

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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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

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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

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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.

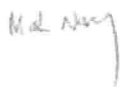
The year, although challenging in many ways, has not been without its successes (achieved only because our staff team adapted so well to the challenges of streaming music). We have had the Royal Northern Sinfonia giving a socially distanced performance to the children and families of In Harmony; The 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

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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)'.

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Trustees' report (continued)

Year ended 31 March 2021

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)

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Trustees' report (continued)

Year ended 31 March 2021

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.

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Trustees' report (continued) Year ended 31 March 2021

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.

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Trustees' report (continued) Year ended 31 March 2021

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.

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Trustees' report (continued) Year ended 31 March 2021

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.

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Trustees' report (continued) Year ended 31 March 2021

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%.

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Trustees' report (continued) Year ended 31 March 2021

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.

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Trustees' report (continued)

Year ended 31 March 2021

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.

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Trustees' report (continued) Year ended 31 March 2021

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.

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Trustees' report (continued) Year ended 31 March 2021

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

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Trustees' report (continued) Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2021

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

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2021

● 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).

North Music Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 March 2021**

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.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2021

Disclosure of information to auditor

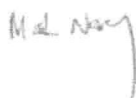
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the 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

North Music Trust

(A company limited by guarantee)

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.



Independent auditor's report to the Members of North Music Trust (continued)

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.



Independent auditor's report to the Members of North Music Trust (continued)

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.

A handwritten signature in black ink that reads '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

North Music Trust

(A company limited by guarantee)

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
		<u>10,520,766</u>	<u>8,705,860</u>
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
		<u>11,221,928</u>	<u>6,129,932</u>
Creditors: amounts falling due within one year	19	(3,994,263)	(5,101,868)
Net current assets		<u>7,227,665</u>	<u>1,028,064</u>
Total assets less current liabilities		<u>17,748,431</u>	<u>9,733,924</u>
Creditors: amounts falling due after more than one year	20	(3,225,230)	(306,311)
Total net assets		<u>14,523,201</u>	<u>9,427,613</u>
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		<u>14,523,201</u>	<u>9,427,613</u>

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:

M. Martin
Sir Martin Narey
Chair of trustees

The notes on pages 34 to 67 form part of these financial statements.

North Music Trust

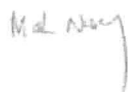
(A company limited by guarantee)

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
		<u>10,483,191</u>	<u>8,632,366</u>
Current assets			
Debtors	18	2,657,826	2,908,256
Cash at bank and in hand		7,955,717	1,999,600
		<u>10,613,543</u>	<u>4,907,856</u>
Creditors: amounts falling due within one year	19	(3,745,021)	(4,746,706)
Net current assets		<u>6,868,522</u>	<u>161,150</u>
Total assets less current liabilities		<u>17,351,713</u>	<u>8,793,516</u>
Creditors: amounts falling due after more than one year	20	(3,225,230)	(298,334)
Total net assets		<u><u>14,126,483</u></u>	<u><u>8,495,182</u></u>
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		<u><u>14,126,483</u></u>	<u><u>8,495,182</u></u>

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

North Music Trust

(A company limited by guarantee)

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.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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
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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.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2021

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
	<u>10,086,625</u>	<u>2,139,525</u>	<u>12,226,150</u>
	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
	<u>5,012,846</u>	<u>1,180,081</u>	<u>6,192,927</u>

*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).

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

	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
	<u>2,966,633</u>	<u>2,966,633</u>

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	<u>14,168</u>	<u>161,378</u>	<u>175,546</u>

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Bank interest	10,674	-	10,674
Dividends	-	261,756	261,756
Total 2020	<u>10,674</u>	<u>261,756</u>	<u>272,430</u>

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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
	<u>566,995</u>	<u>38,672</u>	<u>605,667</u>

	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
	<u>696,097</u>	<u>42,964</u>	<u>739,061</u>

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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
	<u>2,744,737</u>	<u>1,244,128</u>	<u>3,988,865</u>

	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
	<u>4,603,544</u>	<u>2,962,400</u>	<u>7,565,944</u>

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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
	<u>1,316,458</u>	<u>705,957</u>	<u>869,399</u>	<u>2,891,814</u>

	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
	<u>2,155,432</u>	<u>1,203,116</u>	<u>299,606</u>	<u>3,658,154</u>

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2021

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
	<u>347,928</u>	<u>606,827</u>	<u>3,208,359</u>	<u>4,163,114</u>

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 activities 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
	<u>429,244</u>	<u>790,596</u>	<u>4,240,744</u>	<u>5,460,584</u>

North Music Trust

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Notes to the financial statements

Year ended 31 March 2021

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
	<u>3,654,981</u>	<u>8,228,157</u>	<u>3,014,549</u>	<u>7,053,084</u>

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Notes to the financial statements Year ended 31 March 2021

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).

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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	<u>60,163</u>
Amortisation	
At 1 April 2020	55,431
Charge for the year	4,362
At 31 March 2021	<u>59,793</u>
Net book value	
At 31 March 2021	<u><u>370</u></u>
At 31 March 2020	<u><u>4,732</u></u>

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Notes to the financial statements Year ended 31 March 2021

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).

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Notes to the financial statements Year ended 31 March 2021

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).

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Notes to the financial statements Year ended 31 March 2021

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

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Notes to the financial statements

Year ended 31 March 2021

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
	<u>1,542,815</u>	<u>2,317,377</u>	<u>2,657,826</u>	<u>2,908,256</u>

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Notes to the financial statements Year ended 31 March 2021

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.

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Notes to the financial statements Year ended 31 March 2021

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	-	-
	<u>3,225,230</u>	<u>306,311</u>	<u>3,225,230</u>	<u>298,334</u>

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.

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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
	<u>573,448</u>	<u>-</u>	<u>-</u>	<u>2,491,915</u>	<u>-</u>	<u>3,065,363</u>
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
	<u>1,711,921</u>	<u>11,196,638</u>	<u>(8,886,144)</u>	<u>(1,717,355)</u>	<u>-</u>	<u>2,305,060</u>
Total Unrestricted funds	<u>2,285,369</u>	<u>11,196,638</u>	<u>(8,886,144)</u>	<u>774,560</u>	<u>-</u>	<u>5,370,423</u>
Endowment funds						
Endowment fund	<u>6,034,312</u>	<u>161,378</u>	<u>(38,672)</u>	<u>160,076</u>	<u>1,032,429</u>	<u>7,349,523</u>
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)	-	-	-

North Music Trust

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Notes to the financial statements Year ended 31 March 2021

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)	-	-	-
	<u>1,107,932</u>	<u>2,139,525</u>	<u>(509,566)</u>	<u>(934,636)</u>	<u>-</u>	<u>1,803,255</u>
Total of funds	<u>9,427,613</u>	<u>13,497,541</u>	<u>(9,434,382)</u>	<u>-</u>	<u>1,032,429</u>	<u>14,523,201</u>

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.

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Notes to the financial statements Year ended 31 March 2021

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	<u>1,169,918</u>	<u>13,825,502</u>	<u>(13,875,255)</u>	<u>1,165,204</u>	<u>-</u>	<u>2,285,369</u>
Endowment funds						
Endowment fund	<u>6,569,686</u>	<u>261,756</u>	<u>(42,964)</u>	<u>(261,756)</u>	<u>(492,410)</u>	<u>6,034,312</u>
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)	-	-	-

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Notes to the financial statements

Year ended 31 March 2021

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)	-	-	-
	<u>963,650</u>	<u>1,870,870</u>	<u>(823,140)</u>	<u>(903,448)</u>	<u>-</u>	<u>1,107,932</u>
Total of funds	<u><u>8,703,254</u></u>	<u><u>15,958,128</u></u>	<u><u>(14,741,359)</u></u>	<u><u>-</u></u>	<u><u>(492,410)</u></u>	<u><u>9,427,613</u></u>

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Notes to the financial statements Year ended 31 March 2021

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

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Notes to the financial statements Year ended 31 March 2021

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

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Notes to the financial statements Year ended 31 March 2021

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)
	<u>3,372,547</u>	<u>2,965,329</u>	<u>-</u>	<u>6,337,876</u>

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	<u>656,000</u>	<u>912,000</u>	<u>656,000</u>	<u>912,000</u>

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
	<u>38,389</u>	<u>54,081</u>

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Notes to the financial statements **Year ended 31 March 2021**

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.

