

Registered number: 04044936
Charity number: 1087445

North Music Trust
(A company limited by guarantee)

Annual report

31 March 2023

North Music Trust

(A company limited by guarantee)

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Reference and administrative details Year ended 31 March 2023

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

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

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

Year ended 31 March 2023

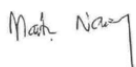
Since the late Queen opened our doors in 2004, Sage Gateshead has contributed over half a billion pounds into the North East economy. We've welcomed ten million visitors and sold more than seven million tickets. Ten thousand musicians have received support from our charity and two million young people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

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

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

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

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



Sir Martin Narey, Chair
8 December 2023

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Trustees' report

Year ended 31 March 2023

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

Objectives and activities

Charitable objectives

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

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

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

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

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

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

Strategic aims

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

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

Our Values:

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

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

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

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

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

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance

Headlines

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

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

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

Audiences and programme

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

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

Finance

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

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

Environmental responsibility

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

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

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

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

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

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

What have we done so far:

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

What's next:

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

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

Equality, Diversity and Inclusion

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

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

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

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

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

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

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

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

Review of activities

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

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

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

Royal Northern Sinfonia and Classical Programme

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

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

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

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

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

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

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

Contemporary Programme

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

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

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

Make Music

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

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

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

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

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

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

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

Artist Development

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

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

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

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

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

The best new music is happening right here right now.

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

Performance against Strategic Aims

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

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

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

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

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

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

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

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

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

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

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

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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Trustees' report (continued) Year ended 31 March 2023

Financial performance

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

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

Fundraising

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

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

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

Trust and Foundations

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

Corporate supporters

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

Commercial Events and Hires

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

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

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Trustees' report (continued) Year ended 31 March 2023

Financial review

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

North Music Trust

Income

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

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

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

Expenditure

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

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

Outturn

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

Music North Limited

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

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

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

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Trustees' report (continued) Year ended 31 March 2023

Royal Northern Sinfonia Limited

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

Consolidated balance sheet

Fixed assets

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

Unrestricted general and designated funds

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

Restricted funds

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

Endowment funds

The charity has two sources of endowment income:

A fund of £11.3m (2021/22: £12.4m) which is held off balance sheet on behalf of North Music Trust by the Community Foundation. An annual grant is drawn down from the Community Foundation proportional to the Trust's interest in the fund and this income is included within the Trust's voluntary income for the year.

North Music Trust also has its own endowment fund held on its balance sheet at a value of £7.2m (2021/22: £7.6m). £5.2m of this fund is invested and managed by Rathbones, while the remaining £2m is held in a high interest Notice Account at Barclays. The fund was created from £4m in donations to Sage Gateshead and £2m in matched funding from Arts Council England via its Catalyst fund. An annual contribution from the investment income will be applied to each year's results in perpetuity.

Investment management

North Music Trust's own endowment fund is managed by Rathbone Investment Management Limited. The investment objective is to find a balance between income and capital growth and the approach to risk is a medium risk profile that aims over time to achieve returns above the rate of inflation.

The following ethical investment restrictions are in place: No direct investment: tobacco, pornography, gambling, environmental damage, high interest unsecured loans or any company which supports oppressive regimes.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2023

Going concern

The charity recognises that it is operating in an extremely challenging and fast changing external environment. The charity is a going concern and reviews risk through a strategic risk register on a regular basis. It does not currently have any risks which are outside the terms of these registers.

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Risk management

The trustees monitor progress against the strategic objectives set out in the agreed business plan and a comprehensive review of the plan is carried out annually. As part of this process, the directors have developed a risk management strategy that comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The principal risks and uncertainties facing Sage Gateshead are the pace of audience recovery, the wider economic climate in which we are operating and the challenges inherent in the next door development.

Reserves policy

The trustees have agreed that the level of free reserves (that is funds not tied up in fixed assets or designated and restricted funds) required to sustain the Trust's operations will be in the region of £1,000,000, which represents staff salaries and other operating expenses for 3 months. After taking into account the group's unrestricted funds not tied up in fixed assets, free reserves as at 31 March 2023 are £2.1m (2021/22: £3.4m). Therefore, free reserves remain above the level agreed by trustees but consolidated unrestricted reserves decreased by £1.1m during the year to £6.6m.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 March 2023**

Structure, governance and management

Governance

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

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

Organisational structure and decision making policies

Four subcommittees of the Board, represented by Board members, have been established to facilitate more regular and detailed involvement of nonexecutives and independent representatives in four core areas of operation (Finance & Audit, Investment, People, Programme & Development) than would be feasible at meetings of the full Board.

Since North Music Trust was formally constituted in 2000 the Board and its subcommittees have been actively involved in the formulation, approval and implementation of aims, policies, strategies and procedures across the whole range of activities in which North Music Trust is engaged. The Board is involved in any significant decision that falls outside that approved framework. Recruitment to the board is open with any opportunities advertised. Applicants are subject to a formal interview process. Trustees undertake an induction with key members of staff, visit all areas of activity and are introduced to all our policies and their responsibilities as trustees.

The Board selects and appoints the Managing Director as its Chief Executive and other key members of the Senior Management Team to carry out the business of the Trust within aims, policies, strategies and procedures approved by the Board. The performance of the Managing Director is reviewed against agreed targets once a year by the Chair, in line with an organisation wide performance review framework.

The Chair of the Board, Chairs of Committees and individual Board members are frequently consulted by members of the Senior Management Team on policy development or on specific problems or opportunities. The Chair of the Board, the Vice Chair, Board and subcommittee members also meet the senior management periodically to discuss progress, plans and any significant items of current concern.

The trustees are confident that the governance and management structures that have been established are appropriate to the needs of a diverse, large, and growing organisation.

Pay policy for key management personnel

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

Related party relationships

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

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 March 2023**

Structure, governance and management (continued)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Public benefit

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

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

The charity's Performance programme and Make Music programme are planned to serve a broad cross section of the North East communities. The programme embraces a wide range of artists, and the locations of events and projects are varied to serve different age groups and sections of the community.

The performance programme brings world class artists into the region and nurtures local creativity. The Make Music programme offers a range of opportunities in music: from a first encounter to long term and high level training. As noted earlier in this report this is the second year of our recovery and indications are that this will be a long process.

In our future planning particular attention is being paid to ticket pricing and to schemes which enable first time attenders to come to events or participate in projects for free. Pricing of all activities takes into account affordability, and we aim to offer a range of different prices for ticketed events; this is particularly a factor within Make Music in which bursaries are offered for some projects. Additional ticket offers for performances are extended through our Make Music programme to participants.

The charity has always had a strong commitment to physical accessibility, the pandemic showed us that there is a demand for streamed live performances and online lessons, and this continues to be welcomed by audiences. We operate hybrid models in some areas of the programme to retain access for those who are unable to attend physically.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2023

Plans for future periods

We'll admit that "2023-28 Strategy" isn't the most imaginative way to talk about our plan. Even the idea of "our plan" isn't quite right; we're out in the world with audiences, artists, young people, partners, and communities; asking talking and listening to make this everybody's plan – a plan connected to the people that matter to us. In 2023/24 we're putting this into action, supporting people to be creative and express their passion for music by:

Putting on activity that is open to diverse socio economic backgrounds, so that everyone can have life changing experiences through music.

Making sure that wherever people are and whatever their budget, they are can experience brilliant music. Keeping in touch with the region through activity that reaches across the North East and Cumbria.

Showing off exciting digital work right next to our thriving and inclusive live programme.

Taking ambitious action to achieve net zero by 2030, leading conversations about environmental responsibility, and working towards regenerative action.

Of course, we're not the only ones hard at work. The construction site next door is quiet for now, but building will start again soon and although it feels a long way off at the moment it won't be long until the ribbons are being cut on the Sage Arena and Convention Centre, bringing us into a larger entertainment campus for the region. With a new "Sage" just a stone's throw away we've been thinking hard about our identity and what makes us special. To maintain our individuality and distinguish us from our new neighbours we are changing our trading name in 2023/24.

North Music Trust

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2023

Disclosure of information to auditor

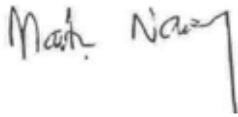
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

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

Auditor

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

Approved by order of the members of the board of trustees on 8 December 2023 and signed on their behalf by:



Sir Martin Narey
Chair of trustees

North Music Trust

(A company limited by guarantee)

Statement of trustees' responsibilities Year ended 31 March 2023

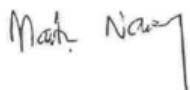
The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Approved by order of the members of the board of trustees on 8 December 2023 and signed on its behalf by:



Sir Martin Narey
Chair of trustees



Independent auditor's report to the members of North Music Trust

Opinion

We have audited the financial statements of North Music Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Secondly, the group is subject to many other laws and regulations where the consequences of non compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding and certain aspects of company legislation, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

8 December 2023

North Music Trust

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)

Year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	2	5,275,793	632,725	-	5,908,518	7,132,659
Charitable activities	3	4,855,674	-	-	4,855,674	3,370,714
Other trading activities	4	1,893,843	-	-	1,893,843	634,073
Investments	5	45,028	-	161,994	207,022	117,851
Total income and endowments		12,070,338	632,725	161,994	12,865,057	11,255,297
Expenditure on:						
Raising funds:	6,7					
Fundraising		260,733	-	25,766	286,499	251,043
Trading activities		1,360,225	-	-	1,360,225	669,321
Charitable activities	8	11,785,153	632,725	-	12,417,878	9,187,942
Total expenditure		13,406,111	632,725	25,766	14,064,602	10,108,306
Net (expenditure)/income before net (losses)/gains on investments						
		(1,335,773)	-	136,228	(1,199,545)	1,146,991
Net (losses)/gains on investments		-	-	(280,316)	(280,316)	240,340
Net (expenditure) / income		(1,335,773)	-	(144,088)	(1,479,861)	1,387,331
Transfers between funds	20	206,323	(39,176)	(167,147)	-	-
Net movement in funds		(1,129,450)	(39,176)	(311,235)	(1,479,861)	1,387,331
Reconciliation of funds:						
Total funds brought forward		7,720,875	633,338	7,556,319	15,910,532	14,523,201
Net movement in funds		(1,129,450)	(39,176)	(311,235)	(1,479,861)	1,387,331
Total funds carried forward		6,591,425	594,162	7,245,084	14,430,671	15,910,532

North Music Trust

(A company limited by guarantee)

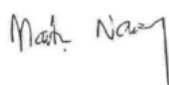
Consolidated balance sheet At 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	-	159
Tangible assets	14	4,556,786	4,345,481
Investments	15	5,245,084	7,556,319
		9,801,870	11,901,959
Current assets			
Stocks	16	55,419	50,889
Debtors	17	2,273,259	1,444,063
Cash at bank and in hand		9,172,144	9,508,224
		11,500,822	11,003,176
Creditors: amounts falling due within one year	18	(3,674,636)	(3,894,765)
Net current assets		7,826,186	7,108,411
Total assets less current liabilities		17,628,056	19,010,370
Creditors: amounts falling due after more than one year	19	(3,197,385)	(3,099,838)
Total net assets		14,430,671	15,910,532
Charity funds			
Endowment funds	20	7,245,084	7,556,319
Restricted funds	20	594,162	633,338
Unrestricted funds	20	6,591,425	7,720,875
Total funds		14,430,671	15,910,532

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

The financial statements were approved and authorised for issue by the trustees on 08 December 2023 and signed on their behalf by:

Sir Martin Narey
Chair of trustees



The notes on pages 31 to 61 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Company balance sheet At 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	-	159
Tangible assets	14	4,549,947	4,326,153
Investments	15	5,245,086	7,556,321
		9,795,033	11,882,633
Current assets			
Debtors	17	856,059	2,383,490
Cash at bank and in hand		7,929,568	7,434,303
		8,785,627	9,817,793
Creditors: amounts falling due within one year	18	(3,308,173)	(3,729,280)
Net current assets		5,477,454	6,088,513
Total assets less current liabilities		15,272,487	17,971,146
Creditors: amounts falling due after more than one year	19	(3,197,385)	(3,099,838)
Total net assets		12,075,102	14,871,308
Charity funds			
Endowment funds	20	7,245,084	7,556,319
Restricted funds	20	594,162	633,338
Unrestricted funds	20	4,235,856	6,681,651
Total funds		12,075,102	14,871,308

North Music Trust

(A company limited by guarantee)

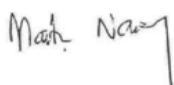
Company balance sheet continued)

At 31 March 2023

The company's net movement in funds for the year was a deficit of £2,796,206 (2022: surplus of £744,825).

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

The financial statements were approved and authorised for issue by the trustees on 08 December 2023 and signed on their behalf by:



Sir Martin Narey

Chair of trustees

Company registered number: 04044936

The notes on pages 31 to 61 form part of these financial statements.

North Music Trust

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	22	(1,672,170)	1,258,124
Cash flows from investing activities			
Dividends, interests and rents from investments		207,022	117,851
Purchase of tangible fixed assets		(822,631)	(1,464,401)
Proceeds from sale of investments		872,088	1,478,254
Purchase of investments		(841,169)	(1,444,710)
Transfer from investments		2,000,000	-
Net cash provided by/(used in) investing activities		1,415,310	(1,313,006)
Cash flows from financing activities			
Repayments of borrowing		(75,491)	(74,288)
Interest paid		(3,729)	(4,932)
Repayments of finance leases		-	(8,041)
Net cash used in financing activities		(79,220)	(87,261)
Change in cash and cash equivalents in the year		(336,080)	(142,143)
Cash and cash equivalents at the beginning of the year		9,508,224	9,650,367
Cash and cash equivalents at the end of the year	23	9,172,144	9,508,224

The notes on pages 31 to 61 form part of these financial statements

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in England. The members of the company are the trustees names on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

Our recovery from the Covid-19 pandemic has been slow but steady. Generous support from the Arts Council and donors, particularly from those in the North East, has meant that although we ended the year in deficit, returning to a break even position is now in sight.

The charity benefits from high levels of reserves as a result of the funding received during the Covid 19 pandemic and has continued to build back both box office and traded income. Funding during 2022/23 has remained strong, while expenditure has increased year on year, driven by higher activity levels and rising general costs as seen across the UK economy. The Trust has been grateful to receive confirmation of continued funding from Arts Council England as a National Portfolio Organisation for the next three years.

We have created a programme of activity for this year that reflects our commitments to our core funder, our strategic direction, and a realistic view on returning audience numbers. The charity continues to build recovery carefully and cautiously, and believes that a stringent approach to cost management, while building income generating opportunities, will enable Sage Gateshead to navigate the next twelve months successfully.

As a result, after making enquiries, the trustees consider that the organisation remains a going concern and consequently these accounts have been prepared on that basis.

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.4 Income

Incoming resources are recognised in the statement of financial activities when the charity has entitlement to the funds; any conditions attached to the income must have been met; it is probable that the income will be received and the amount can be measured reliably.

Income from donations and legacies

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

Income from trading activities

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

Income from charitable activities

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

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

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

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

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

Income from investments

Interest receivable is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest by the bank.

Orchestra tax relief

Orchestra tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.5 Donated services and facilities

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

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

1.6 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds are those costs incurred in attracting donations.

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

Governance costs are those incurred in governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs cover central functions and have been allocated to activity cost categories and costs of generating funds in proportion to the time given to support each activity.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.7 Fund accounting

Restricted funds

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

Designated funds

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

Unrestricted funds

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

Endowment fund

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

1.8 Intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation. Intangible assets are amortised at their expected useful economic lives on a straight line basis as follows:

Software and website development	-	3 years straight line
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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.

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.9 Tangible fixed assets

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

Furniture, fixtures and fittings	-	3-10 years straight line
Music	-	10 years straight line
Instruments	-	10 years straight line
Computer equipment	-	3 years straight line
Technical equipment	-	5 years straight line
Leasehold property improvements	-	10 years straight line
Forestage lift	-	50 years straight line
Kitchen and catering equipment	-	3-5 years straight line
Car park equipment	-	5 years straight line

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

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

1.10 Fixed asset investments

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

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

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

1.11 Stocks

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

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.12 Foreign currencies

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

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

1.13 Financial instruments

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

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

1.14 Debtors

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

1.15 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.16 Creditors

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

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.17 Employee benefits

Short-term benefits

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

Defined contribution pension plan

The charity operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

1.18 Critical accounting estimates and areas of judgment

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including the estimated useful life of assets. In addition, the accrued income in respect of Orchestra Tax Relief depends on a number of factors that are determined by management, including judgment over qualifying expenditure.

None of the judgments and estimates applied in the preparation of these financial statements are considered to carry a significant risk of material adjustments to the carrying amounts of assets and liabilities in the future.

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

2. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Arts Council England - core grant	3,578,043	-	3,578,043
GMBC - core grant	187,534	-	187,534
Other grants, recovery grant corporate donations and fundraising	847,255	632,725	1,479,980
Other grant income	-	-	-
Community Foundation - Sage Gateshead Fund*	662,961	-	662,961
	<u>5,275,793</u>	<u>632,725</u>	<u>5,908,518</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Arts Council England - core grant	3,576,742	-	3,576,742
GMBC - core grant	187,534	-	187,534
Other grants, corporate donations and fundraising	1,540,896	968,991	2,509,887
Other grant income	121,712	-	121,712
Community Foundation - Sage Gateshead Fund*	736,784	-	736,784
	<u>6,163,668</u>	<u>968,991</u>	<u>7,132,659</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 £662,961 (2022: £736,784) in the year).

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

3. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Income from performance programming and creative learning	4,855,674	4,855,674
	Unrestricted funds 2022 £	Total funds 2022 £
Income from performance programming and creative learning	3,370,714	3,370,714

4. Income from trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Conferences and events	602,288	602,288
Catering income	1,126,875	1,126,875
Car park income	151,159	151,159
Retail sales	13,521	13,521
	1,893,843	1,893,843
	Unrestricted funds 2022 £	Total funds 2022 £
Conferences and events	122,208	122,208
Catering income	87,255	87,255
Car park income	422,629	422,629
Retail sales	1,982	1,982
	634,074	634,074

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

5. Investment income

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Bank interest	45,028	-	45,028
Dividends	-	161,994	161,994
	<u>45,028</u>	<u>161,994</u>	<u>207,022</u>

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Bank interest	4,921	-	4,921
Dividends	-	112,930	112,930
	<u>4,921</u>	<u>112,930</u>	<u>117,851</u>

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

6. Expenditure on fundraising

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Marketing expenses	136,404	-	136,404
Investment management costs	-	25,766	25,766
Allocation of support costs (note 10)	124,329	-	124,329
	<hr/> 260,733	<hr/> 25,766	<hr/> 286,499

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Marketing expenses	132,430	-	132,430
Investment management costs	-	27,953	27,953
Allocation of support costs (note 10)	90,660	-	90,660
	<hr/> 223,090	<hr/> 27,953	<hr/> 251,043

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

7. Expenditure on trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Conferences and events	109,170	109,170
Catering expenses	895,042	895,042
Car park expenses	25,873	25,873
Retail expenses	19,318	19,318
Allocation of support costs (note 10)	310,822	310,822
Total 2023	1,360,225	1,360,225

	Unrestricted funds 2022 £	Total funds 2022 £
Conferences and events	3,310	3,310
Catering expenses	410,633	410,633
Car park expenses	18,496	18,496
Retail expenses	10,233	10,233
Allocation of support costs (note 10)	226,649	226,649
Total 2022	669,321	669,321

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

8. Expenditure on charitable activities

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Provision of charitable activities	7,614,858	1,573,084	9,187,942

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

9. Analysis of expenditure by activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £
Performance programming - classical	3,411,941	2,466,843	5,878,784
Performance programming - popular and contemporary	909,457	2,466,843	3,376,300
Creative learning - young people programme	1,436,884	1,139,995	2,576,879
Creative learning - public engagement programme	212,319	345,096	557,415
Other costs	28,500	-	28,500
	5,999,101	6,418,777	12,417,878

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £
Performance programming - classical	2,755,864	1,651,458	4,407,322
Performance programming - popular and contemporary	665,232	1,651,458	2,316,690
Creative learning - young people programme	1,387,124	686,105	2,073,229
Creative learning - public engagement programme	96,321	226,649	322,970
Other costs	67,731	-	67,731
	4,972,272	4,215,670	9,187,942

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

10. Support costs

	Costs of raising funds 2023 £	Trading activities 2023 £	Charitable activities 2023 £	Total funds 2023 £
Direction and policy	13,318	33,295	687,577	734,190
Human resources	5,857	14,642	302,382	322,881
Building services	35,725	89,314	1,844,420	1,969,459
Finance, accountancy and audit	8,815	22,038	455,098	485,951
IT	9,121	22,803	470,899	502,823
Marketing and customer experience	20,918	52,294	1,079,925	1,153,137
Irrecoverable VAT	6,521	16,301	336,636	359,458
Tech Team	84	210	4,336	4,630
Depreciation	12,230	30,575	631,397	674,202
Strategy and external relations	11,740	29,350	606,107	647,197
	124,329	310,822	6,418,777	6,853,928
	Costs of raising funds 2022 £	Trading activities 2022 £	Charitable activities 2022 £	Total funds 2022 £
Direction and policy	7,683	19,206	357,238	384,127
Human resources	2,602	6,505	120,993	130,100
Building services	23,646	59,114	1,099,527	1,182,287
Finance, accountancy and audit	7,614	19,034	354,041	380,689
IT	8,759	21,897	407,289	437,945
Marketing and customer experience	16,446	41,115	764,731	822,292
Irrecoverable VAT	4,405	11,012	204,816	220,233
Tech Team	8,036	20,089	373,664	401,789
Process Planning	5,018	12,544	233,322	250,884
Depreciation	6,451	16,133	300,049	322,633
	90,660	226,649	4,215,670	4,532,979

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

11. Net income

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	611,326	289,793
Amortisation of intangible fixed assets	159	211
Auditor's remuneration - audit	21,570	18,250
Auditor's remuneration - other services	1,250	1,250
Operating lease rentals	13,297	14,687

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

12. Staff costs

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	5,837,195	4,777,716	5,837,195	4,777,716
Social security costs	491,689	380,817	491,689	380,817
Contribution to defined contribution pension schemes	256,185	231,008	256,185	231,008
	6,585,069	5,389,541	6,585,069	5,389,541

The average number of persons employed by the company during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Performance Programming	56	51	56	51
Creative Learning	72	70	72	70
Management and administration	74	59	74	59
Customer services team	143	103	143	103
	345	283	345	283

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1

The key management personnel of the charity comprise the trustees and executive directors listed on page 1. The employees benefits total £470,515 (2022: £461,630).

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2022: £nil).

During the year ended 31 March 2023, £2,021 of trustee expenses have been incurred (2022: £913) payable to 7 trustees (2022: 3).

13. Intangible assets

Group and company

	Software and website development £
Cost	
At 1 April 2022	60,163
At 31 March 2023	60,163
Amortisation	
At 1 April 2022	60,004
Charge for the year	159
At 31 March 2023	60,163
Net book value	
At 31 March 2023	-
At 31 March 2022	159

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

14. Tangible fixed assets

Group

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2022	3,589,623	4,134,041	617,624	351,539	8,692,827
Additions	181,591	210,213	-	430,827	822,631
Transfers between classes	-	190,020	-	(190,020)	-
At 31 March 2023	3,771,214	4,534,274	617,624	592,346	9,515,458
Depreciation					
At 1 April 2022	891,058	3,059,045	397,243	-	4,347,346
Charge for the year	316,379	277,930	17,017	-	611,326
At 31 March 2023	1,207,437	3,336,975	414,260	-	4,958,672
Net book value					
At 31 March 2023	2,563,777	1,197,299	203,364	592,346	4,556,786
At 31 March 2022	2,698,565	1,074,996	220,381	351,539	4,345,481

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

14. Tangible fixed assets (continued)

Company

	Leasehold property improvements £	Fixtures, fittings & equipment £	Instruments £	Assets under construction £	Total £
Cost					
At 1 April 2022	3,589,623	3,370,774	617,624	351,539	7,929,560
Additions	181,591	210,213	-	430,827	822,631
Transfers between classes	-	190,020	-	(190,020)	-
At 31 March 2023	3,771,214	3,771,007	617,624	592,346	8,752,191
Depreciation					
At 1 April 2022	891,058	2,315,106	397,243	-	3,603,407
Charge for the year	316,379	265,441	17,017	-	598,837
At 31 March 2023	1,207,437	2,580,547	414,260	-	4,202,244
Net book value					
At 31 March 2023	2,563,777	1,190,460	203,364	592,346	4,549,947
At 31 March 2022	2,698,565	1,055,668	220,381	351,539	4,326,153

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

15. Fixed asset investments

Group	Listed investments £		
Cost or valuation			
At 1 April 2022			7,556,319
Additions			841,169
Disposals			(998,214)
Revaluations			(154,190)
Transfers to cash			(2,000,000)
At 31 March 2023			5,245,084
Net book value			
At 31 March 2023			5,245,084
At 31 March 2022			7,556,319
Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2022	2	7,556,319	7,556,321
Additions	-	841,169	841,169
Disposals	-	(998,214)	(998,214)
Revaluations	-	(154,190)	(154,190)
Transfers to cash	-	(2,000,000)	(2,000,000)
At 31 March 2023	2	5,245,084	5,245,086
Net book value			
At 31 March 2023	2	5,245,084	5,245,086
At 31 March 2022	2	7,556,319	7,556,321

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

15. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the company:

Names	Company number	Class of shares	Holding	Included in consolidation
Music North Limited	04344453	Ordinary	100%	Yes
Royal Northern Sinfonia Limited	100998218	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit for the year £
Music North Limited	1,908,944	(1,091,875)	817,069
Royal Northern Sinfonia Limited	5,360,155	(4,777,316)	582,839

Net assets/ (liabilities) £

897,950
1,457,690

The income stated above in respect of Royal Northern Sinfonia Limited includes £1,060,571 relating to the Orchestra Tax Relief credit. The position before tax is therefore a loss of £477,732.

16. Stocks

	Group 2023 £	Group 2022 £
Goods for resale	55,419	50,889

North Music Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

17. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	161,941	246,922	123,944	200,259
Amounts owed by group undertakings	-	-	501,157	1,847,428
Other debtors	28,264	914,742	28,261	83,393
Prepayments and accrued income	2,083,054	282,399	202,697	252,410
	2,273,259	1,444,063	856,059	2,383,490

Amounts owed by group companies are unsecured and repayable on demand.

North Music Trust

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Notes to the financial statements Year ended 31 March 2023

18. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans (see note 19)	76,714	190,043	76,714	190,043
Trade creditors	442,548	925,377	431,962	881,746
Other taxation and social security	171,975	155,093	172,266	155,384
Other creditors	41,109	30,269	41,109	29,691
Accruals and deferred income	2,942,290	2,593,983	2,586,122	2,472,416
	3,674,636	3,894,765	3,308,173	3,729,280
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred income at 1 April 2022	1,966,577	2,651,221	1,843,220	2,501,183
Resources deferred during the year	2,015,528	1,355,124	7,841,285	1,355,124
Amounts released from previous periods	1,506,668	(2,039,768)	(7,469,459)	(2,013,087)
	2,513,110	1,966,577	2,215,046	1,843,220

Deferred income comprises:

Advance box office sales
Education fee income and hall bookings invoiced in advance; and
Grant income and core funding relating to future accounting periods.

19. Creditors: amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans	3,197,385	3,099,838	3,197,385	3,099,838

Other loans comprise £154,671 (2022: £230,163) which are repayable in annual instalments until 1 April 2024 and bear interest annually at a rate of 1.62%. A further loan of £3,000,000 was taken out on 10 March 2021 to support and maintain the cultural ecology of the charity. The loan is repayable in six monthly instalments until 10 March 2041, commencing from 1 February 2025. The loan bears interest annually at a rate of 2%. The loan balance above includes accumulated interest of £119,428 (2022: £59,719).

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Notes to the financial statements Year ended 31 March 2023

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Fixed asset fund	3,847,702	-	-	114,922	-	3,962,624
Financial security fund	500,000	-	-	-	-	500,000
	<u>4,347,702</u>	<u>-</u>	<u>-</u>	<u>114,922</u>	<u>-</u>	<u>4,462,624</u>
General funds						
General funds	3,373,173	12,070,338	(13,406,111)	91,401	-	2,128,801
Total Unrestricted funds	<u>7,720,875</u>	<u>12,070,338</u>	<u>(13,406,111)</u>	<u>206,323</u>	<u>-</u>	<u>6,591,425</u>
Endowment funds						
Endowment funds	<u>7,556,319</u>	<u>161,994</u>	<u>(25,766)</u>	<u>(167,147)</u>	<u>(280,316)</u>	<u>7,245,084</u>

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Notes to the financial statements Year ended 31 March 2023

20. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Forestage Lift	588,890	-	-	5,272	-	594,162
Capital Project	44,448	-	-	(44,448)	-	-
In Harmony	-	199,972	(199,972)	-	-	-
Centre for Advanced Training	-	201,005	(201,005)	-	-	-
David Goldman Awards	-	27,601	(27,601)	-	-	-
Community Music Sparks	-	32,383	(32,383)	-	-	-
CoMusica - National Foundation for Youth Music	-	171,764	(171,764)	-	-	-
	<u>633,338</u>	<u>632,725</u>	<u>(632,725)</u>	<u>(39,176)</u>	<u>-</u>	<u>594,162</u>
Total of funds	<u><u>15,910,532</u></u>	<u><u>12,865,057</u></u>	<u><u>(14,064,602)</u></u>	<u><u>-</u></u>	<u><u>(280,316)</u></u>	<u><u>14,430,671</u></u>

Designated funds

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

Restricted funds

Forestage Lift is funding used to purchase the lift, with depreciation charged against the fund each year. The two grants used to purchase the asset have been combined into one fund to represent the underlying asset.

All other restricted funds relate to revenue projects for a variety of programmes, the activities of which are described in the trustees report.

Transfers relate to the completion of the Capital Project.

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Notes to the financial statements Year ended 31 March 2023

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Capital projects	1,498,668	-	-	(1,498,668)	-	-
Fixed asset fund	1,066,695	-	-	2,781,007	-	3,847,702
Financial security fund	500,000	-	-	-	-	500,000
	<u>3,065,363</u>	<u>-</u>	<u>-</u>	<u>1,282,339</u>	<u>-</u>	<u>4,347,702</u>
General funds						
General Funds	<u>2,305,060</u>	<u>10,173,376</u>	<u>(8,507,269)</u>	<u>(597,994)</u>	<u>-</u>	<u>3,373,173</u>
Total Unrestricted funds	<u>5,370,423</u>	<u>10,173,376</u>	<u>(8,507,269)</u>	<u>684,345</u>	<u>-</u>	<u>7,720,875</u>
Endowment funds						
Endowment Funds	<u>7,349,523</u>	<u>112,930</u>	<u>(27,953)</u>	<u>(118,521)</u>	<u>240,340</u>	<u>7,556,319</u>

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Notes to the financial statements Year ended 31 March 2023

20. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Forestage Lift	605,510	-	-	(16,620)	-	588,890
Capital Project	322,745	270,907	-	(549,204)	-	44,448
Garfield Weston	875,000	-	(875,000)	-	-	-
In Harmony	-	186,184	(186,184)	-	-	-
LNER Customer and Community Fund	-	170,059	(170,059)	-	-	-
Arts Council England	-	30,674	(30,674)	-	-	-
CoMusica - National Foundation for Youth Music	-	41,610	(41,610)	-	-	-
David Goldman awards	-	269,557	(269,557)	-	-	-
	<u>1,803,255</u>	<u>968,991</u>	<u>(1,573,084)</u>	<u>(565,824)</u>	<u>-</u>	<u>633,338</u>
Total of funds	<u>14,523,201</u>	<u>11,255,297</u>	<u>(10,108,306)</u>	<u>-</u>	<u>240,340</u>	<u>15,910,532</u>

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Notes to the financial statements Year ended 31 March 2023

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,962,624	594,162	-	4,556,786
Fixed asset investments	-	-	5,245,084	5,245,084
Current assets	9,500,822	-	2,000,000	11,500,822
Creditors due within one year	(3,674,636)	-	-	(3,674,636)
Creditors due in more than one year	(3,197,385)	-	-	(3,197,385)
Total	6,591,425	594,162	7,245,084	14,430,671

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,756,591	588,890	-	4,345,481
Intangible fixed assets	159	-	-	159
Fixed asset investments	-	-	7,556,319	7,556,319
Current assets	10,958,728	44,448	-	11,003,176
Creditors due within one year	(3,894,765)	-	-	(3,894,765)
Creditors due in more than one year	(3,099,838)	-	-	(3,099,838)
Total	7,720,875	633,338	7,556,319	15,910,532

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Notes to the financial statements Year ended 31 March 2023

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

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(1,479,861)	1,387,331
Adjustments for:		
Depreciation and amortisation charges	611,485	290,004
Interest payable	63,438	64,650
Losses/(gains) on investments	280,316	(240,340)
Dividends, interests and rents from investments	(207,022)	(117,851)
Increase in stocks	(4,530)	(22,143)
(Increase)/decrease in debtors	(829,196)	98,752
Decrease in creditors	(106,800)	(202,279)
Net cash provided by/(used in) operating activities	(1,672,170)	1,258,124

23. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	9,172,144	9,508,224

24. Analysis of changes in net debt

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

Other non-cash changes comprise transfers between debt classifications and accumulated interest payable on debt due after one year.

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Notes to the financial statements Year ended 31 March 2023

25. Capital commitments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	127,819	343,228	127,819	343,228

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £256,185 (2022: £231,024). Contributions totalling £33,736 (2022: £29,343) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitment

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

	Group 2023 £	Group 2022 £
Not later than 1 year	10,728	12,688
Later than 1 year and not later than 5 years	2,569	9,015
	13,297	21,703

28. Related party transactions

During the year, the charity made purchases of £746,922 (2022: £219,390) from Gateshead Energy Company Limited, a company under common directorship. Payments made in the year totalled £717,415 (2022: £224,710) and the amount owed to the company at the year end, included within the charity's creditors, totalled £57,913 (2022: £28,406).

During the course of the year, the charity made payments on behalf of the subsidiary, Music North Limited, totalling £638,356 (2022: £192,794). Receipts from the subsidiary against these payments totalled £2,529,181 (2022: £88,559) and the amount owed at the year end, included within the charity's debtors, totalled £126 (2022: £1,890,951). The charity also received donations of £83,564 (2022: £nil) from the subsidiary in the year, no amounts remain outstanding in respect of these donations at the balance sheet date.

At the year end, the charity was owed £415,260 from its subsidiary Royal Northern Sinfonia Limited, included within the charity's debtors (2022: £43,432 creditor).

