523,201

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

The financial statements were approved and authorised for issue by the trustees on 09 December 2022 and signed on their behalf by:

Sir Martin Narey
Chair of trustees

The notes on pages 32 to 63 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Company balance sheet
At 31 March 2022

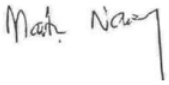
	Note		2022 £		2021 £
Fixed assets					
Intangible assets	14		**159**		370
Tangible assets	15		**4,326,153**		3,133,296
Investments	16		**7,556,321**		7,349,525
			11,882,633		10,483,191
Current assets					
Debtors	18	**2,383,490**		2,657,826	
Cash at bank and in hand		**7,434,303**		7,955,717	
		9,817,793		10,613,543	
Creditors: amounts falling due within one year	19	**(3,729,280)**		(3,745,021)	
Net current assets			**6,088,513**		6,868,522
Total assets less current liabilities			**17,971,146**		17,351,713
Creditors: amounts falling due after more than one year	20		**(3,099,838)**		(3,225,230)
Total net assets			**14,871,308**		14,126,483
Charity funds					
Endowment funds	21		**7,556,319**		7,349,523
Restricted funds	21		**633,338**		1,803,255
Unrestricted funds	21		**6,681,651**		4,973,705
Total funds			**14,871,308**		14,126,483

Company balance sheet (continued)
At 31 March 2022

The company's net movement in funds for the year was £744,825 (2021 - £5,639,363).

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

The financial statements were approved and authorised for issue by the trustees on 09 December 2022 and signed on their behalf by:



Sir Martin Narey
Chair of trustees

Company registered number: 04044936

The notes on pages 32 to 63 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Consolidated statement of cash flows
Year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	23	**1,258,124**	3,877,651
Cash flows from investing activities			
Dividends, interests and rents from investments		**117,851**	175,546
Purchase of tangible fixed assets		**(1,464,401)**	(1,126,539)
Proceeds from sale of investments		**1,478,254**	3,629,425
Purchase of investments		**(1,444,710)**	(3,590,754)
Net cash used in investing activities		**(1,313,006)**	**(912,322)**
Cash flows from financing activities			
Cash inflows from new borrowing		**-**	3,000,000
Repayments of borrowing		**(79,220)**	(73,104)
Repayments of finance leases		**(8,041)**	(15,132)
Net cash (used in)/provided by financing activities		**(87,261)**	**2,911,764**
Change in cash and cash equivalents in the year		**(142,143)**	**5,877,093**
Cash and cash equivalents at the beginning of the year		**9,650,367**	3,773,274
Cash and cash equivalents at the end of the year	24	**9,508,224**	9,650,367

The notes on pages 32 to 63 form part of these financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated balance sheet (SOFA) and consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Company status

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

1.3 Going concern

Following a year in which Sage Gateshead was mainly closed, the charity is at the start of a recovery from the impact of the pandemic. Box office and traded income is gradually recovering, but this has been affected by restrictions throughout much of the year. While the support gratefully received in 2020/21 in the form of Covid Grants, Loans and the Furlough Scheme have ceased, we have benefitted from higher rates of orchestra tax relief and continued and valued support from our donors and benefactors.

The charity benefits from high levels of reserves as a result of the funding received during 2020/21, and is slowly beginning to build back both box office and traded income. Funding during 2021/22 has remained strong, and has contributed to the £1.5m surplus generated during the year. The Trust's current funding arrangement with Arts Council England as a National Portfolio Organisation continues into next year, 22/23. We have created a programme of activity for this year that reflects our commitments to our core funder, our strategic direction, and a realistic view on returning audience numbers.

The charity continues to plan recovery carefully and cautiously, and believes that a stringent approach to cost management, while building income generating opportunities, will enable Sage Gateshead to navigate the next 12 months successfully.

As a result, after making enquiries, the trustees consider that the organisation remains a going concern and consequently these accounts have been prepared on that basis.

1. Accounting policies (continued)

1.4 Income

Incoming resources are recognised in the statement of financial activities when the charity has entitlement to the funds; any conditions attached to the income must have been met; it is probable that the income will be received and the amount can be measured reliably.

Income from donations and legacies
Income from donations and legacies includes sponsorships and donations and grants that provide core funding or are of a general nature. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation relates to future accounting periods.

Income from trading activities
Income generated from commercial trading is recognised as earned as the related goods and services are provided.

Income from charitable activities
Performance income includes box office sales, engagement income, hall hire and other performance related income.

It is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Tickets are sold through the box office for three different event categories in terms of income recognition; Self-Promotions, Co-Promotions and Hall Hires. Where the event is a Self-Promotion, ticket sales are recognised gross in full within revenue. Where the event is a Co-Promotion, a portion of the ticket income is recognised within revenue; any income from ticket sales belongs to the promoter and thus does not form part of the revenue figure.

Education income includes education fees from music lessons and school visits and other education related income. It is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performances or event to which they relate or when the donor specifies that the grant or donation relates to future accounting periods.

Income from investments
Interest receivable is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest by the bank.

Orchestra tax relief
Orchestra tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

1. Accounting policies (continued)

1.5 Donated services and facilities

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, or capitalised as a fixed asset if the goods are to be retained for future benefits.

North Music Trust leases the premises from which it operates from Gateshead Metropolitan Borough Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income nor the corresponding rental charge have been recognised in the statement of financial activities.

1.6 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds are those costs incurred in attracting donations, and those incurred in trading activities that raise funds.

Expenditure on charitable activities includes costs associated with the staging of concerts, musical performances and educational programmes and includes both the direct costs and support costs relating to these activities.

Governance costs are those incurred in governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs cover central functions and have been allocated to activity cost categories and costs of generating funds in proportion to the time given to support each activity.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

1. Accounting policies (continued)

1.7 Prior year restatement

The methodology for the allocation of direct and support costs across fundraising, trading and charitable activities has been revised in the current year to bettter reflect the nature of the expenditure incurred and the activites of the charity.

This does not affect the overall surplus for the year or the comparability of the financial statements as the basis for allocation in the prior year has also been revised as per notes 6-10.

1.8 Fund accounting

Restricted funds
The Trust has a number of restricted income and capital funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in the notes.

Designated funds
Designated funds are unrestricted funds earmarked for specific purpose by the directors. They include amounts held as fixed assets purchased with specific capital funding secured.

Unrestricted funds
All other funds are unrestricted income funds, receivable or generated for the objects of the charity without further specified purpose.

Endowment fund
The permanent endowment fund is treated by the directors as a long term fund.

1.9 Intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation. Intangible assets are amortised at their expected useful economic lives on a straight line basis as follows:

Software and website development	-	3 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income and expenditure.

1. Accounting policies (continued)

1.10 Tangible fixed assets

Individual tangible fixed assets costing £5,000 or more are capitalised. Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of the assets as follows:

Furniture, fixtures and fittings	-	3-10 years straight line
Music	-	10 years straight line
Instruments	-	10 years straight line
Computer equipment	-	3 years straight line
Technical equipment	-	5 years straight line
Leasehold property improvements	-	10 years straight line
Forestage lift	-	50 years straight line
Kitchen and catering equipment	-	3-5 years straight line
Car park equipment	-	5 years straight line

Depreciation is not charged on stringed instruments as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of stringed instruments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the statement of financial activities.

1.11 Fixed asset investments

The group's endowment fund investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through the statement of financial activities.

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

1.12 Stocks

Stocks are valued on a first in first out basis and stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Stock held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

1. Accounting policies (continued)

1.13 Foreign currencies

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction

All transaction differences are taken to the statement of financial activities, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

1.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans from related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

1.15 Debtors

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

1.16 Cash at bank and in hand

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

1.17 Creditors

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1. Accounting policies (continued)

1.18 Finance leases and hire purchase

Finance leases
Assets held under finance leases and hire purchase contracts, which confer rights and obligations on the group similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charge to the statement of financial activities over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

Operating leases - the group as lessee
The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight line basis over the lease term.

1.19 Employee benefits

The costs of short-term employee benefits are recognised as an expense in the period in which the service is received.

1.20 Retirement benefits

The charity operates a defined contribution scheme for employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

1. Accounting policies (continued)

1.21 Critical accounting estimates and areas of judgment

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Significant judgments in applying accounting policies:

In preparing these financial statements, management makes judgments in categorising leases as finance or operating leases, based upon whether significant risks and rewards of ownership have transferred to the group as a lessee, or to the lessee where the charity or group is the lessor.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including the estimated useful life of assets. In addition, the accrued income in respect of Orchestra Tax Relief depends on a number of factors that are determined by management, including judgment over qualifying expenditure.

None of the judgments and estimates applied in the preparation of these financial statements are considered to carry a significant risk of material adjustments to the carrying amounts of assets and liabilities in the future.

2. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Arts Council England - core grant	3,576,742	-	**3,576,742**
GMBC - core grant	187,534	-	**187,534**
Other grants, recovery grant corporate donations and fundraising	1,540,896	968,991	**2,509,887**
Other grant income	121,712	-	**121,712**
Community Foundation - Sage Gateshead Fund*	736,784	-	**736,784**
	6,163,668	968,991	**7,132,659**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Arts Council England - core grant	3,576,744	-	3,576,744
GMBC - core grant	187,534	-	187,534
Other grants, corporate donations and fundraising	3,183,223	2,139,525	5,322,748
Other grant income	2,475,426	-	2,475,426
Community Foundation - Sage Gateshead Fund*	663,698	-	663,698
	10,086,625	2,139,525	12,226,150

*North Music Trust is the sole beneficiary of Sage Gateshead Fund, which is a restricted fund at the Community Foundation serving Tyne & Wear and Northumberland (registered charity number 700510). This fund was created from donations and sponsorship monies given to support the work of Sage Gateshead, some of which resulted in naming privileges to parts of the Sage Gateshead building and related facilities. From this fund, North Music Trust derived income totalling £736,784 (2021: £663,698) in the year).

3. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Income from performance programming and creative learning	3,370,714	**3,370,714**

	Unrestricted funds 2021 £	Total funds 2021 £
Income from performance programming and creative learning	914,696	914,696

4. Income from trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Conferences and events	122,208	**122,208**
Catering income	87,255	**87,255**
Car park income	422,629	**422,629**
Retail sales	1,982	**1,982**
	634,074	**634,074**

	Unrestricted funds 2021 £	Total funds 2021 £
Conferences and events	165,232	165,232
Catering income	2,700	2,700
Car park income	13,177	13,177
Retail sales	40	40
	181,149	181,149

5. Investment income

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Bank interest	4,921	-	**4,921**
Dividends	-	112,930	**112,930**
Total 2022	4,921	112,930	**117,851**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Bank interest	14,168	-	14,168
Dividends	-	161,378	161,378
Total 2021	14,168	161,378	175,546

6. Expenditure on fundraising

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Marketing expenses	132,430	-	**132,430**
Investment management costs	-	27,953	**27,953**
Allocation of support costs (note 10)	90,660	-	**90,660**
	223,090	27,953	**251,043**

	Restated Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Building expenses	258	-	258
Marketing expenses	128,200	-	128,200
Investment management costs	-	38,672	38,672
Allocation of support costs (note 10)	87,644	-	87,644
	216,102	38,672	254,774

7. Expenditure on trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Conferences and events	3,310	**3,310**
Catering expenses	410,633	**410,633**
Car park expenses	18,496	**18,496**
Retail expenses	10,233	**10,233**
Allocation of support costs (note 10)	226,649	**226,649**
Total 2022	669,321	**669,321**

	Restated Unrestricted funds 2021 £	Total funds 2021 £
Conferences and events	167,498	167,498
Catering expenses	520,653	520,653
Car park expenses	18,369	18,369
Retail expenses	33,223	33,223
Allocation of support costs (note 10)	219,109	219,109
Total 2021	958,852	958,852

8. Expenditure on charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Provision of charitable activities	7,614,858	1,573,084	**9,187,942**

	Restated Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Provision of charitable activities	7,109,724	509,566	7,619,290

9. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £
Performance programming - classical	2,755,864	1,651,458	**4,407,322**
Performance programming - popular and contemporary	665,232	1,651,458	**2,316,690**
Creative learning - young people programme	1,387,124	686,105	**2,073,229**
Creative learning - public engagement programme	96,321	226,649	**322,970**
Other costs	67,731	-	**67,731**
	4,972,272	4,215,670	**9,187,942**

	Restated Direct costs 2021 £	Restated Support costs 2021 £	Total funds 2021 £
Performance programming - classical	1,747,384	1,300,115	3,047,499
Performance programming - popular and contemporary	246,776	1,300,115	1,546,891
Creative learning - young people programme	1,429,706	673,370	2,103,076
Creative learning - public engagement programme	189,592	673,370	862,962
Other costs	58,862	-	58,862
	3,672,320	3,946,970	7,619,290

10. Support costs

	Costs of raising funds 2022 £	Trading activities 2022 £	Charitable activities 2022 £	Total funds 2022 £
Direction and policy	7,683	19,206	357,238	**384,127**
Human resources	2,602	6,505	120,993	**130,100**
Building services	23,646	59,114	1,099,527	**1,182,287**
Finance, accountancy and audit	7,614	19,034	354,041	**380,689**
IT	8,759	21,897	407,289	**437,945**
Marketing and customer experience	16,446	41,115	764,731	**822,292**
Irrecoverable VAT	4,405	11,012	204,816	**220,233**
Tech Team	8,036	20,089	373,664	**401,789**
Depreciation	5,018	12,544	233,322	**250,884**
Strategy and external relations	6,451	16,133	300,049	**322,633**
	90,660	226,649	4,215,670	**4,532,979**

	Restated Costs of raising funds 2021 £	Restated Trading activites 2021 £	Restated Charitable activities 2021 £	Total funds 2021 £
Direction and policy	5,083	12,706	236,339	254,128
Human resources	3,034	7,586	141,094	151,714
Building services	19,495	48,738	906,522	974,755
Finance, accountancy and audit	4,041	10,102	187,891	202,034
IT	7,699	19,247	357,993	384,939
Marketing and customer experience	27,448	68,620	1,173,560	1,269,628
Irrecoverable VAT	2,990	7,476	139,047	149,513
Tech Team	8,906	22,264	414,116	445,286
Process Planning	2,736	6,840	127,221	136,797
Depreciation	4,882	12,205	227,019	244,106
Other support costs	1,330	3,325	36,168	40,823
	87,644	219,109	3,946,970	4,253,723

Notes to the financial statements
Year ended 31 March 2022

11. Net income

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets: - owned by the charitable group	**289,793**	298,865
Amortisation of intangible fixed assets	**211**	4,362
Auditor's remuneration - audit	**18,250**	17,400
Auditor's remuneration - other services	**1,250**	1,250
Operating lease rentals	**14,687**	14,687

12. Exceptional costs

	2022 £	2021 £
Restructuring costs	**-**	601,466

Exceptional costs in the prior year include the redundancy costs of restructuring the business as a result of the impact of the Covid 19 pandemic.

13. Staff costs

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Wages and salaries	**4,777,716**	5,835,013	**4,603,933**	5,115,592
Social security costs	**380,817**	414,864	**374,389**	398,149
Contribution to defined contribution pension schemes	**231,024**	263,796	**229,157**	257,810
	5,389,557	6,513,673	**5,207,479**	5,771,551

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

	Group 2022 No.	Group 2021 No.	**Company 2022 No.**	Company 2021 No.
Performance Programming	**63**	50	**63**	50
Creative Learning	**82**	107	**82**	107
Management and administration	**91**	108	**91**	108
Customer services team	**244**	243	**244**	243
	480	508	**480**	508

	Group 2022 No	Group 2021 No
In the band £60,001 - £70,000	**4**	4
In the band £70,001 - £80,000	**1**	1
In the band £90,001 - £100,000	**1**	1
In the band £100,001 - £110,000	**1**	1

The key management personnel of the charity comprise the trustees and executive directors listed on page 1. The employees benefits total £461,630 (2021: £487,093).

Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2021: £nil).

During the year ended 31 March 2022, £913 of trustee expenses have been incurred (2021: £nil) payable to three trustees (2021: nil).

14. Intangible assets

Group and company

	Software & website development £
Cost	
At 1 April 2021	**60,163**
At 31 March 2022	**60,163**
Amortisation	
At 1 April 2021	**59,793**
Charge for the year	**211**
At 31 March 2022	**60,004**
Net book value	
At 31 March 2022	**159**
At 31 March 2021	370

15. Tangible fixed assets

Group

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2021	**1,540,659**	**3,571,475**	**617,624**	**1,498,668**	**7,228,426**
Additions	**-**	**562,566**	**-**	**901,835**	**1,464,401**
Transfers between classes	**2,048,964**	**-**	**-**	**(2,048,964)**	**-**
At 31 March 2022	**3,589,623**	**4,134,041**	**617,624**	**351,539**	**8,692,827**
Depreciation					
At 1 April 2021	**856,116**	**2,825,055**	**376,382**	**-**	**4,057,553**
Charge for the year	**34,942**	**233,990**	**20,861**	**-**	**289,793**
At 31 March 2022	**891,058**	**3,059,045**	**397,243**	**-**	**4,347,346**
Net book value					
At 31 March 2022	**2,698,565**	**1,074,996**	**220,381**	**351,539**	**4,345,481**
At 31 March 2021	684,543	746,420	241,242	1,498,668	3,170,873

The net book value of assets held under finance leases, included above, is £nil (2020: £31,258). The depreciation charged in the year in respect of such assets was £31,258 (2020: £32,978).

15. Tangible fixed assets (continued)

Company

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2021	**1,540,659**	**2,808,208**	**617,624**	**1,498,668**	**6,465,159**
Additions	**-**	**562,566**	**-**	**901,835**	**1,464,401**
Transfers between classes	**2,048,964**	**-**	**-**	**(2,048,964)**	**-**
At 31 March 2022	**3,589,623**	**3,370,774**	**617,624**	**351,539**	**7,929,560**
Depreciation					
At 1 April 2021	**856,116**	**2,099,365**	**376,382**	**-**	**3,331,863**
Charge for the year	**34,942**	**215,741**	**20,861**	**-**	**271,544**
At 31 March 2022	**891,058**	**2,315,106**	**397,243**	**-**	**3,603,407**
Net book value					
At 31 March 2022	**2,698,565**	**1,055,668**	**220,381**	**351,539**	**4,326,153**
At 31 March 2021	684,543	708,843	241,242	1,498,668	3,133,296

16. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2021	**7,349,523**
Additions	**1,444,710**
Disposals	**(1,203,990)**
Revaluations	**(33,924)**
At 31 March 2022	**7,556,319**
Net book value	
At 31 March 2022	**7,556,319**
At 31 March 2021	7,349,523

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2021	**2**	**7,349,523**	**7,349,525**
Additions	**-**	**1,444,710**	**1,444,710**
Disposals	**-**	**(1,203,990)**	**(1,203,990)**
Revaluations	**-**	**(33,924)**	**(33,924)**
At 31 March 2022	**2**	**7,556,319**	**7,556,321**
Net book value			
At 31 March 2022	**2**	**7,556,319**	**7,556,321**
At 31 March 2021	2	7,349,523	7,349,525

16. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the company:

Names	Company number	Class of shares	Holding	Included in consolidation
Music North Limited	04344453	Ordinary	100%	Yes
Royal Northern Sinfonia Limited	100998218	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit for the year £	Net assets/(liabilities) £
Music North Limited	**665,514**	**(446,997)**	**218,517**	**164,445**
Royal Northern Sinfonia Limited	**4,250,212**	**(3,831,881)**	**418,331**	**874,851**

17. Stocks

	Group 2022 £	Group 2021 £
Goods for resale	**50,889**	28,746

18. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	**246,922**	284,961	**200,259**	155,579
Amounts owed by group undertakings	**-**	-	**1,847,428**	1,932,951
Other debtors	**914,742**	852,834	**83,393**	188,661
Prepayments and accrued income	**282,399**	405,020	**252,410**	380,635
	1,444,063	1,542,815	**2,383,490**	2,657,826

Amounts owed by group companies are unsecured and repayable on demand.

19. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Other loans (see note 20)	**190,043**	79,220	**190,043**	79,220
Trade creditors	**925,377**	494,485	**881,746**	435,285
Other taxation and social security	**155,093**	170,842	**155,384**	171,133
Obligations under finance lease and hire purchase contracts	**-**	8,041	**-**	-
Other creditors	**30,269**	32,953	**29,691**	32,375
Accruals and deferred income	**2,593,983**	3,208,722	**2,472,416**	3,027,008
	3,894,765	3,994,263	**3,729,280**	3,745,021

Finance leases are secured against the assets to which they relate.

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Deferred income at 1 April 2021	**2,651,221**	3,301,196	**2,501,183**	3,062,016
Resources deferred during the year	**1,355,124**	1,825,022	**1,355,124**	1,825,022
Amounts released from previous periods	**(2,039,768)**	(2,474,997)	**(2,013,087)**	(2,385,855)
	1,966,577	2,651,221	**1,843,220**	2,501,183

Deferred income comprises:

Advance box office sales
Education fee income and hall bookings invoiced in advance; and
Grant income, core funding and endowment interest relating to future accounting periods.

20. Creditors: amounts falling due after more than one year

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Other loans	**3,099,838**	3,225,230	**3,099,838**	3,225,230

Other loans comprise £230,163 (2021: £304,450) which are repayable in annual instalments until 1 April 2024 and bear interest annually at a rate of 1.62%. A further loan of £3,000,000 was taken out on 10 March 2021 to support and maintain the cultural ecology of the charity. The loan is repayable in six monthly instalments until 10 March 2041, commencing from 10 March 2023. The loan bears interest annually at a rate of 2%.

Notes to the financial statements
Year ended 31 March 2022

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Capital projects	**1,498,668**	**-**	**-**	**(1,498,668)**	**-**	**-**
Fixed asset fund	**1,066,695**	**-**	**-**	**2,781,007**	**-**	**3,847,702**
Financial security fund	**500,000**	**-**	**-**	**-**	**-**	**500,000**
	3,065,363	**-**	**-**	**1,282,339**	**-**	**4,347,702**
General funds						
General funds	**2,305,060**	**10,173,376**	**(8,507,269)**	**(597,994)**	**-**	**3,373,173**
Total Unrestricted funds	**5,370,423**	**10,173,376**	**(8,507,269)**	**684,345**	**-**	**7,720,875**
Endowment funds						
Endowment funds	**7,349,523**	**112,930**	**(27,953)**	**(118,521)**	**240,340**	**7,556,319**

Notes to the financial statements
Year ended 31 March 2022

21. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Forestage Lift	**605,510**	**-**	**-**	**(16,620)**	**-**	**588,890**
Capital Project	**322,745**	**270,907**	**-**	**(549,204)**	**-**	**44,448**
Garfield Weston	**875,000**	**-**	**(875,000)**	**-**	**-**	**-**
In Harmony	**-**	**186,184**	**(186,184)**	**-**	**-**	**-**
LNER Customer and Community Fund	**-**	**170,059**	**(170,059)**	**-**	**-**	**-**
Arts Council England	**-**	**30,674**	**(30,674)**	**-**	**-**	**-**
CoMusica - National Foundation for Youth Music	**-**	**41,610**	**(41,610)**	**-**	**-**	**-**
David Goldman awards	**-**	**269,557**	**(269,557)**	**-**	**-**	**-**
	1,803,255	**968,991**	**(1,573,084)**	**(565,824)**	**-**	**633,338**
Total of funds	**14,523,201**	**11,255,297**	**(10,108,306)**	**-**	**240,340**	**15,910,532**

Forestage Lift is funding used to purchase the lift, with depreciation charged against the fund each year. The two grants used to purchase the asset have been combined into one fund to represent the underlying asset.

All other restricted funds relate to revenue projects for a variety of programmes, the activities of which are described in in the Trustees Report.

Transfers relate to:
a) The completion of the Capital Project
b) Transfers into the designated fixed asset fund (£2,781k), transferred from the capital project and unrestricted funds to represent the monetary value of the fixed asset.
c) Income generated from Endowment funds transferred to Unrestricted (£113k).

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Capital projects	573,448	-	-	925,220	-	1,498,668
Fixed asset fund	-	-	-	1,066,695	-	1,066,695
Financial security fund	-	-	-	500,000	-	500,000
	573,448	-	-	2,491,915	-	3,065,363
General funds						
General funds	1,711,921	11,196,638	(8,886,144)	(1,717,355)	-	2,305,060
Total Unrestricted funds	2,285,369	11,196,638	(8,886,144)	774,560	-	5,370,423
Endowment funds						
Endowment fund	6,034,312	161,378	(38,672)	160,076	1,032,429	7,349,523

21. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Forestage Lift	615,030	-	-	(9,520)	-	605,510
Capital Project	492,902	754,959	-	(925,116)	-	322,745
Garfield Weston	-	875,000	-	-	-	875,000
CoMusica - National Foundation for Youth Music	-	92,860	(92,860)	-	-	-
David Goldman awards	-	3,654	(3,654)	-	-	-
Community Music Sparks	-	178,289	(178,289)	-	-	-
CoMusica - National Foundation for Youth Music	-	189,771	(189,771)	-	-	-
Individual donations	-	18,279	(18,279)	-	-	-
Principal partners	-	26,713	(26,713)	-	-	-
	1,107,932	2,139,525	(509,566)	(934,636)	-	1,803,255
Total of funds	9,427,613	13,497,541	(9,434,382)	-	1,032,429	14,523,201

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,756,591	588,890	-	**4,345,481**
Intangible fixed assets	159	-	-	**159**
Fixed asset investments	-	-	7,556,319	**7,556,319**
Current assets	10,958,728	44,448	-	**11,003,176**
Creditors due within one year	(3,894,765)	-	-	**(3,894,765)**
Creditors due in more than one year	(3,099,838)	-	-	**(3,099,838)**
Total	7,720,875	633,338	7,556,319	**15,910,532**

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,565,363	605,510	-	3,170,873
Intangible fixed assets	370	-	-	370
Fixed asset investments	-	-	7,349,523	7,349,523
Current assets	10,024,183	1,197,745	-	11,221,928
Creditors due within one year	(3,994,263)	-	-	(3,994,263)
Creditors due in more than one year	(3,225,230)	-	-	(3,225,230)
Total	5,370,423	1,803,255	7,349,523	14,523,201

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	**1,387,331**	5,095,588
Adjustments for:		
Depreciation and amortisation charges	**290,004**	291,138
Losses/(gains) on investments	**(240,340)**	(1,032,429)
Dividends, interests and rents from investments	**(117,851)**	(175,546)
Loss on the sale of fixed assets	**-**	14,252
Decrease/(increase) in stocks	**(22,143)**	10,535
Decrease in debtors	**98,752**	774,562
Decrease in creditors	**(137,629)**	(1,100,449)
Net cash provided by operating activities	**1,258,124**	3,877,651

24. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	**9,508,224**	9,650,367

25. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Other non-cash changes £	At 31 March 2022 £
Cash at bank and in hand	**9,650,367**	**(142,143)**	**-**	**9,508,224**
Debt due within 1 year	**79,220**	**(79,220)**	**190,043**	**(190,043)**
Debt due after 1 year	**3,225,230**	**-**	**(125,392)**	**(3,099,838)**
Finance leases	**8,041**	**(8,041)**	**-**	**-**
	6,337,876	**(54,882)**	**(64,651)**	**6,218,343**

26. Capital commitments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	**343,228**	656,000	**343,228**	656,000

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £231,024 (2021: £186,115). Contributions totalling £29,343 (2021: £24,592) were payable to the fund at the balance sheet date and are included in creditors.

28. Operating lease commitments

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

	Group 2022 £	Group 2021 £
Not later than 1 year	**12,688**	14,687
Later than 1 year and not later than 5 years	**9,015**	23,702
	21,703	38,389

29. Related party transactions

Transactions with the wholly owned subsidiaries Music North Limited and Royal Northern Sinfonia Limited are included in the consolidated financial statements.

There are no other related party transactions in either period.

NORTH MUSIC TRUST

England & Wales - Charity number 1087445

Accounts

Registered number: 04044936
Charity number: 1087445

North Music Trust

(A company limited by guarantee)

Annual report

31 March 2021

North Music Trust

(A company limited by guarantee)

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North Music Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 March 2021

Trustees	Lord Falconer of Thoroton, Charles Leslie Falconer, Chair (resigned 30 June 2020) Sir Martin Narey, Chair D B Bradford (resigned 30 June 2020) E Cox MBE S Das M D Sice H Florek M Gannon (resigned 30 June 2020) Y H Kim R J McEwan-Brown OBE, Vice Chair S G Speed V Sarangapani T Wadsworth CBE J Spiers J M Scannell C Jackson
Company registered number	04044936
Charity registered number	1087445
Registered office	The Sage Gateshead St Mary's Square Gateshead Tyne and Wear NE8 2JR
Company secretary	L Tuck
Senior management team	A Pogson, Managing Director L Tuck, Chief Operating Officer S Vening, Finance Director Colin Johnson, Finance Director (resigned 10 December 2020) F Anderson, Director External Relations and Strategic Planning T Dittes, Director of RNS & Classical Music W Smith, Director, Contemporary Music E Flounders, Director of Marketing & Communications (resigned 7 August 2020)
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE

Reference and administrative details (continued)
Year ended 31 March 2021

Bankers	Barclays Bank plc Percy Street Newcastle upon Tyne NE1 4QL
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4AD

North Music Trust

(A company limited by guarantee)

Chair's statement
Year ended 31 March 2021

At the start of the financial year 2020/21 we at Sage Gateshead, along with the rest of the world, little realised how much would change in the coming 12 months and beyond. We closed to the public on 17th March and wouldn't see audience and participants in the building, other than for 2 weeks in October, until May 2021.

We lost all ticketing and commercial income overnight, some 60% of turnover, putting our charity at risk. We have had to make many excellent and loyal staff redundant and completely reimagine how, with much less income, we can serve our communities. Our survival has only been possible with support from DCMS and Arts Council England through the Culture Recovery Fund and the remarkable generosity of donors to our Crisis, Recovery and Renaissance fundraising campaign.

The team mobilised quickly, moving creative learning online and launching our Digital Stage. We have built a live, in-house streaming programme from nothing. This programme has reached both local audiences living under restrictions and for the first-time global audiences have been able to access our Sage One programme.

The year, although challenging in many ways, has not been without its successes (achieved only because our staff team adapted so well to the challenges of streaming music). We have had the Royal Northern Sinfonia giving a socially distanced performance to the children and families of In Harmony; The World How Wide our digital mass participation choral project made available for free on YouTube and still accessible now; Sage Gateshead Christmas Cracker a free streamed performance as well as broadcast performances from our outgoing Artists in Residence Paul Edis and Ruth Patterson. I'm delighted to report that Ruth will be staying with us in a different capacity having agreed to join me and other Trustees on the Sage Gateshead Board.

Alongside our community and performance work we have continued to support artists, expanding our Artist Development Programme at a time of acute crisis for many performing artists. In addition to performance and development opportunities through Summer Studios, Sage Sessions and our Artist in Residence scheme we ran online Artist Advice sessions and sessions around health and wellbeing.

It has been truly humbling to see and hear just how much Sage Gateshead means to our many and varied audiences from the responses to A Future for Music in the North East. We have taken time to foster a new dialogue with our audiences and communities about their aspirations for music in this region.

We are determined to come back post Covid a more inclusive and relevant organisation, strengthening links with local communities and listening to those who may never have tried Sage Gateshead and learning what we can do to make that possible, not least in finding ways to making things more affordable for families. We will bring back artists from across the UK and the world to North East audiences and develop greater artistic distinction as a producer and a programmer. We will integrate our children and young people's programmes with artist development and programming; and we shall exploit the arrival of a new and brilliant RNS Principal Conductor and put a greater focus on community relationships with the orchestra.

Please give us your support. Sage Gateshead is an astonishing gift to the North East, one of the greatest music auditoriums in the world, said by many to be, acoustically, the best in the UK. And it's here. In Gateshead. It makes me immensely proud.

Sir Martin Narey, Chair

Date: 10 December 2021

North Music Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 March 2021

The trustees present their annual report together with the audited financial statements of the company for the 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

- **Policies and objectives**

The charity's objectives are:

- To promote and develop the enjoyment, practice and understanding of music, and the education of the public in the understanding and appreciation of the arts;
- The provision and maintenance of Sage Gateshead as a base for production, presentation, participation, enjoyment and understanding of music, and as a fully accessible centre in which the public may explore, understand and enjoy them;
- To foster awareness, knowledge, understanding, appreciation and participation in folk and traditional arts;
- To bring together, maintain and promote musical ensembles including professional orchestras, paying particular regard to the repertoire for the chamber orchestra, and the traditional music of the North of England, the UK and beyond;
- To provide and promote educational courses, programmes and activities in a broad range of music for the benefit of the people of, but not exclusively, the Northern region;
- To achieve excellence in its work locally, regionally, nationally and internationally with all forms of music.

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

Objectives and activities (continued)

- **Strategic aims**

Our Mission: For audiences, for artists, for the North, for the long term.

Our Vision: Our Vision is to play an active part in contemporary culture, community and place through music. We achieve this with people of all ages and walks of life, as an international music organisation with deep northern roots.

Our Values:

Creative – In outlook and championing creativity and learning, particularly for children and young people, developing new ideas and open to change, in our organisation, our artists, our music and our audience;

Diverse – In our music and our programme, our audience and our workforce;

Focused – On being professional, commercial and entrepreneurial to help deliver our mission;

Leading – There is excellence in all we do, in the music sector, in the local community and throughout our work;

Responsible – For our decisions and accountable for our actions.

Achievements and performance

- **Achievements and performance**

In a normal year we measure our success against financial performance, numbers of people we reach, quality of engagement and social impact. This year has been very different, but we have continued to measure our progress through a series of metrics as quantitative KPIs as well as audience, artist and partner feedback gathered through a range of different channels. With our building closed and restrictions in place we have inevitably reached fewer people in 2020/21 and consequently our earned income is drastically reduced.

People and audiences (2019/20 in brackets)
1,692 audience for live events (274,734)
0 in person attendances for a course or a class in Sage Gateshead (184,405)
1,430 people visited Sage Gateshead (430,863)
2 million streaming audiences across platforms (91,000)
262 regional, national and international audiences through tours (25,475)

Programme
8 in person and 12 streamed performance events (501)
8,601 classes and workshops (3,211)
0 conferences and events (98)
22 premieres and commissions (36)
130 broadcasts and online products (23)

Achievements and performance (continued)

Finance
Our ability to trade was massively affected by the closure of our building. Our earned and traded income vanished, leaving statutory grants, philanthropy and endowment income as our sole sources of income.

Our financial sustainability was helped by the UK government's Coronavirus Job Retention Scheme and the Culture Recovery Fund.

- **Key performance indicators**

This is a summary of our activity by areas of our programme, followed by an assessment of our delivery against our strategic objectives.

Audiences, Artistic Production and Programming

After over 285 performances were postponed or cancelled, we began a programme of digital and socially distanced events. We self-produced 130 video performances, podcasts, and online learning products with an estimated reach of over 500,000 people. Working with partners including ECHO and Northern Online we promoted content via our platform, which reached an online audience of over 2 million.

The creative learning and programming teams created a live streamed online programme where none had existed before. Teams across the charity developed new skills which enabled us to be accessible to our audiences and communities at a time when it would have otherwise been impossible.

After the second lockdown impacted the Sage Live programme, we delivered 6 socially distanced performances and 12 shows were live streamed. We attracted audiences from 28 different countries: including the USA, Taiwan and New Zealand. 42.6% of audiences were first-time bookers, rising to 48.6% of stream audiences.

We launched A Future for Live Music in the North East as a way of planning for the future with our audiences. As part of this we asked audiences about their circumstances and attitudes and received a large number of responses to surveys and phone calls, including during a two-week period in which Royal Northern Sinfonia players called audience members. We maintained a good level of – primarily online – activity during 2020/21 continuing to serve audiences during the pandemic. We have participated in the Audience Agency After the Interval survey. As a result, we have been able to maintain good relationships with existing audiences and have a strong body of evidence that they have an appetite to return to live music once it is safe.

Royal Northern Sinfonia and Classical Programme

In numbers (2019/20 in brackets):

- 3 performances with audience in Sage Gateshead, 8 live streamed (95)
- 2 performances beyond Sage Gateshead (70)
- 0 festivals (3)
- 1 premieres and commissions (3)
- 1,066 live audience (88,000)
- 2,711 streamed audience (0)
- 200,000 other online audience

Among the events cancelled were a planned tour to Beijing, Seoul and Tokyo, which was to have included a week-long residency at La Folle Journée festival, the final concerts of the 2019/20 classical season and the whole of the planned 2020/21 classical season. Between 1 April 2020 and 31 March 2021, 68 classical performances due to take place at Sage Gateshead were cancelled, including 45 with Royal Northern Sinfonia.

Achievements and performance (continued)

During the summer, 2 outdoor RNS concerts were held for In Harmony families and an invited audience. A short, digital version was made available to the public via our Facebook page. The events reached 262 people in person and over 4,800 online.

April saw the release of Royal Northern Sinfonia's recording of the Brahms Piano Concerto No 2 with Lars Vogt directing from the piano.

Sage Live 2020 featured a world premiere and Sage Gateshead commission from Kristina Arakelyan Fantasia on a theme by Ludwig van Beethoven and Jessie Montgomery's inventive Strum. Lars Vogt stepped down as Music Director of Royal Northern Sinfonia at the end of the 2019/20 concert season and returned in the autumn as Principal Artistic Partner in two performances of Beethoven's 'Emperor' concerto.

Creative Diversity remains a priority for Royal Northern Sinfonia. Sage Live 2020 included gender-balance among conductors, works by female or ethnically diverse composers were programmed alongside key works for chamber orchestra in every concert. RNS Moves, our inclusive ensemble of disabled and non-disabled musicians featured members of Royal Northern Sinfonia performing alongside colleagues such as Clarence Adoo MBE. The first live stream for the ensemble was an eclectic programme showcasing the virtuosity and versatility of the group, including pieces by Shostakovich, Vivaldi, Sally Beamish and Joe Cutler.

A choral reimagining of Ralph Vaughan Williams's Fantasia on a Theme by Thomas Tallis entitled World How Wide was made by RNS Chorus Director Timothy Burke and featured the Chorus of Royal Northern Sinfonia, Quay Voices, singers from Streetwise Opera, Low Fell Community Choir, Low Fell Singers, Prudhoe Community Choir, Felling Male Voice Choir, Inspiration Choir, Ryton Choral Society, Prudhoe Gleemen Male Voice Choir, Collective Voices, Equal Arts Gateshead Care Home Choir and a string quartet from Royal Northern Sinfonia. World How Wide had over 120,000 YouTube views in its first week.

Royal Northern Sinfonia along with the Contemporary Programme presented an online Christmas thank-you to everyone who supported Sage Gateshead through the pandemic. The orchestra joined forces with local star Sam Fender to great acclaim.

RNS leader-emeritus Bradley Creswick was made an MBE by Her Majesty the Queen in her 2021 New Year Honours and in March 2021 the orchestra announced the appointment of a new Principal Conductor, Dinis Sousa.

Contemporary Programme

In numbers (2019/20 in brackets):

- 3 performances with audience in Sage Gateshead, 4 live streamed (336)
- 0 festivals (50)
- 1 premieres and commissions (7)
- 626 live audience (130,000)
- 976 Streamed audience
- 56,000 other online audiences

Among the gigs cancelled or rescheduled due to Covid were: Rufus Wainwright, Dido, Status Quo, Dionne Warwick, Alexis French, Katie Melua, Ghostpoet, The Flaming Lips, and Soweto Gospel Choir.

Achievements and performance (continued)

This year, due to Covid restrictions, we have mainly focused on presenting local artists in a wide range of contemporary music genres, both live (socially distanced) and streamed. The artists presented included ethnically diverse and disabled artists and artists from diverse socio-economic backgrounds. We supported local emerging artists through support slots on our Concourse stage. We hosted 29 artists on our mainstage in 4 performances of which one was livestreamed only.

Artist Richard Dawson performed two unique solo shows and a live stream at Sage Gateshead, following his show at Barbican. He presented his widely celebrated album, '2020' and a range of songs from his back catalogue. His detailed lyricism portrays everyday life in contemporary Britain, mental health issues and his own anxiety, with compassion and humour.

Yazz Ahmed, British-Bahraini trumpet player and composer and her Hafla band, an ensemble of 12 musicians, presented her 2019 album Polyhymnia, a suite in six movements inspired by courageous women: Haifaa Al Mansour, Saudi Arabia's first female director; saxophonist, Barbara Thompson; the Suffragettes; Ruby Bridges; Rosa Parks; and Malala Yousafzai.

Pioneering Northumbrian Piper and fiddle player Kathryn Tickell joined forces with her dad, poet and singer Mike Tickell and her brother Peter (Sting, Peatbog Fairies, Birdie, and Afro-Celt Sound System) to create a special 'Saturday Social' show, the first time they have performed as a trio for over 15 years, with clog dancing and accordion from special guest Heather Ferrier.

Lanterns on the Lake, one of the most exciting bands in the North East, brought the only airing of their Mercury Prize-nominated 2020 album Spook the Herd to Sage One in November. "To have the chance to play Spook The Herd live for the first time at a venue we have such a deep affection for, and at a time when venues, artists and the cultural sector in general are so badly affected by the pandemic is a wonderful and fitting opportunity for us, as well as a chance to show that amongst all this madness at least there is still some music to be found."

Sage Gateshead Christmas Cracker (shared with RNS) featured Sam Fender who joined forces with Royal Northern Sinfonia and alt-pop musician Martha Hill, accompanied by young jazz pianist and composer Paul Edis. The Christmas Cracker included performances from award-winning Teesside folk trio The Young'uns, as well as nationally renowned Voices of Virtue Gospel Choir and the Chorus of Royal Northern Sinfonia.

Festivals and Summer Schools

Most of our planned festivals and summer schools were cancelled due to the pandemic:

Summer Tyne
Folk on the Tyne
Gateshead Jazz 2021
Brass in Concert
Words Weekend
Folkworks Summer Schools

TUSK Festival 2020 migrated online and became TUSK Virtual 2020: 14 days and over 150 hours of output, reaching over 12,000 unique viewers internationally.

In the previous year, 2019/20, festivals attracted 33,515 visitors to Sage Gateshead.

Achievements and performance (continued)

Artist Development and Creative Learning

During 2020/21 our priority was to maintain as much of our artist development programme and our work with young people as possible through the pandemic. We managed this by moving all activities online in April 2020 and adding to our artist development activity to address the exceptional challenges which freelance musicians faced as a result of the pandemic.

In our long-term plans we aim to draw these two areas of our programme closer together, so that young people can see pathways to becoming professional musicians. We also plan to bring a new focus to our young people's programme, so that it focuses on what Sage Gateshead can uniquely do to support young people to develop their skills as musicians and producers

Artist Development

In numbers:

- 184 artists supported across the programme
- 9,250 audience for online Artists in Residence performances
- 51 online Artist Advice Sessions
- 1,000 views of health and wellbeing webinars
- 1,912 audience for Summer Studios performance videos

Highlights:

Summer Studios involved a diverse group 31 musicians, of whom 19 are emerging artists. 75% of participating artists received a bursary allowing them to participate in the programme. Bursaries are one of the ways we are supporting artists who identify as disabled or disadvantaged by their socio economic backgrounds.15 video performances have now been shared to an audience of 1,912.

We held 51 free online artist advice sessions, 7 musicians' health and wellbeing clinics and co-hosted 3 networking sessions with Generator. Health and wellbeing webinars were viewed an estimated 1,000 times.

Sage Sessions showcased 7 musicians, including 3 from SED (socio-economic disadvantage) backgrounds and 3 with disabilities/long-term health conditions. They have now reached an estimated audience of over 4,500 online and in person. Five disabled artists were commissioned: one within Sage Sessions, one for a Royal Northern Sinfonia Friday night concert, one within a digital project with Soumik Datta and two through an Unlimited partnership award.

4 Artists in Residence joined Sage Gateshead. Online performances from Artists in Residence including Ruth Patterson, Paul Edis and Geoff Kirkwood reached an estimated 9,250 people. A survey of participating artists across the artist development programme confirmed the diversity of this programme and that Sage Gateshead is successfully supporting early career artist from underrepresented backgrounds.

Achievements and performance (continued)

Creative Learning Programme: Young People & Public Engagement

In numbers:

- 8,601 courses, classes and workshops (3,211)
- 0 free events in the building (91)
- 0 events outside the building, excluding In Harmony (163)
- 39,048 attendances at workshops or classes (184,405)
- 0 in-person, 12 online performances (91)
- 0 premieres and commissions (5)
- Involved participants aged 0 to 92
- 125 digital learning products produced

Highlights:

Young People's Programme - Our work with children and young people is one of our main strategic priorities. We continued with a substantial programme this year, moving all activity online, supported by a new Online Safeguarding Policy and Procedures. We continued our strategic role within the region and nationally developing practice, increasing musical inclusion and influencing policy.

This year we have begun to reconfigure our Young People's Programme, integrating In Harmony, CoMusica and Young Musicians Programme (YMP), covering a broad range of contemporary and classical music. We are removing the brand of CoMusica to develop a new integrated brand, while keeping the In Harmony national brand.

In this work we will continue to deepen our commitment to inclusion, with regard to who the young artists and audiences are and what their musical and other backgrounds are, the increasing representativeness of the workforce and an ongoing diversity of the music our artists and young people engage in.

Young Musicians Programme - YMP is a high-level music training programme for 295 children and young people each weekend through term time. On Saturdays we run Foundation and Step Up programmes and training ensembles for children aged 4 – 16. On Sundays we run a Centre for Advanced Training for young people aged 8 -19 and four Youth Ensembles. This year 236 sessions took place online totalling almost 7,800 individual lessons, which supported over 295 young musicians. 8 online performances took place, which were seen by over 12,600 viewers.

Through a 3-year focus on increasing the diversity of young musicians, numbers of care experienced children and those with SEN/D increased. The proportion of applications from children and young people from diverse socio-economic backgrounds increased from 34% of applicants in 17/18 to 43% of applicants in 2020/21.Since beginning the YMP Inclusion project the number of applications from homes in postcodes within the highest 5 deciles of deprivation have risen over 57%.

Achievements and performance (continued)

CoMusica - a programme of activity, which supports children and young people aged 0 – 25 to develop musically, personally and socially. CoMusica includes programmes for care experienced children (Loud and Clear) and those with special educational needs and disabilities (Music Spark). It was more challenging to move these programmes online due to the specific needs of the young people and the partner organisations supporting them, however they did move onto digital platforms in October 2020. We ran 69 Music Sparks workshops for 15 SEN/D young people, co-led by four young adults employed by Sage Gateshead as Support Musicians, culminating in an online Artism event viewed by over 200 people. There were 54 Loud and Clear Workshops for 46 adoptive and foster families, 20 Turn Up the Quiet workshops for musicians who identify as female and non-binary and four Early Years recorded sessions, which we shared with partner organisations were viewed by 9,300 people. We organised an MC2 mini conference for teachers and music leaders and 9 Arts Awards were achieved. We closed the Arches and associated work focussed on young people who are not in employment, education or training to re-design a programme of song-writing and music production in collaboration with regional partners and informed by consultation with young people.

In Harmony Newcastle Gateshead - an immersive orchestral music programme based in two primary schools in the West End of Newcastle, children learn a musical instrument and play in ensembles. In Harmony is for children with the greatest need and fewest resources – over 50% of children in the West End of Newcastle live in poverty. In Harmony partners include: Hawthorn Primary School and Ashfield Nursery, Bridgewater School and Nursery, West End Women and Girls Centre, West Newcastle Children's Community and Music Partnership North. 633 young people took part in the programme. In person teaching had to stop between March and August and we were able to support 86 students to take their instruments home with them during the first lockdown. 47 online sessions took place and, when we were able to return in person, 173 sessions in schools, with 90 Arts Awards achieved.

Schools - our schools programme, which usually includes large numbers of children and young people attending concerts in our halls, was severely curtailed by the pandemic. This year we distributed a digital Big Sing for Mini Singers resource pack to schools, Music Education Hubs, Culture Bridge North East and families and shared 3 videos, which supported teachers and parents/ carers to use the resource, viewed by around 15,000 viewers.
Public Engagement

Make Music - is aimed at wider public engagement, a programme of classes and workshops for three groups: under-fives and their families, people over the age of 50 (the Silver Programme) and all adults aged 18 and over. This year's activity took place online. To broaden our online programme, we created a new virtual tuition package VirTuition, which supports people to learn at their own pace through downloadable lessons. Through Well-Tuned Gateshead, which engages older people at risk of isolation and loneliness we held 24, free to access, online music sessions over the summer, in partnership with Age UK Gateshead and Gateshead Older People's Assembly. There were 2,440 attendances over the 6 weeks and 23% were first time bookers. We also created music packs and song bags, which included small musical instruments, for families in Gateshead that could not access online resources, these were distributed by the Citizens Advice Bureau. We held 40 regular Early Years classes with 1,500 family attendances over the year. There were 226 regular adult classes with 8,804 attendances, 16 one-off workshops with 483 participants and 2 VirTuition packs were produced.

Achievements and performance (continued)

Conference & Events

In addition to our programme of music and cultural activity, we are one of the biggest conference centres in the North East of England. In a normal year profit from this area of our work is gifted across to the charity and conference organisers know that holding a conference at Sage Gateshead supports an important local charity and venue.

All conferences and events scheduled to take place during 2020/21 were cancelled due to Covid. 11,100 delegates did not come, the projected lost income to Sage Gateshead was £396,500 (around 37 events in total) and the projected lost visitor spend to the region was £2.42m.

In numbers:

- 0 conferences and events (98)
- 0 attendees (22,871)
- (39% of delegates came from outside the region in 2019/20)

- **Performance against strategic aims**

All our activities during 2020/21 were severely curtailed by Covid and our response to the pandemic was guided by our strategic aims.

Our strategic aims were :

- Significantly increase the number and range of people connected with music in our North, and the depth of those connections

In migrating Creative Learning Programmes online we concentrated on keeping people connected; we produced digital resource packs for partners, schools, parents and carers so that children and young people can continue their music learning at home, as well as music packs for children and young people who do not have access to the internet. We were able to support 86 young In Harmony participants to take their instruments home with them during the first lockdown.

- Our programme will be known for excellence, innovation and inclusion. It will be artist and audience led, in live and digital work

Programming across thematic streams continued to prioritise creative diversity and as an organisation we continued to focus on increasing the accessibility of our work. We worked with Children North East on poverty proofing our programmes, pricing structures and access to our building the outcomes of this work have been incorporated into our reopening plans. We continued to assess and promote the diversity of participants in our Artist Development and Creative Learning programmes, artists and composers across our performance programmes, audiences and our staff.

Our artist development programme continues to have national reach, particularly through projects such as Summer Studios. This programme attracts hundreds of applications from around the country each year and introduces emerging artists to contacts at key national organisations in the music industry such as PRS Foundation and Sony, as well as offering space to create.

With declining numbers of children and young people taking music at GCSE and A Level, continuing to increase diversity in Young Musicians Programme remains a priority.

We began an extensive dialogue with audiences through A Future for Live Music in the North East to explore ways of meeting our communities' needs and expectations into the future and to foster co-creation.

Achievements and performance (continued)

- We will maintain a sustainable business model for the organisation and develop our building and surrounding environment

The closure of Sage Gateshead during national periods of lockdown and other restrictions meant that we were unable to trade and our income fell immediately by 60% with a further 20% affected. We have been able to sustain the organisation by internal restructuring which resulted in a significant number of staff being made redundant, a £3 million-target, three-year Crisis Recovery and Renaissance fundraising campaign, the generosity of trusts, foundations and individuals across the North East together with support from the Department for Digital, Culture, Media and Sport through the Arts Council England-administered Culture Recovery Fund.

We have been an active partner in planning for the Gateshead Quays development due to be sited next to Sage Gateshead and we began work to redefine our approach to environmental responsibility and to become an environmental exemplar.

- Our people and partnerships will be strong, flexible and outward facing, defining our place in the North

We continue to act as a sector leader. The board has a focus on Creative Diversity and Equality. This is reflected within Sage Gateshead staff, with an annual employee Equality and Diversity survey circulated in quarter 1 of each year.

During the year 2020/21 we continued to work closely with Music Education Hubs and the Alliance for a Musically Inclusive England.

We worked and continue to work closely with the North East of England Chamber of Commerce on the importance arts and culture for post-pandemic economic and social recovery of the North East. Sage Gateshead gave oral evidence to the House of Lords Economic Affairs Committee and gave written evidence to the Education and Treasury committees of the House of Commons.

Achievements and performance (continued)

- **Fundraising**

This year has seen an unprecedented financial emergency. Our wide base of support from a broad range of sources has been key to our fundraising success in this year and formed the foundation for our 3-year A Future for Live Music in the North East: Crisis, Recovery and Renaissance Fundraising Campaign to which members of the public donated £1 million.

In 2020/21 20% of our income is from grants, philanthropy and endowments, 72% from public sources, 7% from earned income and 1% from trading.

Our two statutory funders, Arts Council England and Gateshead Council have maintained their grants to us despite strains on their own budgets. We received a grant of £2.8 million from DCMS via their CRF fund administered by Arts Council England.

We would like to gratefully acknowledge the support of the following:

Trust & Foundations
Ambache Trust, Austin and Hope Pilkington Charitable Trust, Barbour Foundation, Clore Duffield Foundation, Community Foundation Tyne & Wear and Northumberland, Daiwa Foundation, The D'Oyly Carte Charitable Trust, Esmée Fairbairn Foundation, The Garfield Weston Foundation, The Hadrian Trust, Kavli Trust, National Lottery Community Fund, Netherton Park Trust, The Percy Hedley 1990 Charitable Trust, The Persimmon Charitable Foundation, PRS for Music Foundation, The Shears Foundation, Sir James Knott Trust, St Nicholas' Educational Trust, The W A Handley Charitable Trust, The Vardy Foundation

Capital supporters
29th May 1961 Charity, Barbour Foundation, Catherine Cookson Charitable Trust, Foyle Foundation, The Garfield Weston Foundation, LNER, Sir James Knott Trust, Stuart Halbert Foundation, Wolfson Foundation and those who wish to remain anonymous

Corporate supporters
Adkins & Cheurfi, Axis Security, Biffa Waste Services, Cintra, Greggs, Hive, ISIS Property Services, Kilfrost, Lookers, LWC, Muckle LLP, Newcastle International Airport, Nexus, Northern Elevator, Pioneer Foodservice, Reece Group, Sage UK, Solution Group, Zerolight

Achievements and performance (continued)

- **Public benefit**

North Music Trust is a company limited by guarantee and a registered charity which operates under the name North Music Trust. It was founded in 2004 to expand musical horizons of audience, artists, students and staff through musical discovery; seeking to make connections between performance, education and participation. It has a particular objective of serving the North East in which it is based. This objective is set out in its memorandum and articles of association and forms the basis upon which the charity's vision, mission and aims are formulated.

The directors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission and are satisfied that the charity's activities are faithful to the charity's objectives and are to public benefit.

The charity's performance programme and Creative Learning programme are planned to serve a broad cross section of the North East communities. The programme embraces a wide range of artists and the locations of events and projects are varied to serve different age groups and sections of the community.

In normal times the performance programme brings world class artists into the region and nurtures local creativity. The Creative Learning programme offers a range of opportunities in music: from a first encounter to long term and high level training. As noted earlier in this report our priority this year was to maintain as much of our artist development programme and our work with young people as possible through the pandemic. We managed this by moving all activities online in April 2020 and adding to our artist development activity to address the exceptional challenges which freelance musicians faced as a result of the pandemic.

In our future planning particular attention is being paid to ticket pricing and to schemes which enable first time attenders to come to events or participate in projects for free. Pricing of all activities takes into account affordability and we aim to offer a range of different prices for ticketed events; this is particularly a factor within Creative Learning in which bursaries are offered for some projects and have been throughout 2020/21. Additional ticket offers for performances are extended through our Creative Learning programme to participants. An example of this is In Harmony participants and their families were invited to attend 2 RNS outdoor concerts.

The charity has always had a strong commitment to physical accessibility, this year we also developed the capacity to stream live performances and conduct lessons online. We have learnt there is a demand for these facilities and in planning are looking at hybrid models to retain access for those who are unable to attend physically.

Achievements and performance (continued)

- **Environmental impact**

We have a strong track record on reducing energy, water and waste production and work in close partnership with Julie's Bicycle, Arts Council England's environmental management and sustainability partner. Whilst the pandemic has driven down levels of consumption very significantly, we have made plans to drive down consumption levels compared to non-pandemic years once normal operations resume, starting from a place of strength in understanding our own data and consumption patterns.

During 2020/21 we began to re-examine our approach to environmental responsibility and established a working group with board-level and senior leadership members to plan for changes in our approach to environmental responsibility, particularly to extend it beyond our focus to date on our building.

We have maintained our Industry Green 2-star standard and the extensive cessation of activity in Sage Gateshead during 2020/21 meant it was not possible to meaningfully improve our performance (when compared with normal operational activity) and we continue to work towards 3-star recognition in 2021/22. We are a member of the Gateshead District Energy Scheme which provides low-carbon heat and power to public building in central Gateshead and homes managed by Gateshead Council. The scheme, and Sage Gateshead's on-site heat and power, aims to be zero-carbon by 2030.

The increased use of LED lighting throughout the building means we expect our electricity consumption to continue to fall when compared with pre-pandemic levels, as will our waste arisings. New ways of working including increased working from home are anticipated to further reduce our environmental impact.

The planning work we have done in 2020/21 will allow us to continually improve our environmental performance in future years and, in 2021/22 to focus our activity in three areas: our programme, our operations and our communications, looking beyond how we operate our building to how we can positively contribute to a better environment for our local, regional and global neighbours and how we can bring the wider environment into the heart of our work.

Achievements and performance (continued)

- **Plans for future periods**

Early in the pandemic we decided to group our response under the banner A Future for Live Music in the North East. We did this to have a joined-up communications plan and to link our response and recovery approach to long-term planning. We started formal planning for our new strategy in January 2020. One of the key inputs into our short, medium and long-term strategy has been Arts Council England's Let's Create.

This joined-up response has helped us make decisions for our long-term future. Plans for 2021/22 and 2022/23 are necessarily bridging plans – during these years we will need to adapt in response to the pandemic. We will link these adaptations to our long-term vision for a new Sage Gateshead.

In 2021/22, activity will include:

- Continuation of our successful, three-year fundraising campaign – Crisis, Recovery and Renaissance – underpinning our future strategy.
- Audience, artist and young people consultation projects, helping us build towards practice of co-creation and co-curation.
- Blogs, podcasts and broadcasts about the arts in recovery, filmed at Sage Gateshead and connecting us to different parts of society – economy, education, health and others.
- Artist commissions that explore the impact of the pandemic and what it means for our future.
- The gradual evolution of our work across programming and learning.

This work will also support our leadership role in the sector.

Our artistic programme will change – we will produce more of our own work, including activity which involves people in creation and performance. As an organisation which seeks to be profoundly inclusive in its approach, we will make new ways for people to contribute to our artistic programme. Sage Gateshead will also perform an important collaborative role in our region, by working in partnership with other organisations and artists to create and produce innovative artistic work. We believe high quality work should be made across the UK, including in the North East.

We expect our long-term direction to also see us:

- Bring back performances of world-class music from across the UK and the world, to ensure that people in the North East can hear the best in their own region.
- Realise a new artistic and community vision for our orchestra, supported by a new, and different kind, of artistic leadership.
- Establish a new direction for Contemporary programming, with an emphasis on own produced and programmed work and relationships with a diverse range of musicians.
- Create a single, integrated programme for children and young people focusing on them as musicians across all types of music – our inclusive practice in this area will help create the next generation of diverse musicians and leaders from the North East.
- Place digital activity a central part of our programming and planning, ensuring our output is innovative and relevant.
- Begin new programmes to support local people to develop a passion for music and to realise their creativity, diversifying our programme and audiences.
- Become a UK centre for artist development and artistic innovation. We plan to reimagine Sage Two as a year-round development centre for artists.
- Co-create with communities and bring them into the heart of our governance.
- Engage with the social issues of our age through our work, including the climate emergency and anti-racism.

Financial review

- **Financial review**

Sage Gateshead is the trading name of North Music Trust. The Trust has a wholly owned subsidiary company, Music North Limited, from which the trust benefits from an annual distribution of profits.

Our financial objectives were revised in the light of the pandemic. We have with support delivered these revised financial objective for the year, which was to remain viable as an organisation.

North Music Trust

Income

During the financial year to 31 March 2021 the group generated income of £13.5m (2020: £16.0m) which comes from a range of different sources:

- Earned income through ticket sales
- Fundraised income, including endowment income
- Contracts and commissions
- Public grants
- Traded income

This spread of income is an important part of the trust's ongoing sustainability and public benefit. For every £1 of public subsidy a further £0.28 was traded, earned or fundraised. An achievement given the circumstances.

Expenditure

Total resources expended in the year amounted to £9.4m (2020: £14.7m), of which £0.6m (2020: £0.7m) was incurred on raising funds, £1.3m (2020: £3.0m) on trading activities and £6.8m (2020: £11.0m) was spent on the Trust's programming and other charitable activities across:

- Creative Learning
- Artistic programmes
- Conferencing and Events
- Other earned income

There were £0.6m (2020 £0m) of exceptional costs incurred in the year as a result of the Covid-19 pandemic.

Out turn

During the year a surplus of £5.1m (2020: £0.7m) was generated, including a positive movement of £3.1m (2020: positive movement of £1.1m) on unrestricted reserves.

Music North Limited

During the financial year to 31 March 2021 the trading subsidiary earned income of £0.2m (2020: £2.9m) which comes from a range of different sources:

- Conferences and events
- Retail sales
- Room hires
- F&B sales
- Car parking

A loss before taxation of £0.2m (2020: profit of £0.7m) was made in the year.

Fixed assets

The Trust invested £1.1m (2020: £780k) in fixed assets and improvements to the building during the year.

Funds

Unrestricted General and Unrestricted Designated

Consolidated unrestricted reserves increased during the year up to a surplus of £5.4m (2020: surplus of £2.3m).

Restricted

Consolidated restricted reserves increased during the year to £1.8m (2020: £1,108k).

Endowment

The charity has two sources of endowment income:

A fund of £12.3m (2020: £10.4m) which is held off balance sheet on behalf of North Music Trust by the Community Foundation. An annual grant is drawn down from the Community Foundation proportional to the Trust's interest in the fund and this income is included within the Trust's voluntary income for the year.

North Music Trust also has its own endowment fund held on its balance sheet at a value of £7.3m (2020: £6.4m). The fund was created from £4m in donations to Sage Gateshead and £2m in matched funding from Arts Council England via its Catalyst fund. An annual contribution from the investment income will be applied to each year's results in perpetuity.

- **Investment management**

North Music Trust's own endowment fund is managed by Rathbone Investment Management Limited. The investment objective is to find a balance between income and capital growth and the approach to risk is a medium risk profile that aims over time to achieve returns above the rate of inflation.

- **Going concern**

The charity recognises that it is operating in an extremely challenging and fast changing external environment. The charity is a going concern and reviews risk through a strategic risk register and operational risk register on a regular basis. It does not currently have any risks which are outside the terms of these registers.

In response to the financial challenges of Covid the organisation has taken robust action, utilising the Coronavirus Job Retention Scheme, reprofiling its Arts Council England NPO grant, rebudgeting to reflect projected drops in income, and restructuring the organisation. A grant from the Culture Recovery Fund and the successful launch of a new £3m fundraising campaign further strengthens financial resilience. The organisation has also benefitted from a £3m Cultural Recovery Fund loan which has provided additional financial security in challenging times.

For further information see the going concern accounting policy.

- **Risk management**

The directors monitor progress against the strategic objectives set out in the agreed business plan and a comprehensive review of the plan is carried out annually. As part of this process, the directors have developed a risk management strategy that comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The principal risks and uncertainties facing Sage Gateshead are outlined in the plans for future periods section.

- **Reserves policy**

In the extreme circumstances of the pandemic the charity aims to hold 3 months turnover in free reserves and holds free reserves as at 31 March 2021 of £2.3m (2020: negative £65k). The charity anticipates these will be used over the next 2 years to support the organisation as it recovers from the impact of the pandemic.

During March 2021, the Board approved the creation of two designated funds, a Fixed Asset Fund (£1.1m) and a Financial Security Fund (£0.5m), which sit alongside the existing Capital Projects Fund (£1.5m).

These designated funds, together with the General fund, result in total unrestricted reserves of £5.370m (2020: £2.285m).

Structure, governance and management

- **Governance**

North Music Trust is a charitable company limited by guarantee and does not have share capital. The charity is governed by its memorandum and articles of association last amended on 21/01/2009.

The trustees agree to contribute £1 in the event of the charity winding up.

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

The management of the group and the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

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

Three subcommittees of the Board, represented by Board members, have been established to facilitate more regular and detailed involvement of nonexecutives and independent representatives in three core areas of operation (Finance, People, Programme & Development) than would be feasible at meetings of the full Board. Two supporting committees advise the board (Audit & Risk and Remunerations & Nominations) meeting three times a year. In addition a Closure Working Group was set up to oversee our response during 2020/21.

Since North Music Trust was formally constituted in 2000 the Board and its subcommittees have been actively involved in the formulation, approval and implementation of aims, policies, strategies and procedures across the whole range of activities in which North Music Trust is engaged. The Board is involved in any significant decision that falls outside that approved framework.

The Board selects and appoints the Managing Director as its Chief Executive and other key members of the Senior Management Team to carry out the business of the Trust within aims, policies, strategies and procedures approved by the Board. The performance of the Managing Director is reviewed against agreed targets once a year by the Chair, in line with an organisation wide performance review framework.

The Chair of the Board, Chairs of Committees and individual Board members are frequently consulted by members of the Senior Management Team on policy development or on specific problems or opportunities. The Chair of the Board, the Vice Chair, Board and subcommittee members and other members between them receive regular updates on the meetings of the Senior Management Team. They also meet periodically to discuss progress, plans and any significant items of current concern.

The Directors are confident that the governance and management structures that have been established are appropriate to the needs of a diverse, large, and growing organisation.

- **Pay policy for key management personnel**

Pay levels for all staff including senior staff are set in a banding system and are benchmarked against peer organisations as part of the Newcastle Gateshead Cultural Venues group.

The board has resolved to exercise pay restraint for at least 18 months from 10th March 2021 (the date of the RFA), where legally possible to do so, including freezing the Managing Director and Chief Operating Officer salaries which are the organisation's senior pay band. In compliance with the pay restraint requirement of our Culture Recovery Fund Loan.

Structure, governance and management (continued)

- **Related party relationships**

The Trust has a close relationship with Arts Council England, North East and Gateshead Council, both of which provide funding to enable the charity to carry out its charitable objectives.

- **Financial risk management**

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

- **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

- **Investment powers**

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the directors see fit.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The group and the company carry out exit interviews for all staff leaving the organisation and have adopted a procedure of upward feedback for senior management and the trustees.

The group and the company have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the group and the company's equal opportunities policy, the group and the company have long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the company's offices.

Disclosure of information to auditor

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

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

Auditor

A resolution to reappoint UNW LLP as auditor for the forthcoming financial year will be tabled at the Annual General Meeting.

Approved by order of the members of the board of trustees on 10 December 2021 and signed on their behalf by:

Sir M J Narey
Chair of trustees

Statement of trustees' responsibilities
Year ended 31 March 2021

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial . Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Independent auditor's report to the Members of North Music Trust

Opinion

We have audited the financial statements of North Music Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report , other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Secondly, the group is subject to many other laws and regulations where the consequences of non compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection and certain aspects of company legislation, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Independent auditor's report to the Members of North Music Trust (continued)

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Hallowell

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

10 December 2021

North Music Trust

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
Year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Restated Total funds 2020 £
Income and endowments from:						
Donations and legacies	2	**10,086,625**	**2,139,525**	**-**	**12,226,150**	6,192,927
Charitable activities	3	**914,696**	**-**	**-**	**914,696**	6,455,615
Other trading activities	4	**181,149**	**-**	**-**	**181,149**	2,966,633
Investments	5	**14,168**	**-**	**161,378**	**175,546**	272,430
Other income		**-**	**-**	**-**	**-**	70,523
Total income and endowments		**11,196,638**	**2,139,525**	**161,378**	**13,497,541**	15,958,128
Expenditure on:						
Raising funds:						
Fundraising		**566,995**	**-**	**38,672**	**605,667**	739,061
Trading activities		**1,346,570**	**-**	**-**	**1,346,570**	3,045,052
Charitable activities	8	**6,371,113**	**509,566**	**-**	**6,880,679**	10,957,246
Exceptional costs	11	**601,466**	**-**	**-**	**601,466**	-
Total expenditure		**8,886,144**	**509,566**	**38,672**	**9,434,382**	14,741,359
Net income before net gains/(losses) on investments		**2,310,494**	**1,629,959**	**122,706**	**4,063,159**	1,216,769
Net gains/(losses) on investments		**-**	**-**	**1,032,429**	**1,032,429**	(492,410)
Net income / (expenditure)		**2,310,494**	**1,629,959**	**1,155,135**	**5,095,588**	724,359
Transfers between funds	21	**774,560**	**(934,636)**	**160,076**	**-**	-
Net movement in funds		**3,085,054**	**695,323**	**1,315,211**	**5,095,588**	724,359

Consolidated Statement of financial activities (incorporating income and expenditure account) (continued)
Year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:						
Total funds brought forward		**2,285,369**	**1,107,932**	**6,034,312**	**9,427,613**	8,703,254
Net movement in funds		**3,085,054**	**695,323**	**1,315,211**	**5,095,588**	724,359
Total funds carried forward		**5,370,423**	**1,803,255**	**7,349,523**	**14,523,201**	9,427,613

The classification of costs relating to 2020 have been reclassified for consistency with the current year presentation. See note 10 for details.

North Music Trust

(A company limited by guarantee)

Consolidated balance sheet
At 31 March 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		**370**		4,732
Tangible assets	15		**3,170,873**		2,345,362
Investments	16		**7,349,523**		6,355,766
			10,520,766		8,705,860
Current assets					
Stocks	17	**28,746**		39,281	
Debtors	18	**1,542,815**		2,317,377	
Cash at bank and in hand		**9,650,367**		3,773,274	
		11,221,928		6,129,932	
Creditors: amounts falling due within one year	19	**(3,994,263)**		(5,101,868)	
Net current assets			**7,227,665**		1,028,064
Total assets less current liabilities			**17,748,431**		9,733,924
Creditors: amounts falling due after more than one year	20		**(3,225,230)**		(306,311)
Total net assets			**14,523,201**		9,427,613
Charity funds					
Endowment funds	21		**7,349,523**		6,034,312
Restricted funds	21		**1,803,255**		1,107,932
Unrestricted funds	21		**5,370,423**		2,285,369
Total funds			**14,523,201**		9,427,613

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

The financial statements were approved and authorised for issue by the trustees on 10 December 2021 and signed on their behalf by:

Sir Martin Narey
Chair of trustees

The notes on pages 34 to 67 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Company balance sheet
At 31 March 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		**370**		4,732
Tangible assets	15		**3,133,296**		2,271,866
Investments	16		**7,349,525**		6,355,768
			10,483,191		8,632,366
Current assets					
Debtors	18	**2,657,826**		2,908,256	
Cash at bank and in hand		**7,955,717**		1,999,600	
		10,613,543		4,907,856	
Creditors: amounts falling due within one year	19	**(3,745,021)**		(4,746,706)	
Net current assets			**6,868,522**		161,150
Total assets less current liabilities			**17,351,713**		8,793,516
Creditors: amounts falling due after more than one year	20		**(3,225,230)**		(298,334)
Total net assets			**14,126,483**		8,495,182
Charity funds					
Endowment funds	21		**7,349,523**		6,034,312
Restricted funds	21		**928,255**		1,107,932
Unrestricted funds	21		**5,848,705**		1,352,938
Total funds			**14,126,483**		8,495,182

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

The financial statements were approved and authorised for issue by the trustees on 10 December 2021 and signed on their behalf by:

Sir Martin Narey
Chair of trustees

The notes on pages 34 to 67 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Consolidated statement of cash flows
Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	**3,877,651**	999,122
Cash flows from investing activities		
Dividends, interests and rents from investments	**175,546**	272,430
Purchase of intangible assets	**-**	(634)
Purchase of tangible fixed assets	**(1,126,539)**	(780,349)
Proceeds from sale of investments	**3,629,425**	1,896,137
Purchase of investments	**(3,590,754)**	(1,853,173)
Net cash used in investing activities	**(912,322)**	**(465,589)**
Cash flows from financing activities		
Cash inflows from new borrowing	**3,000,000**	-
Repayments of borrowing	**(73,104)**	(63,509)
Repayments of finance leases	**(15,132)**	(30,292)
Net cash provided by/(used in) financing activities	**2,911,764**	**(93,801)**
Change in cash and cash equivalents in the year	**5,877,093**	**439,732**
Cash and cash equivalents at the beginning of the year	**3,773,274**	3,333,542
Cash and cash equivalents at the end of the year	**9,650,367**	3,773,274

The notes on pages 34 to 67 form part of these financial statements

Notes to the financial statements
Year ended 31 March 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated balance sheet (SOFA) and consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Company status

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

1.3 Going concern

Sage Gateshead was closed for most of 2020/21 due to the Covid 19 pandemic. In response to the financial challenges of Covid the organisation has taken robust action, utilising the Coronavirus Job Retention Scheme, reprofiling its Arts Council England NPO grant, re-budgeting to reflect projected drops in income, and restructuring the organisation. A grant from the Culture Recovery Fund and the successful launch of a new £3 million fundraising campaign further strengthens financial resilience. The organisation has also benefitted from a £3m Cultural Recovery Fund loan which has provided additional financial security in challenging times.

The Trust's current funding arrangement with Arts Council England runs to March 2022, and as such is secure for the coming year, and programming has been planned for the coming year to accommodate the impacts of the pandemic with regard to audience levels. Whilst the organisation is returning to a more normal programme, the restructuring and re-budgeting that has taken place since the start of the pandemic, along with the additional funding secured, allows programmes to continue and costs to be met within the income available to the Trust.

As a result, after making enquiries, the trustees consider that the organisation remains a going concern and consequently these accounts have been prepared on that basis.

1. Accounting policies (continued)

1.4 Income

Incoming resources are recognised in the statement of financial activities when the charity has entitlement to the funds; any conditions attached to the income must have been met; it is probable that the income will be received and the amount can be measured reliably.

Income from donations and legacies
Income from donations and legacies includes sponsorships and donations and grants that provide core funding or are of a general nature. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation relates to future accounting periods.

Income from trading activities
Income generated from commercial trading is recognised as earned as the related goods and services are provided.

Income from charitable activities
Performance income includes box office sales, engagement income, hall hire and other performance related income.

It is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Tickets are sold through the box office for three different event categories in terms of income recognition; Self-Promotions, Co-Promotions and Hall Hires. Where the event is a Self-Promotion, ticket sales are recognised gross in full within revenue. Where the event is a Co-Promotion, a portion of the ticket income is recognised within revenue; any income from ticket sales belongs to the promoter and thus does not form part of the revenue figure.

Education income includes education fees from music lessons and school visits and other education related income. It is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performances or event to which they relate or when the donor specifies that the grant or donation relates to future accounting periods.

Income from investments
Interest receivable is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest by the bank.

Orchestra tax relief
Orchestra tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

1. Accounting policies (continued)

1.5 Donated services and facilities

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, or capitalised as a fixed asset if the goods are to be retained for future benefits.

North Music Trust leases the premises from which it operates from Gateshead Metropolitan Borough Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income nor the corresponding rental charge have been recognised in the statement of financial activities.

1.6 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds are those costs incurred in attracting donations, and those incurred in trading activities that raise funds.

Expenditure on charitable activities includes costs associated with the staging of concerts, musical performances and educational programmes and includes both the direct costs and support costs relating to these activities.

Governance costs are those incurred in governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs cover central functions and have been allocated to activity cost categories and costs of generating funds in proportion to the time given to support each activity.

1.7 Fund accounting

Restricted funds
The Trust has a number of restricted income and capital funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in the notes.

Designated funds
Designated funds are unrestricted funds earmarked for specific purpose by the directors. They include amounts held as fixed assets purchased with specific capital funding secured.

Unrestricted funds
All other funds are unrestricted income funds, receivable or generated for the objects of the charity without further specified purpose.

Endowment fund
The permanent endowment fund is treated by the directors as a long term fund.

1. Accounting policies (continued)

1.8 Intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation. Intangible assets are amortised at their expected useful economic lives on a straight line basis as follows:

Software and website development	-	3 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income and expenditure.

1.9 Tangible fixed assets

Individual tangible fixed assets costing £5,000 or more are capitalised. Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of the assets as follows:

Furniture, fixtures and fittings	-	3-10 years straight line
Music	-	10 years straight line
Instruments	-	10 years straight line
Computer equipment	-	3 years straight line
Technical equipment	-	5 years straight line
Leasehold property improvements	-	10 years straight line
Forestage lift	-	50 years straight line
Kitchen and catering equipment	-	3-5 years straight line
Car park equipment	-	5 years straight line

Depreciation is not charged on stringed instruments as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of stringed instruments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the statement of financial activities.

1.10 Fixed asset investments

The group's endowment fund investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through the statement of financial activities.

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

1. Accounting policies (continued)

1.11 Stocks

Stocks are valued on a first in first out basis and stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Stock held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

1.12 Foreign currencies

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction

All transaction differences are taken to the statement of financial activities, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

1.13 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans from related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

1.14 Debtors

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

1.15 Cash at bank and in hand

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

1.16 Creditors

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1. Accounting policies (continued)

1.17 Finance leases and hire purchase

Finance leases
Assets held under finance leases and hire purchase contracts, which confer rights and obligations on the group similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charge to the statement of financial activities over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

Operating leases - the group as lessee
The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight line basis over the lease term.

1.18 Employee benefits

The costs of short-term employee benefits are recognised as an expense in the period in which the service is received.

1.19 Retirement benefits

The charity operates a defined contribution scheme for employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

1. Accounting policies (continued)

1.20 Critical accounting estimates and areas of judgment

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Significant judgments in applying accounting policies:

In preparing these financial statements, management makes judgements in categorising leases as finance or operating leases, based upon whether significant risks and rewards of ownership have transferred to the group as a lessee, or to the lessee where the charity or group is the lessor.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including the estimated useful life of assets. In addition, the accrued income in respect of Orchestra Tax Relief depends on a number of factors that are determined by management, including judgement over qualifying expenditure.

None of the judgments and estimates applied in the preparation of these financial statements are considered to carry a significant risk of material adjustments to the carrying amounts of assets and liabilities in the future.

2. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Arts Council England - core grant	3,576,744	-	**3,576,744**
GMBC - core grant	187,534	-	**187,534**
Other grants, recovery grant corporate donations and fundraising	3,183,223	2,139,525	**5,322,748**
Government grants	2,475,426	-	**2,475,426**
Community Foundation - Sage Gateshead Fund*	663,698	-	**663,698**
	10,086,625	2,139,525	**12,226,150**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Arts Council England - core grant	3,512,124	-	3,512,124
GMBC - core grant	187,033	-	187,033
Other grants, corporate donations and fundraising	537,538	1,180,081	1,717,619
Other grant income	68,755	-	68,755
Community Foundation - Sage Gateshead Fund*	707,396	-	707,396
	5,012,846	1,180,081	6,192,927

*North Music Trust is the sole beneficiary of Sage Gateshead Fund, which is a restricted fund at the Community Foundation serving Tyne & Wear and Northumberland (registered charity number 700510). This fund was created from donations and sponsorship monies given to support the work of Sage Gateshead, some of which resulted in naming privileges to parts of the Sage Gateshead building and related facilities. From this fund, North Music Trust derived income totalling £663,698 (2020: £707,396) in the year).

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Total income from charitable activities	914,696	**914,696**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Total income from charitable activities	5,764,826	690,789	6,455,615

Performance programming

	Classical 2021 £	Popular and contemp. 2021 £	Total funds 2021 £
Box office income	71,357	437	**71,794**
Orchestra tax relief	34,395	-	**34,395**
Total 2021	105,752	437	**106,189**

	Classical 2020 £	Popular and contemp. 2020 £	Total funds 2020 £
Box office income	1,703,793	2,306,719	4,010,512
Orchestra tax relief	905,134	-	905,134
Other income	8,165	293	8,458
Total 2020	2,617,092	2,307,012	4,924,104

Creative learning

	Young people programme 2021 £	Public engagement programme 2021 £	Total funds 2021 £
Fee income	762,643	43,370	**806,013**
Sundry income	2,494	-	**2,494**
Total 2021	765,137	43,370	**808,507**

	Young people programme 2020 £	Public engagement programme 2020 £	Total funds 2020 £
Fee income	1,207,318	319,930	1,527,248
Sundry income	-	4,263	4,263
Total 2020	1,207,318	324,193	1,531,511

4. Income from trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Conferences and events	165,232	**165,232**
Catering income	2,700	**2,700**
Car park income	13,177	**13,177**
Retail sales	40	**40**
	181,149	**181,149**

	Unrestricted funds 2020 £	Total funds 2020 £
Conferences and events	684,690	684,690
Catering income	1,839,814	1,839,814
Car park income	244,478	244,478
Retail sales	197,651	197,651
	2,966,633	2,966,633

5. Investment income

	Unrestricted funds 2021 £	**Endowment funds 2021 £**	**Total funds 2021 £**
Bank interest	14,168	-	**14,168**
Dividends	-	161,378	**161,378**
Total 2021	14,168	161,378	**175,546**

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Bank interest	10,674	-	10,674
Dividends	-	261,756	261,756
Total 2020	10,674	261,756	272,430

6. Expenditure on fundraising

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Building expenses	258	-	**258**
Marketing expenses	218,809	-	**218,809**
Investment management costs	-	38,672	**38,672**
Allocation of support costs (note 10)	347,928	-	**347,928**
	566,995	38,672	**605,667**

	Restated Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Marketing expenses	266,854	-	266,854
Investment management costs	-	42,964	42,964
Allocation of support costs (note 10)	429,243	-	429,243
	696,097	42,964	739,061

7. Expenditure on trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Conferences and events	167,498	**167,498**
Catering expenses	520,653	**520,653**
Car park expenses	18,369	**18,369**
Retail expenses	33,223	**33,223**
Allocation of support costs (note 10)	606,827	**606,827**
Total 2021	1,346,570	**1,346,570**

	Restated Unrestricted funds 2020 £	Total funds 2020 £
Conferences and events	439,419	439,419
Catering expenses	1,587,152	1,587,152
Car park expenses	17,914	17,914
Retail expenses	209,971	209,971
Allocation of support costs (note 10)	790,596	790,596
Total 2020	3,045,052	3,045,052

8. Expenditure on charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Provision of charitable activities	6,371,113	509,566	**6,880,679**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Provision of charitable activities	10,134,106	823,140	10,957,246

9. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £
Provision of charitable activities	3,672,320	3,208,359	**6,880,679**

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Provision of charitable activities	6,716,503	4,240,743	10,957,246

Performance programming

	Classical 2021 £	Popular and contemp. 2021 £	Total funds 2021 £
Staff costs	1,464,814	190,601	**1,655,415**
Artist costs	60,636	26,451	**87,087**
Orchestra and soloist costs	69,372	-	**69,372**
Technical costs	65,718	22,896	**88,614**
Travel and subsistence	6,778	35	**6,813**
Other costs	80,066	6,793	**86,859**
Allocation of support costs	997,353	997,352	**1,994,705**
	2,744,737	1,244,128	**3,988,865**

	Restated Classical 2020 £	Restated Popular and contemp. 2020 £	Total funds 2020 £
Staff costs	1,620,484	532,803	2,153,287
Artist costs	287,976	667,209	955,185
Orchestra and soloist costs	722,180	-	722,180
Technical costs	435,869	112,734	548,603
Travel and subsistence	74,990	21,848	96,838
Other costs	132,270	298,031	430,301
Allocation of support costs	1,329,775	1,329,775	2,659,550
	4,603,544	2,962,400	7,565,944

Creative learning

	Young people programme 2021 £	Public engagement programme 2021 £	Both 2021 £	Total funds 2021 £
Staff costs	641,915	98,426	-	**740,341**
Self-employed fees	8,010	-	-	**8,010**
Travel and subsistence	(4,935)	-	-	**(4,935)**
Resources	14,086	-	-	**14,086**
Training	144	-	-	**144**
Hire costs	(511)	-	-	**(511)**
Other costs	50,922	704	869,399	**921,025**
Allocation of support costs	606,827	606,827	-	**1,213,654**
	1,316,458	705,957	869,399	**2,891,814**

	Restated Young people programme 2020 £	Restated Public engagement programme 2020 £	Both 2020 £	Total funds 2020 £
Staff costs	1,190,177	400,214	-	1,590,391
Self-employed fees	26,426	-	-	26,426
Travel and subsistence	29,359	417	-	29,776
Resources	49,514	2,748	-	52,262
Training	2,026	-	-	2,026
Hire costs	9,555	3,694	-	13,249
Other costs	57,779	5,447	299,606	362,832
Allocation of support costs	790,596	790,596	-	1,581,192
	2,155,432	1,203,116	299,606	3,658,154

10. Support costs

	Costs of raising funds 2021 £	Trading activities 2021 £	Charitable activities 2021 £	Total funds 2021 £
Direction and policy	76,238	35,578	142,312	**254,128**
Human resources	7,586	28,826	115,303	**151,715**
Building services	48,725	185,154	740,618	**974,497**
Finance, accountancy and audit	33,672	33,672	134,689	**202,033**
IT	64,156	64,156	256,626	**384,938**
Marketing and customer experience	57,679	115,358	980,547	**1,153,584**
Irrecoverable VAT	7,476	28,408	113,630	**149,514**
Tech Team	22,265	44,529	378,493	**445,287**
Process Planning	6,840	13,680	116,277	**136,797**
Depreciation	12,205	46,380	185,521	**244,106**
Other costs	11,086	11,086	44,343	**66,515**
	347,928	606,827	3,208,359	**4,163,114**

Support costs cover central functions and have been allocated to activity cost categories and costs of generating funds in proportion to the time given to support each activity. The methodology for the allocation of support costs has been revised in the current year to better reflect the activities of the charity. This does not affect the overall surplus for the year or the comparability of the financial statements as the basis for allocation in the prior year has also been revised as below.

	Restated costs of raising funds 2020 £	Restated trading activites 2020 £	Restated charitable activities 2020 £	Total funds 2020 £
Direction and policy	90,652	42,304	169,216	302,172
Human resources	8,378	31,836	127,346	167,560
Building services	76,064	289,043	1,156,174	1,521,281
Finance. accountancy and audit	49,727	49,727	198,907	298,361
IT	60,356	60,356	241,422	362,134
Marketing and customer experience	86,579	173,158	1,471,844	1,731,581
Irrecoverable VAT	6,952	26,416	105,663	139,031
Tech Team	24,831	49,662	422,125	496,618
Process Planning	8,408	16,815	142,929	168,152
Depreciation	12,136	46,118	184,473	242,727
Other costs	5,161	5,161	20,645	30,967
	429,244	790,596	4,240,744	5,460,584

11. Exceptional costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Restructuring costs	601,466	**601,466**	-

Exceptional costs include the redundancy costs of restructuring the business as a result of the impact of the Covid 19 pandemic.

12. Net income

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets: - owned by the charitable group	**298,865**	273,039
Amortisation of intangible fixed assets	**4,362**	8,354
Auditor's remuneration - audit	**17,400**	16,550
Auditor's remuneration - other services	**1,250**	1,200
Operating lease rentals	**14,687**	14,589

13. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	**3,167,124**	7,268,100	**2,549,393**	6,170,120
Social security costs	**301,742**	499,797	**285,027**	443,585
Contribution to defined contribution pension schemes	**186,115**	460,260	**180,129**	439,379
	3,654,981	8,228,157	**3,014,549**	7,053,084

13. Staff costs (continued)

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

	Group 2021 No.	Group 2020 No.	**Company 2021 No.**	Company 2020 No.
Performance Programming	**50**	53	**50**	53
Creative Learning	**107**	132	**107**	132
Management and administration	**108**	69	**108**	69
Customer services team	**243**	211	**243**	211
	508	465	**508**	465

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

	Group 2021 No	Group 2020 No
In the band £60,001 - £70,000	**4**	2
In the band £70,001 - £80,000	**1**	-
In the band £90,001 - £100,000	**1**	1
In the band £100,001 - £110,000	**1**	1

The key management personnel of the charity comprise the trustees and executive directors listed on page 1. The employees benefits total £487,093 (2020: £442,732).

Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2020: £nil).

During the year, no expenses were reimbursed to trustees (2020 - £nil).

Notes to the financial statements
Year ended 31 March 2021

14. Intangible assets

Group and company

	Software & website development £
Cost	
At 1 April 2020	**60,163**
At 31 March 2021	**60,163**
Amortisation	
At 1 April 2020	**55,431**
Charge for the year	**4,362**
At 31 March 2021	**59,793**
Net book value	
At 31 March 2021	**370**
At 31 March 2020	4,732

15. Tangible fixed assets

Group

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2020	**1,540,659**	**3,384,659**	**617,624**	**573,448**	**6,116,390**
Additions	**-**	**201,319**	**-**	**925,220**	**1,126,539**
Disposals	**-**	**(14,503)**	**-**	**-**	**(14,503)**
At 31 March 2021	**1,540,659**	**3,571,475**	**617,624**	**1,498,668**	**7,228,426**
Depreciation					
At 1 April 2020	**811,456**	**2,606,380**	**353,192**	**-**	**3,771,028**
Charge for the year	**44,660**	**218,926**	**23,190**	**-**	**286,776**
On disposals	**-**	**(251)**	**-**	**-**	**(251)**
At 31 March 2021	**856,116**	**2,825,055**	**376,382**	**-**	**4,057,553**
Net book value					
At 31 March 2021	**684,543**	**746,420**	**241,242**	**1,498,668**	**3,170,873**
At 31 March 2020	729,203	778,279	264,432	573,448	2,345,362

The net book value of assets held under finance leases, included above, is £nil (2020: £31,258). The depreciation charged in the year in respect of such assets was £31,258 (2020: £32,978).

15. Tangible fixed assets (continued)

Company

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2020	**1,540,659**	**2,609,052**	**617,624**	**573,448**	**5,340,783**
Additions	**-**	**199,156**	**-**	**925,220**	**1,124,376**
At 31 March 2021	**1,540,659**	**2,808,208**	**617,624**	**1,498,668**	**6,465,159**
Depreciation					
At 1 April 2020	**811,456**	**1,904,269**	**353,192**	**-**	**3,068,917**
Charge for the year	**44,660**	**195,096**	**23,190**	**-**	**262,946**
At 31 March 2021	**856,116**	**2,099,365**	**376,382**	**-**	**3,331,863**
Net book value					
At 31 March 2021	**684,543**	**708,843**	**241,242**	**1,498,668**	**3,133,296**
At 31 March 2020	729,203	704,783	264,432	573,448	2,271,866

The net book value of assets held under finance leases, included above, is £nil (2020: £31,258). The depreciation charged in the year in respect of such assets was £31,258 (2020: £32,978).

16. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2020	**6,355,766**
Additions	**3,590,754**
Disposals	**(2,867,333)**
Revaluations	**270,336**
At 31 March 2021	**7,349,523**
Net book value	
At 31 March 2021	**7,349,523**
At 31 March 2020	6,355,766

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2020	**2**	**6,355,766**	**6,355,768**
Additions	**-**	**3,590,754**	**3,590,754**
Disposals	**-**	**(2,867,333)**	**(2,867,333)**
Revaluations	**-**	**270,336**	**270,336**
At 31 March 2021	**2**	**7,349,523**	**7,349,525**
Net book value			
At 31 March 2021	**2**	**7,349,523**	**7,349,525**
At 31 March 2020	2	6,355,766	6,355,768

16. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the company:

Names	Company number	Class of shares	Holding	Included in consolidation
Music North Limited	04344453	Ordinary	100%	Yes
Royal Northern Sinfonia Limited	100998218	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets/(liabilities) £
Music North Limited	**181,149**	**(797,254)**	**(164,802)**	**(54,072)**
Royal Northern Sinfonia Limited	**1,805,625**	**2,200,411**	**(394,786)**	**426,620**

17. Stocks

	Group 2021 £	Group 2020 £
Goods for resale	**28,746**	39,281

18. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	**284,961**	580,909	**155,579**	379,740
Amounts owed by group undertakings	**-**	-	**1,932,951**	2,061,894
Other debtors	**852,834**	1,555,986	**188,661**	134,557
Prepayments and accrued income	**405,020**	180,482	**380,635**	332,065
	1,542,815	2,317,377	**2,657,826**	2,908,256

19. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans (note 20)	**79,220**	79,220	**79,220**	79,220
Trade creditors	**494,485**	356,517	**435,285**	326,662
Other taxation and social security	**170,842**	218,090	**171,133**	220,136
Obligations under finance lease and hire purchase contracts	**8,041**	15,196	**-**	-
Other creditors	**32,953**	48,009	**32,375**	41,379
Accruals and deferred income	**3,208,722**	4,384,836	**3,027,008**	4,079,309
	3,994,263	5,101,868	**3,745,021**	4,746,706

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred income				
Deferred income brought forward	**3,301,196**	3,108,354	**3,062,016**	2,930,731
Resources deferred during the year	**1,825,022**	2,977,386	**-**	2,738,206
Amounts released from previous periods	**(2,474,997)**	(2,784,544)	**-**	(2,606,921)
Deferred income at 31 March 2020	**2,651,221**	3,301,196	**3,062,016**	3,062,016

Deferred income comprises:

- Advance box office sales
- Education fee income and hall bookings invoiced in advance; and
- Grant income, core funding and endowment interest relating to future accounting periods.

Finance leases are secured against the assets to which they relate.

20. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Other loans	**3,225,230**	298,334	**3,225,230**	298,334
Net obligations under finance lease and hire purchase contracts	**-**	7,977	**-**	-
	3,225,230	306,311	**3,225,230**	298,334

Other loans comprise £304,450 (2020: £377,554) are repayable in annual instalments until 1 April 2024 and bears interest annually at a rate of 1.62%. A further loan of £3,000,000 was taken out on 10 March 2021 to support and maintain the cultural ecology of the charity. The loan is repayable in six monthly instalments until 10 March 2041, commencing from 10 March 2025. The loan bears interest annually at a rate of 2%.

Finance leases are secured against the assets to which they relate.

Notes to the financial statements
Year ended 31 March 2021

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Capital projects	573,448	-	-	925,220	-	1,498,668
Fixed asset fund	-	-	-	1,066,695	-	1,066,695
Financial security fund	-	-	-	500,000	-	500,000
	573,448	-	-	2,491,915	-	3,065,363
General funds						
General funds	1,711,921	11,191,037	(8,886,144)	(1,717,355)	-	2,299,459
Unallocated amounts	-	5,601	-	-	-	5,601
	1,711,921	11,196,638	(8,886,144)	(1,717,355)	-	2,305,060
Total Unrestricted funds	2,285,369	11,196,638	(8,886,144)	774,560	-	5,370,423
Endowment funds						
Endowment fund	6,034,312	161,378	(38,672)	160,076	1,032,429	7,349,523
Restricted funds						
Forestage Lift	615,030	-	-	(9,520)	-	605,510
Capital project	492,902	754,959	-	(925,116)	-	322,745
Garfield Weston	-	875,000	-	-	-	875,000
CoMusica - National Foundation for Youth Music	-	92,860	(92,860)	-	-	-
David Goldman awards	-	3,654	(3,654)	-	-	-

21. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Community Music Sparks	-	178,289	(178,289)	-	-	-
CoMusica - National Foundation for Youth Music	-	189,771	(189,771)	-	-	-
Individual donations	-	18,279	(18,279)	-	-	-
Principal partners	-	26,713	(26,713)	-	-	-
	1,107,932	2,139,525	(509,566)	(934,636)	-	1,803,255
Total of funds	9,427,613	13,497,541	(9,434,382)	-	1,032,429	14,523,201

Forestage Lift is funding used to purchase the lift, with depreciation charged against the fund each year. The two grants used to purchase the asset have been combined into one fund to represent the underlying asset.

In the current year, Capital Grant income is made up of grants and donations from: Arts Council England (£555k); Stuart Halbert (£100k); The Woolfson Foundation (£50k); LNER Customer and Community Fund (£50k). All the grants relate to the same ongoing capital project with a projected total cost of over £2million and funds are transferred to the designated capital project fund as they are spent down.

All other restricted funds relate to revenue projects for a variety of programmes, the activities of which are described in the Trustees Report.

Transfers relate to:

a) Spend on capital assets for the in-progress project which are being held in a designated fund going forward (£925k).

b) The creation of a designated Fixed asset fund (£1,057k) transferred from unrestricted funds to represent the remaining value of fixed assets.

c) The creation of a designated Financial security fund (£500k) transferred from unrestricted funds.

d) Income generated from Endowment funds transferred to Unrestricted (£161k).

e) £321k transferred from Unrestricted funds to Endowment funds represented by the underlying investments.

21. **Statement of funds (continued)**

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
Capital projects	-	-	-	573,448	-	573,448
General funds						
General funds	1,169,918	13,825,502	(13,875,255)	591,756	-	1,711,921
Total Unrestricted funds	1,169,918	13,825,502	(13,875,255)	1,165,204	-	2,285,369
Endowment funds						
Endowment fund	6,569,686	261,756	(42,964)	(261,756)	(492,410)	6,034,312
Restricted funds						
Forestage Lift	633,650	-	(18,620)	-	-	615,030
Capital project	330,000	1,081,795	(15,445)	(903,448)	-	492,902
In Harmony	-	282,172	(282,172)	-	-	-
Centre for Advanced Training	-	187,424	(187,424)	-	-	-
David Goldman awards	-	29,450	(29,450)	-	-	-
Community Music Sparks	-	19,806	(19,806)	-	-	-
CoMusica - National Foundation for Youth Music	-	156,493	(156,493)	-	-	-
Individual donations	-	11,096	(11,096)	-	-	-
Principal partners	-	26,463	(26,463)	-	-	-

21. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
O Kavil OG Knut	-	52,671	(52,671)	-	-	-
PRSF Talent Development	-	23,500	(23,500)	-	-	-
	963,650	1,870,870	(823,140)	(903,448)	-	1,107,932
Total of funds	8,703,254	15,958,128	(14,741,359)	-	(492,410)	9,427,613

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,565,363	605,510	-	**3,170,873**
Intangible fixed assets	370	-	-	**370**
Fixed asset investments	-	-	7,349,523	**7,349,523**
Current assets	10,024,183	1,197,745	-	**11,221,928**
Creditors due within one year	(3,994,263)	-	-	**(3,994,263)**
Creditors due in more than one year	(3,225,230)	-	-	**(3,225,230)**
Total	5,370,423	1,803,255	7,349,523	**14,523,201**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,730,332	615,030	-	2,345,362
Intangible fixed assets	4,732	-	-	4,732
Fixed asset investments	321,454	-	6,034,312	6,355,766
Current assets	5,192,102	937,830	-	6,129,932
Creditors due within one year	(4,656,940)	(444,928)	-	(5,101,868)
Creditors due in more than one year	(306,311)	-	-	(306,311)
Total	2,285,369	1,107,932	6,034,312	9,427,613

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

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	**5,095,588**	724,359
Adjustments for:		
Depreciation and amortisation charges	**291,138**	281,393
Losses/(gains) on investments	**(1,032,429)**	492,410
Dividends, interests and rents from investments	**(175,546)**	(272,430)
Loss on the sale of fixed assets	**14,252**	-
Decrease in stocks	**10,535**	23,559
Decrease in debtors	**774,562**	54,591
(Decrease)/increase in creditors	**(1,100,449)**	(253,975)
Decrease in provisions	**-**	(50,785)
Net cash provided by operating activities	**3,877,651**	999,122

24. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	**9,650,367**	3,773,274
Total cash and cash equivalents	**9,650,367**	3,773,274

25. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non-cash changes £	At 31 March 2021 £
Cash at bank and in hand	**3,773,274**	**5,877,093**	**-**	**9,650,367**
Debt due within 1 year	**79,220**	**(73,104)**	**73,104**	**(79,220)**
Debt due after 1 year	**298,334**	**3,000,000**	**(73,104)**	**(3,225,230)**
Finance leases	**23,173**	**(15,132)**	**-**	**(8,041)**
	3,372,547	**2,965,329**	**-**	**6,337,876**

26. Capital commitments

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	**656,000**	912,000	**656,000**	912,000

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £186,115 (2020: £460,260). Contributions totalling £24,592 (2020: £36,984) were payable to the fund at the balance sheet date and are included in creditors.

28. Operating lease commitments

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

	Group 2021 £	Group 2020 £
Not later than 1 year	**14,687**	14,687
Later than 1 year and not later than 5 years	**23,702**	39,394
	38,389	54,081

29. Related party transactions

Transactions with the wholly owned subsidiaries Music North Limited and Royal Northern Sinfonia Limited are included in the consolidated financial statements.

There are no other related party transactions in either period.