SUNDERLAND MUSIC, ARTS & CULTURE TRUST

England & Wales · Charity number 1150733

Details

Other names	SUNDERLAND MAC TRUST
Status	Registered
Legal form	Charitable company
Company number	08251877
Registered	2013-02-07
Register	View on the Charity Commission register

Contact

Address	The Sunderland Music Arts and Culture Trust The Fire Station High Street West Sunderland Tyne and Wear SR1 3HA
Phone	07966398059
Email	info@mactrust.org.uk
Website	www.mactrust.org.uk

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Activities

Objects: THE CHARITY'S OBJECTS (OBJECTS) ARE FOR THE BENEFIT OF THE PUBLIC GENERALLY AND IN PARTICULAR THE INHABITANTS OF SUNDERLAND AND ITS SURROUNDING AREAS:3.1 TO PROMOTE URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION, PARTICULARLY IN SUNDERLAND AND ITS SURROUNDING AREAS, BY ANY OR ALL OF THE FOLLOWING MEANS:3.1.1 THE MAINTENANCE, IMPROVEMENT OR PROVISION OF PUBLIC AMENITIES;3.1.2 THE PRESERVATION OF BUILDINGS OR SITES OF HISTORIC OR ARCHITECTURAL IMPORTANCE;3.1.3 THE PROVISION OF RECREATIONAL FACILITIES FOR THE PUBLIC AT LARGE OR FOR THOSE WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES HAVE NEED OF SUCH FACILITIES;3.1.4 SUCH OTHER MEANS MEANS AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE;3.2 TO ADVANCE THE EDUCATION OF THE PUBLIC IN SCIENCE, ENGINEERING, HISTORY AND CULTURAL HERITAGE BY:3.2.1 THE ESTABLISHMENT AND MAINTENANCE OF A MUSEUM OF SCIENCE AND INDUSTRY;3.2.2 THE ESTABLISHMENT AND MAINTENANCE OF AN ACCESSIBLE ARCHIVES SERVICE;3.2.3 SUCH OTHER MEANS AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE;3.3 TO ADVANCE THE ARTS (INCLUDING MUSIC, MUSIC THEATRE, DRAMA, DECORATIVE AND VISUAL ARTS, DANCE, BALLET, CIRCUS, POETRY, MUSIC HALL, COMEDY AND VARIETY PERFORMANCE) AND THE EDUCATION OF THE PUBLIC IN THE ARTS BY:3.3.1 THE ESTABLISHMENT AND MAINTENANCE OF AN ARTS VENUE AND THE PRESENTATION, PRODUCTION AND COMMISSIONING OF PUBLIC CONCERTS, PLAYS, SHOWS, PERFORMANCES AND OTHER DEMONSTRATIONS OF THE ARTS AT THE SAID VENUE AND ELSEWHERE;3.3.2 SUCH OTHER MEANS AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE;3.4 FOR SUCH OTHER EXCLUSIVELY CHARITABLE PURPOSES AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE.

Activities: The Charity's activities are to promote urban or rural regeneration in areas of social and economic deprivation particularly in Sunderland and its surrounding areas . The Trustees will use the following means and any other that they may from time to time determine . To preserve historic buildings , to advance the arts , to advance education in science , engineering , history and cultural heritage

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Economic/community Development/employment, Recreation
- **Who:** The General Public/mankind

Geography

- Sunderland

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Finances

Period end	Income	Expenditure	Assets	Employees
2024-10-31	£746,442	£827,527	£10,450,979	2
2023-10-31	£417,468	£726,642	-	-
2022-10-31	£1,410,662	£716,573	£10,841,238	1
2021-10-31	£4,095,577	£257,801	£10,147,149	0
2020-10-31	£3,742,087	£224,619	£6,309,373	0

Trustees

Name	Role	Appointed
ANNE MARIE NIXON		2012-12-18
Graeme Thompson		2015-10-31
John Dennis Mowbray		2012-12-18
Robert William Lawson		2012-12-18
Ross Millard		2015-10-31

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SUNDERLAND MUSIC, ARTS & CULTURE TRUST

England & Wales - Charity number 1150733

Accounts

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Registered number: 08251877
Charity number: 1150733

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Annual report

Year ended 31 October 2024

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust	12 - 15
Statement of financial activities incorporating income and expenditure account	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 32

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 October 2024

Trustees

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA, Chair
John Dennis Mowbray, OBE, DL
Robert William Lawson OBE
Ross George Thomas Millard
Marie Nixon
Graeme Thompson MBE

Company registered number

08251877

Charity registered number

1150733

Registered office

The Fire Station
High Street West
Sunderland
SR1 3HA

Company secretary

Paul Callaghan

Independent auditor

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

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 October 2024

The trustees present their annual report together with the trust's audited financial statements for the year 1st November 2023 to 31st October 2024. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

Objectives and activities

- **Policies and objectives**

Founded in 2012, the Sunderland Music, Arts, and Culture Trust ('the Trust') seeks to act as a catalyst, developer, and promoter of cultural initiatives in the city. Its goal is to unite individuals with skills, talent, and ambition who are committed to realising a vision of Sunderland as a lively, creative, and dynamic environment for arts, music, and culture to flourish.

It encourages individuals of all ages and backgrounds to engage in cultural activities, such as playing an instrument, learning to dance, act, or sing, or creating literature or poetry. It also assists in developing audiences for arts and cultural performances in Sunderland.

The Trust sees the digital revolution as an amazing opportunity, enabling new creativity and reaching wider audiences.

The Trust builds infrastructure and venues for the city's cultural renaissance and develops sector capacity.

Through a balanced, sustainable programme of high-quality art and culture, it has expanded partnerships, increased programming reach, and raised awareness. It promotes outstanding arts events that engage participants, attract diverse audiences, and enhance community well-being.

The charity's objectives are to benefit the public at large, particularly the residents of Sunderland and its surrounding areas:

1. To promote urban or rural regeneration in areas of social and economic deprivation, particularly in Sunderland and its surrounding areas, by any or all of the following means:

- the maintenance, improvement or provision of public amenities;
- the preservation of buildings or sites of historic or architectural importance;
- the provision of recreational facilities for the public at large or for those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances have need of such facilities; and
- such other means as the trustees may from time to time determine.

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Objectives and activities (continued)

2. To advance the arts (including music, music theatre, drama, decorative and visual arts, dance, ballet, circus, poetry, music hall, comedy, and variety performance) and the education of the public in the arts by:

- the establishment and maintenance of an arts venue and the presentation, production and commissioning of public concerts, plays, shows, performances and other demonstrations of the arts at the said venue and elsewhere;
- such other means as the trustees may from time to time determine; and
- for such other exclusively charitable purposes as the trustees may from time to time determine.

In setting objectives and planning activities, the trustees have considered the general guidance published by the Charity Commission on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

● **Activities undertaken to achieve objectives**

Since it was established in 2012, the Trust has been active in the following three areas in the city of Sunderland and the wider north east region:

a. The development of significant infrastructure projects for the arts and culture or to support arts and culture;

b. The delivery, promotion, and support of cultural activities, events, and organisations; and

c. The establishment of innovative governance structures in collaboration with key civic stakeholders to develop and implement a cultural strategy for the city.

1. The Development of Major Infrastructure Projects Supporting Arts and Culture

The main goal of this initiative is to develop a cultural quarter in central Sunderland, significantly regenerating the Edwardian core around the Bishopwearmouth Conservation Area, near Sunderland Minster and the Sunderland Empire. Key structures built between 1901 and 1908 include the Dun Cow pub, the Old Fire Station, and the Peacock pub. The project also features the Fire Station Auditorium, a performing arts venue located between the Empire and the Fire Station, previously the site of three car parks from demolished buildings due to bomb damage. The Auditorium opened on 10 December 2021.

The Cultural Quarter houses diverse arts and cultural spaces, forming the city’s creative hub. It includes theatres, music and dance venues, cultural enterprise facilities, and education studios. Funding for Sunderland's ambitious regeneration came from various sources, starting with the Heritage Lottery Fund. Sunderland City Council and Arts Council England also contributed significantly to projects like the Fire Station and Auditorium.

Significant investment from Leighton Management, based in Sunderland, funded the initial master planning for the Quarter and provided substantial loans to the Trust. Leighton acquired the Dun Cow and Peacock pubs; their rent supports the Trust, generating extra revenue for the Fire Station and Auditorium until 2027. The main auditorium is considered one of the finest mid-sized venues in the country, with exceptional lighting, acoustics, and sightlines.

The Trust is grateful for the generous financial support from: The Garfield Weston Foundation, The Catherine Cookson Charitable Trust, The Foyle Foundation, The Esmée Fairbairn Foundation, The Sir Tom Cowie Charitable Trust, The Wolfson Foundation, The Backstage Trust, The Sir James Knott Trust, and The Gillian Dickinson Trust.

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Objectives and activities (continued)

2. The Delivery, Promotion, and Support of Cultural Activities

The Trust acts as a catalyst and developer of cultural activity in Sunderland, promoting and funding key initiatives in recent years, including:

The Cultural Spring
Established in 2014, this project is part of the Arts Council England's Creative People and Places programme for Sunderland and South Tyneside. Initially a partnership between the Trust, Sunderland University, and the Customs House, it has since included Sangini, a multicultural women's organisation. The Trust has initiated funding and leadership of the project. The Cultural Spring has successfully hosted community initiatives and events like the Great North Passion, Rush, Summer Streets, and Inventors! Recently, it received additional funding from Arts Council England, bringing its total CPP funding to £5.5 million since 2014.

Cultural Spring collaborates with artists to offer workshops, events, and discounted tickets. Since 2014, it has engaged communities in 26 ward areas of South Tyneside and Sunderland. The project aims to foster a legacy of arts participation, enhance artistic expression, and help communities host sustainable events. Workshop activities include ceramics, guitar, crafting, photography, and more, led by professional artists in familiar local venues. Other Cultural Spring programs like ‘Go and See’ offer residents opportunities to experience cultural events, while ‘Your Art’ supports community-driven artistic ideas and events.

In September 2020, The Cultural Spring Charity was created to support The Cultural Spring project and enhance investment in arts and culture from trusts and foundations. The Trust is on the Steering Group and the Charity Board, committed to expanding The Cultural Spring's work and creating new opportunities for community engagement in arts and culture across Sunderland and South Tyneside.

Summer Streets
Established in 2014, the Summer Streets Festival is an annual music, arts, and community festival that takes place in Sunderland every July. Over the years, Summer Streets has hosted countless musicians, outdoor arts performers, comedians, spoken-word artists, and workshop practitioners, with artists hailing from all over the world. It is produced by one of our trustees and funded by Arts Council England and Sunderland City Council.

3. The establishment of innovative governance structures

The Trust aims to deliver infrastructure and cultural activities while demonstrating strategic cultural leadership. It collaborates with Sunderland University and the City Council, both of which own significant cultural assets and recognise the benefits of collective effort. This has been a three-stage process:

Sunderland Cultural Partnership
This was formed in 2013, bringing together the University, Council, and Trust, working with Arts Council England and the Heritage Lottery Fund to develop the city's cultural life. It was a forum and decision-making body that galvanized activity and focused minds in a way that the city had never previously seen, and it was widely recognised for its success.

The Sunderland Cultural Strategy
The Trust was a driving force in developing this strategy, showing a clear vision for the city’s cultural development. Sponsored by the Cultural Partnership, it involved various city partners and has been described as the trigger for the Sunderland Cultural Renaissance.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Objectives and activities (continued)

Sunderland Culture Limited
Following the success of the cultural partnership model, the three key partners established Sunderland Culture Limited, a charitable trust committed to providing long-term leadership in culture and the arts within the city. Under Sunderland Culture, some of the city's key assets, including the National Glass Centre, The Museum and Winter Gardens, and the Northern Gallery for Contemporary Art, are managed strategically. As one of the three partners, the Trust has financed this initiative and will collaborate to ensure its future success. Sunderland Culture is an Arts Council England National Portfolio Organisation and a registered charity.

Culture Start
Culture Start is a transformative three-year initiative designed to combat the long-term effects of child poverty on children and young people in Sunderland. The project aims to reduce inequalities in cultural opportunities, thereby fostering a more equitable cultural landscape within the city.

The North East has surpassed London as one of the regions with the highest child poverty rates in the UK. In Sunderland, this rate has steadily increased in recent years and now exceeds both national and regional averages. Over 15,000 children in the city live in poverty, with some wards reporting rates above 40%. Sunderland also has the highest Red Cross Vulnerability Score in the North East, with 27% of its children residing in the country's 10% most deprived areas.

The impact of growing up in poverty are complex and long-lasting, affecting health and educational attainment. Access to cultural activities can have positive, life-changing effects in all these areas; however, those young individuals with the greatest need often have the least access. Culture Start, which commenced in 2024 and is delivered by Sunderland Culture, is a £1.5 million, three-year programme funded by a £1.2 million grant from Arts Council England and £300,000 of charitable contributions which aims to provide access to arts and cultural opportunities for children and young people from the most disadvantaged households in Sunderland. It will deliver an ambitious, high-quality creative programme, co-developed with children, young people, and city partners, to enhance reach and engagement, build confidence and skills, develop access to cultural opportunities, and embed long-term change in the policies and practices of the city's cultural organisations. The project has been developed in partnership with cultural, educational, community, and civic partners, including: the Trust, Together for Children, Children North East, Gentoo, Inspired Sunderland, North East Youth, All Together Consortium, Sunderland College and the University of Sunderland.

Sunderland Music City
Sunderland has undergone significant cultural renewal in the past decade. Better leadership and governance have driven infrastructure investments, positioning Sunderland as a potential global music city. The Trust believes that partnerships with other music cities worldwide can enhance the local and national music scene, fostering a legacy for future generations.

Sunderland Music City aims to ignite a vibrant creative phase in our city, focusing on three essential pillars: culture, economy, and society. Conversations with residents, musicians, educators, and audiences provided insights into desired changes and the impact of music on youth, health, social connections, the creative economy, and overall visibility. These discussions highlight three key themes of the creative pillars:

- Creativity and Talent
- Passion for Music
- Inclusivity and Civic Pride

The journey to develop Sunderland as a Music City began in 2018 with the Trust initiating discussions with the University, College, Council, and other parties in the city. There was evident enthusiasm for the initiative from all sectors, aligning with new cultural programs like 'We Make Culture' and the 'Young Musicians Project' and developing new venues, including the Fire Station and PopRecs. Although COVID-19 hindered progress, enthusiasm for the project remained strong.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Objectives and activities (continued)

In the summer of 2024 Sunderland Music City launched with an Advisory Board of local music stakeholders, including university and football club representatives, and diverse music organisations. This ensures broad representation across genres, supporting the Music Office in developing and implementing initiatives through existing networks.

Establishing a City Music Office in the Cultural Quarter and appointing two Music Officers as key contacts for musicians and industry professionals in June 2024 represented a significant step. The Music Officers enhance connections among stakeholders in the music industry, cultural sector, and community, fostering essential trust.

The Music Office audited the city's musical activities, highlighting music's vital role in the cultural landscape. Engaging with industry professionals, the evaluation showcased Sunderland’s music networks and community ties. It raised awareness of sector needs and built trust among those hesitant about innovation. The Office used the audit and surveys to develop policies for Sunderland's music sector growth, implemented by community aware individuals. It will outline measurable outcomes for ongoing assessment.

The Music Office, with the Music City Advisory Board, has developed a music strategy which was publicly launched on January 21, 2025. This plan draws on successful practices from other cities, adapted for Sunderland’s context. It enhances the Sunderland Cultural Partnership’s strategy, the City of Culture bid, and regional initiatives. The strategy aligns efforts among local organisations like the City Council, the University, and Sunderland Music Hub. The aim is to unify these components into an inclusive strategy for all stakeholders and support a bid to become a member of the Music Cities Network.

Achievements and performance

- **Review of activities**

2023/24 has been another exciting and successful year for the Trust with the continued success of the Fire Station Auditorium. Pub Culture Ltd delivered the programming and venue operations in the Fire Station. The Trust is pleased that the University of Sunderland continues to use the Auditorium for conferences, student performances, and lectures.

Throughout the year, the Auditorium:
- hosted 204 public ticketed shows
- sold 71,000 tickets
- achieved total ticket turnover of £1,650,000

The Auditorium has welcomed a range of performers including:

American Four Tops
Arab Strap
Ben Ottewell & Ian Ball
Beth Nielsen Chapman
Big Country
Brian Bilston & Henry Normal
Calexico
China Crisis
Chris Difford
Craig Charles
David Puttnam Chariots of Fire
Ed Byrne
Eliza Carthy & Jon Boden
Fairport Convention
Ferocious Dog
Focus

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Achievements and performance (continued)

Inspiral Carpets
Janey Godley
Joanne Shaw Taylor
John Grant
Johnny Hates Jazz
Karine Polwart & Dave Milligan
Kathryn Tickell
Kim Wilde
Leo Sayer
Lindisfarne
Maximo Park
Mica Paris
Moya Brennan
Mugenkyo Taiko Drummers
National Theatre Live
Nick Heyward
Nick Lowe & Los Straitjackets
Nik Kershaw
North East Culture Awards
Oysterband & June Tabor
Paul Edis
Penguin Cafe
Peter Hook & The Light
Ronnie Scott's All Stars
Royal Northern Sinfonia
Royal Philharmonic Orchestra
Ruby Turner
Sam Sweeney Band
Seckou Keita
Seth Lakeman
Skindred
Starsailor
Sunderland Shorts Film Festival
Sweet
Teddy Thompson
The Eveready Brass Band
The Futureheads
The Handsome Family
The Lake Poets
The Lathums
The Pitmen Poets
The Royal Ballet
The Science Museum
The Shires
The Undertones
Tom A. Smith
Tom Robinson Band
Tommy Emmanuel
Trevor Nelson’s Soul Nation
University of Sunderland Final Showcase '24
Vonda Shepard
Waves Festival
Will Young
Various other conferences and meetings

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Achievements and performance (continued)

The Fire Station Studios

The first-floor dance and drama studios are leased to Musical Theatre Studio Ltd (MTS), a leading musical theatre academy in the North East. MTS students have secured places at prestigious arts schools, colleges, and universities, including ArtsEd, Mountview, and The BRIT School. The Fire Station offers MTS state-of-the art facilities and a dedicated space for self-reflection, study, and rehearsal. The Trust is pleased that the Fire Station is filled with talented young individuals beginning their journeys into musical theatre.

The second-floor studios of the Fire Station are leased to the Northern Academy of Music Education (NAME), an independent college offering contemporary higher education programmes in modern music, in partnership with The University of Sunderland.

The BA (Hons) and MA Modern Music Industries degrees, validated by the University, provide essential skills for succeeding in the modern music industry. Taught by industry professionals, the course covers recording, marketing, event planning, composition, genre studies, and performance. Now in its fourth year, the Academy has exceeded recruitment targets and is a key partner in the city's musical education.

Financial review

- **Financial performance**

The Trust has benefited from support from several Trusts and Foundations and personal donations from Paul Callaghan, its Chair, and other individual donors.

The Trust has incurred expenditures related to the ongoing management of the Fire Station and the delivery of the Summer Streets Festival. Given the ongoing development, the trustees are satisfied with the overall performance and year-end position.

The trust changed its management arrangements during the year where Pub Culture Limited will manage the property and will therefore be entitled to the rental income which is recieved.

- **Going concern**

The Trust will receive rental income in 2024/2025, as noted in the reserves policy. It continues receiving support from Leighton Management, which will inject funds as needed for at least twelve months from the signing date of these financial statements. Leighton Management will provide loan funding until the Auditorium is operational and other income sources arise. After appropriate inquiries, the trustees reasonably expect the Trust has adequate resources to maintain its operations for the foreseeable future. Thus, they continue adopting the going concern basis for the financial statements..

- **Reserves policy**

At the year end the Trust has unrestricted reserves of £10,392,336 of which £12,906,019 was tied up in fixed assets, with the deficit funded through loans. The Trust will seek to accrue reserves now the capital development phase of the Culture Quarter project is complete. It anticipates continuing to earn income from the Peacock and Dun Cow Public Houses, the Fire Station, and the Auditorium in the 2024/25 financial year. The Trust will also continue to seek other grants from charitable trusts to support its work in the future.

- **Plans for the future**

The Trust will continue collaborating with partners on the Fire Station, Culture Start, and other initiatives. Enhancing arts and culture in Sunderland is vital, and the Trust will play a significant role in this.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Structure, governance and management

- **Constitution**

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 October 2012. It is a registered charity, number 1150733.

- **The board and its members**

The trustees, who are elected and co-opted under the Articles of Association, are responsible for the company's management. If necessary, new trustees are inducted.

The board has a minimum of five and a maximum of 11 members. In the 2023/24 financial year, the board had six members.

Articles provide for 'members' and 'directors,' but in practice, board members are both company directors and trustees of the trust. However, representatives of funding organisations (such as Sunderland City Council, the Heritage Lottery Fund, and Arts Council England) may also attend board meetings as observers.

Board composition and recruitment
Board membership reflects the diverse communities served by the Trust. In selecting its members, the board strives for gender balance and promotes an appropriate age distribution. Furthermore, the board comprises a range of relevant skills, experience, and abilities, with members contributing one or more of the following skills and expertise:

- Arts and Entertainment
- Finance/Accounting/Business
- Fundraising
- Networking
- Marketing/communications
- Digital media
- Education and training
- HR Management
- Capital projects
- Legal
- Community Representation

Role of the board

Board members hold both corporate and individual responsibilities under company and charity law. They govern the Trust, align its objectives with the governing document, and comply with legal guidelines. They are responsible for the Trust’s success and long-term financial sustainability.

The board acts collectively and corporately, with care, diligence, and skill, in the best interests of the Trust..

Executive Management

This year, Trust Chief Executive Lucy Bird retired, after benefiting the Trust with her exceptional leadership. In April 2024, the Board appointed experienced arts leader Michelle Daurat as the new Chief Executive. Previously, she was Director of the Tall Ships Races in Hartlepool (2011) and Sunderland (2017), and held senior roles at the National Glass Centre. The Board is delighted to welcome her to the Trust..

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Structure, governance and management (continued)

- **Diversity**

The Trust values diversity among artists, participants, audience, and staff. It commits to a discrimination-free cultural environment where everyone is treated with respect. The trust fosters inclusivity, creating a dynamic space, valuing contributions and individuality. Its policies ensure all feel welcome and free from discrimination based on age, disability, gender, ethnicity, religion, or sexual orientation.

- **Risk management**

The trustees assessed major risks to the Trust, especially operational and financial ones, and are confident that systems are in place to mitigate these risks.

Members' liability

The members of the trust guarantee to contribute an amount not exceeding £10 to the assets of the trust in the event of winding up.

Statement of trustees' responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

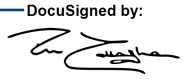
Disclosure of information to auditor

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

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

Approved by order of the members of the board of trustees on 23 June 2025 and signed on their behalf by:

DocuSigned by:



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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust

Opinion

We have audited the financial statements of Sunderland Music, Arts and Culture Trust (the 'charitable company') for the year ended 31 October 2024 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



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 matters perscribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



Independent auditor's report to the members of Sunderland Music, Arts and Culture 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.

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
For and on behald of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

23 June 2025

UNW LLP are eligible to act as auditors in terms of section 12 of the Companies Act 2006.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 October 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations	4	**385,452**	**254,333**	**639,785**	190,408
Other activities	5	**106,657**	**-**	**106,657**	227,060
Total income		**492,109**	**254,333**	**746,442**	417,468
Expenditure on:					
Charitable activities	6	**631,837**	**195,690**	**827,527**	726,642
Total expenditure		**631,837**	**195,690**	**827,527**	726,642
Net movement in funds		**(139,728)**	**58,643**	**(81,085)**	(309,174)
Reconciliation of funds:					
Total funds brought forward		**10,532,064**	**-**	**10,532,064**	10,841,238
Net movement in funds		**(139,728)**	**58,643**	**(81,085)**	(309,174)
Total funds carried forward		**10,392,336**	**58,643**	**10,450,979**	10,532,064

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 32 form part of these financial statements.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

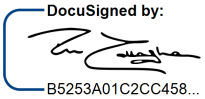
(A company limited by guarantee)

Balance sheet
At 31 October 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	9		**12,906,019**		13,211,686
Current assets					
Debtors	11	**78,336**		123,969	
Cash at bank and in hand		**239,821**		13,726	
		318,157		137,695	
Creditors: amounts falling due within one year	12	**(368,651)**		(244,680)	
Net current liabilities			**(50,494)**		(106,985)
Total assets less current liabilities			**12,855,525**		13,104,701
Creditors: amounts falling due after more than one year	13		**(2,404,546)**		(2,572,637)
Total net assets			**10,450,979**		10,532,064
Charity funds					
Unrestricted funds	14		**10,392,336**		10,532,064
Total funds			**10,450,979**		10,532,064

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

The financial statements were approved and authorised for issue by the trustees on 23 June 2025 and signed on their behalf by:

DocuSigned by:

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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Company registered number: 08251877

The notes on pages 19 to 32 form part of these financial statements.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of cash flows
Year ended 31 October 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	16	**352,173**	88,535
Cash flows from investing activities			
Purchase of tangible fixed assets		**(27,772)**	(140,453)
Net cash used in investing activities		**(27,772)**	(140,453)
Cash flows from financing activities			
Cash inflows from new borrowing		**350,000**	370,000
Repayments of borrowing		**(434,622)**	(310,000)
Interest paid		**(13,684)**	-
Net cash (used in)/provided by financing activities		**(98,306)**	60,000
Change in cash and cash equivalents in the year		**226,095**	8,082
Cash and cash equivalents at the beginning of the year		**13,726**	5,644
Cash and cash equivalents at the end of the year	17	**239,821**	13,726

The notes on pages 19 to 32 form part of these financial statements

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Notes to the financial statements
Year ended 31 October 2024

1. General information

Sunderland Music, Arts and Culture Trust ('the trust') is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is disclosed in the reference and administrative details page on page 1 and the principal activity is disclosed in the trustees' report on page 2.

2. Accounting policies

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

2.1 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.

The 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 financial statements are prepared in sterling, which is the functional currency of the charity and are rounded to the nearest £1.

2.2 Going concern

Although in a net current liabilities position, the Trust expects to continue to receive rental income in 2025 and 2026 as detailed in the reserves policy in the Trustees' report on page 8. It continues to be supported by Leighton Management, which has confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding. After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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.

2.3 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income is recognised on an accruals basis.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity.

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

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

2.6 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.

2.7 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.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

2. Accounting policies (continued)

2.8 Liabilities

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 trust 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.

2.9 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the trust to the fund in respect of the year.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

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

The only estimate included within these financial statements is the depreciation charge. This is not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

4. Income from donations

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	301,995	-	**301,995**
Grants	83,457	254,333	**337,790**
	385,452	254,333	**639,785**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	104,410	-	104,410
Grants	-	85,998	85,998
	104,410	85,998	190,408

5. Income from other activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rental income	106,657	**106,657**	227,060

The Trust are collecting rental income on behalf of Pub Culture under the revised licence for the buildings, as an agency arrangement, with any balance due to Pub Culture being shown within creditors.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

6. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	**Grant funding of activities 2024 £**	**Support costs 2024 £**	**Total funds 2024 £**
Support for cultural activites	213,098	101,000	513,429	**827,527**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Charitable activities	311,131	415,511	726,642

Analysis of direct costs

	Charitable activities 2024 £	**Total funds 2024 £**	Total funds 2023 £
Staff costs	81,660	**81,660**	39,000
Consultancy fees	17,024	**17,024**	41,550
Summer Streets Festival	94,690	**94,690**	92,360
Building management costs	-	**-**	20,736
Insurance	5,092	**5,092**	29,227
Utilities	10,872	**10,872**	22,699
Repairs and maintenance	2,305	**2,305**	2,559
Cleaning	(845)	**(845)**	57,708
Donations	2,300	**2,300**	5,292
	213,098	**213,098**	311,131

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2024 £	**Total funds 2024 £**	Total funds 2023 £
Staff costs	3,542	**3,542**	983
Depreciation	333,439	**333,439**	328,511
Administration	60,055	**60,055**	68,093
Interest	90,679	**90,679**	-
Auditor's remuneration for the audit of these accounts	6,900	**6,900**	6,600
Auditor's remuneration for other financial services	18,314	**18,314**	10,824
Auditor's remuneration for other assurance services	500	**500**	500
	513,429	**513,429**	415,511

7. Analysis of grants

	Grants to Institutions 2024 £	**Total funds 2024 £**	Total funds 2023 £
Grants, Charitable activities	101,000	**101,000**	-

The grants payable in the year is in relation to Culture Start grant which has been subcontracted to Sunderland Culture. This is payable over 3 years with the £101,000 relating to the current financial year.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

8. Staff costs

	2024	2023
	£	£
Wages and salaries	**81,660**	39,000
Social security costs	**1,797**	-
Contribution to defined contribution pension schemes	**1,745**	983
	85,202	39,983

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

	2024	2023
	No.	No.
Employees	**2**	1

No employee received remuneration amounting to more than £60,000 in either year.

No trustees received any remuneration or benefits for their services to the trust, nor were any expenses reimbursed to trustees during the year (2023: £nil).

Key management personnel is considered to be both employees, whose total remuneration was £85,202 as disclosed above.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

9. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2023	**73,213**	**13,823,044**	**225,953**	**16,761**	**14,138,971**
Additions	**-**	**18,289**	**8,808**	**675**	**27,772**
Transfers between classes	**(73,213)**	**73,213**	**-**	**-**	**-**
At 31 October 2024	**-**	**13,914,546**	**234,761**	**17,436**	**14,166,743**
Depreciation					
At 1 November 2023	**-**	**815,129**	**104,133**	**8,023**	**927,285**
Charge for the year	**-**	**276,827**	**52,284**	**4,328**	**333,439**
At 31 October 2024	**-**	**1,091,956**	**156,417**	**12,351**	**1,260,724**
Net book value					
At 31 October 2024	**-**	**12,822,590**	**78,344**	**5,085**	**12,906,019**
At 31 October 2023	73,213	13,007,915	121,820	8,738	13,211,686

Included in land and buildings is land with a cost of £125,726 (2023: £125,726) which is not depreciated.

10. Fixed asset investments

The Trust is a 33.3% member of Sunderland Culture Limited, a partnership between the trust, Sunderland City Council and Sunderland University.

The trustees do not consider the Trust to have significant influence over Sunderland Culture Limited, which is a separate registered charity, and therefore do not consider it to be an associate. Accordingly, Sunderland Culture Limited is not consolidated into the accounts of the Trust.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

11. Debtors

	2024 £	2023 £
Trade debtors	**34,914**	81,864
Other debtors	**19,314**	824
Prepayments and accrued income	**24,108**	41,281
	78,336	123,969

12. Creditors: Amounts falling due within one year

	2024 £	2023 £
Other loans	**83,469**	-
Trade creditors	**26,782**	9,724
Other taxation and social security	**16,692**	705
Other creditors	**25,802**	-
Accruals and deferred income	**215,906**	234,251
	368,651	244,680

	2024 £	2023 £
Resources deferred during the year	**5,677**	-

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

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

	2024	2023
	£	£
Loan	**2,404,546**	2,572,637

The loan, which is from Leighton Management Limited, has a term of 40 years, is unsecured, accrues interest at 3% per annum and is repayable in consecutive monthly instalments commencing in November 2020 and continuing until October 2060. In previous years Leighton Management Limited have confirmed that the scheduled payments of capital and interest had been waived, however the capital element of the loan repayments has not been waived in the current year. Leighton Management Limited have continued to waive payments of interest during the year. The total value of interest charges waived during the year was £76,995 (2023: £76,025), this has been shown been classified as donation income from Leighton Management Limited.

A new loan for £300,000 was entered into during the year with North East Social Investment fund, it has a term of 5 years, is unsecured, accrues interest at a rate 8% per annum and is repayment in consecutive monthly instalments commencing in April 2024. The total interest charge for the year was £13,684.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

14. Statement of funds

Statement of funds - current year

	Balance at 1 November 2023 £	Income £	Expenditure £	Balance at 31 October 2024 £
Unrestricted funds				
General funds	**10,532,064**	**492,109**	**(631,837)**	**10,392,336**
Restricted funds				
Grants received	**-**	**164,074**	**(101,000)**	**63,074**
Summer Streets	**-**	**90,259**	**(94,690)**	**(4,431)**
	-	**254,333**	**(195,690)**	**58,643**
Total of funds	**10,532,064**	**746,442**	**(827,527)**	**10,450,979**

Statement of funds - prior year

	Balance at 1 November 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2023 £
Unrestricted funds					
General funds	10,841,238	331,470	(634,282)	(6,362)	10,532,064
Restricted funds					
Restricted funds	-	85,998	(92,360)	6,362	-
Total of funds	10,841,238	417,468	(726,642)	-	10,532,064

Restricted funds represent grants received for specific revenue projects, with any shortfall met from unrestricted funds.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	12,906,019	-	**12,906,019**
Current assets	414,499	58,643	**473,142**
Creditors due within one year	(523,636)	-	**(523,636)**
Creditors due in more than one year	(2,404,546)	-	**(2,404,546)**
Total	10,392,336	58,643	**10,450,979**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	13,211,686	13,211,686
Current assets	137,695	137,695
Creditors due within one year	(244,680)	(244,680)
Creditors due in more than one year	(2,572,637)	(2,572,637)
Total	10,532,064	10,532,064

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

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	**(81,085)**	(309,174)
Adjustments for:		
Depreciation charges	**333,439**	328,511
Interest paid	**13,684**	-
(Increase)/decrease in debtors	**(109,352)**	189,404
Increase/(decrease) in creditors	**195,487**	(120,206)
Net cash provided by operating activities	**352,173**	88,535

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17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	**239,821**	13,726

18. Analysis of changes in net debt

	At 1 November 2023 £	Cash flows £	At 31 October 2024 £
Cash at bank and in hand	**13,726**	**226,095**	**239,821**
Debt due within 1 year	**-**	**(83,469)**	**(83,469)**
Debt due after 1 year	**(2,572,637)**	**168,091**	**(2,404,546)**

19. Pension commitments

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £1,745 (2023: £983). No contributions were outstanding at the year end (2023: £nil).

20. Operating leases

In 2023 The Trust owned land and buildings which were rented out to a third party. At 31 October 2024 the Trust had replaced this lease with a service level arrangement with Pub Culture:

	2024 £	2023 £
Not later than 1 year	**-**	52,850
Later than 1 year and not later than 5 years	**-**	158,550
	-	211,400

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21. Related party transactions

Included within creditors are loans from Leighton Management Limited, a company wholly owned by Paul Callaghan, trustee, totalling £2,217,637 (2023: £2,580,000). During the year, the Trust paid £405,000 (2023: £nil) to Leighton Management Limited in relation to loan repayments. During the year, the Trust received £Nil (2023: £231,504) from Leighton Management in relation to recharges of costs and £Nil (2023: £75,732) was owed at the year end. Furthermore, the Trust received £76,995 (2023: £nil) in donations from Leighton Management Limited which is equivalent of the loan interest which was waived.

During the year, the Trust paid £19,137 (2023: £13,016) to Ross Millard, trustee, for his role as the artistic director of the Summer Streets Festival, a project supported by the Trust.

During the year, the Trust paid £1,624,391 (2023: £nil) to Pub Culture Ltd, a company in which Paull Callaghan, trustee, is a director, in relation to ticket sales collected on behalf of Pub Culture and £33,142 (2023: £3,627) in relation to recharged expenses. At the year end the Trust owed Pub Culture £154,985 (2023: £nil). Pub Culture paid the Trust £120,000 (2023: £nil) during the year in relation to rental costs and £320,798 (2023: £nil) in relation to recharged expenses. At the year end Pub Culture owed the Trust £174,149 (2023: £nil).

During the year, the Trust paid £nil (2023: £129,629) to Sunderland Culture Limited, a company in which the Trust is a 33.3% member, and owed £nil (2023: £nil) at the year end. During the year, Sunderland Culture Limited paid the Trust £25,167 (2023: £nil) in relation to a settlement agreement.

During the year, the Trust received £225,000 (2023: £100,000) from Paul Callaghan, trustee, in donations.

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23 June 2025

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

Dear Sirs

SUNDERLAND MUSIC, ARTS AND CULTURE TRUST

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the trust's financial statements for the year ended 31 October 2024. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1 We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter dated 8 February 2024 under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.

2 All the transactions undertaken by the trust have been properly reflected and recorded in the accounting records.

3 All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the trust, and with all other records and related information requested, including minutes of all management and trustees' meetings and correspondence with The Charity Commission.

4 The financial statements are free of material misstatements, including omissions.

5 The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

6 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

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Assets and liabilities

9 The trust has satisfactory title to all assets and there are no liens or encumbrances on the trust's assets, except for those that are disclosed in the notes to the financial statements.

10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

11 We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

12 The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

13 The trust has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal claims

14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and regulations

15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

16 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

18 We believe that the trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the trust's needs. We also confirm our plans for future action(s) required to enable the trust to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the trust's ability to continue as a going concern need to be made in the financial statements.

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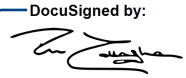
Grants and donations

19 All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that they ought to have taken as a director in order to make themself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully,

DocuSigned by:

B5253A01C2CC458...

Paul Callaghan CBE, DL, FRSA, Hon DBA
Chair of the Trust Board
Signed on behalf of the board of trustees
23 June 2025

Appendix 1: Uncorrected misstatements

None noted.

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Registered number: 08251877
Charity number: 1150733

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Annual report

Year ended 31 October 2024

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust	12 - 15
Statement of financial activities incorporating income and expenditure account	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 32

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 October 2024

Trustees

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA, Chair
John Dennis Mowbray, OBE, DL
Robert William Lawson OBE
Ross George Thomas Millard
Marie Nixon
Graeme Thompson MBE

Company registered number

08251877

Charity registered number

1150733

Registered office

The Fire Station
High Street West
Sunderland
SR1 3HA

Company secretary

Paul Callaghan

Independent auditor

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

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 October 2024

The trustees present their annual report together with the trust's audited financial statements for the year 1st November 2023 to 31st October 2024. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

Objectives and activities

- **Policies and objectives**

Founded in 2012, the Sunderland Music, Arts, and Culture Trust ('the Trust') seeks to act as a catalyst, developer, and promoter of cultural initiatives in the city. Its goal is to unite individuals with skills, talent, and ambition who are committed to realising a vision of Sunderland as a lively, creative, and dynamic environment for arts, music, and culture to flourish.

It encourages individuals of all ages and backgrounds to engage in cultural activities, such as playing an instrument, learning to dance, act, or sing, or creating literature or poetry. It also assists in developing audiences for arts and cultural performances in Sunderland.

The Trust sees the digital revolution as an amazing opportunity, enabling new creativity and reaching wider audiences.

The Trust builds infrastructure and venues for the city's cultural renaissance and develops sector capacity.

Through a balanced, sustainable programme of high-quality art and culture, it has expanded partnerships, increased programming reach, and raised awareness. It promotes outstanding arts events that engage participants, attract diverse audiences, and enhance community well-being.

The charity's objectives are to benefit the public at large, particularly the residents of Sunderland and its surrounding areas:

1. To promote urban or rural regeneration in areas of social and economic deprivation, particularly in Sunderland and its surrounding areas, by any or all of the following means:

- the maintenance, improvement or provision of public amenities;
- the preservation of buildings or sites of historic or architectural importance;
- the provision of recreational facilities for the public at large or for those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances have need of such facilities; and
- such other means as the trustees may from time to time determine.

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Objectives and activities (continued)

2. To advance the arts (including music, music theatre, drama, decorative and visual arts, dance, ballet, circus, poetry, music hall, comedy, and variety performance) and the education of the public in the arts by:

- the establishment and maintenance of an arts venue and the presentation, production and commissioning of public concerts, plays, shows, performances and other demonstrations of the arts at the said venue and elsewhere;
- such other means as the trustees may from time to time determine; and
- for such other exclusively charitable purposes as the trustees may from time to time determine.

In setting objectives and planning activities, the trustees have considered the general guidance published by the Charity Commission on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

● **Activities undertaken to achieve objectives**

Since it was established in 2012, the Trust has been active in the following three areas in the city of Sunderland and the wider north east region:

a. The development of significant infrastructure projects for the arts and culture or to support arts and culture;

b. The delivery, promotion, and support of cultural activities, events, and organisations; and

c. The establishment of innovative governance structures in collaboration with key civic stakeholders to develop and implement a cultural strategy for the city.

1. The Development of Major Infrastructure Projects Supporting Arts and Culture

The main goal of this initiative is to develop a cultural quarter in central Sunderland, significantly regenerating the Edwardian core around the Bishopwearmouth Conservation Area, near Sunderland Minster and the Sunderland Empire. Key structures built between 1901 and 1908 include the Dun Cow pub, the Old Fire Station, and the Peacock pub. The project also features the Fire Station Auditorium, a performing arts venue located between the Empire and the Fire Station, previously the site of three car parks from demolished buildings due to bomb damage. The Auditorium opened on 10 December 2021.

The Cultural Quarter houses diverse arts and cultural spaces, forming the city’s creative hub. It includes theatres, music and dance venues, cultural enterprise facilities, and education studios. Funding for Sunderland's ambitious regeneration came from various sources, starting with the Heritage Lottery Fund. Sunderland City Council and Arts Council England also contributed significantly to projects like the Fire Station and Auditorium.

Significant investment from Leighton Management, based in Sunderland, funded the initial master planning for the Quarter and provided substantial loans to the Trust. Leighton acquired the Dun Cow and Peacock pubs; their rent supports the Trust, generating extra revenue for the Fire Station and Auditorium until 2027. The main auditorium is considered one of the finest mid-sized venues in the country, with exceptional lighting, acoustics, and sightlines.

The Trust is grateful for the generous financial support from: The Garfield Weston Foundation, The Catherine Cookson Charitable Trust, The Foyle Foundation, The Esmée Fairbairn Foundation, The Sir Tom Cowie Charitable Trust, The Wolfson Foundation, The Backstage Trust, The Sir James Knott Trust, and The Gillian Dickinson Trust.

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Objectives and activities (continued)

2. The Delivery, Promotion, and Support of Cultural Activities

The Trust acts as a catalyst and developer of cultural activity in Sunderland, promoting and funding key initiatives in recent years, including:

The Cultural Spring
Established in 2014, this project is part of the Arts Council England's Creative People and Places programme for Sunderland and South Tyneside. Initially a partnership between the Trust, Sunderland University, and the Customs House, it has since included Sangini, a multicultural women's organisation. The Trust has initiated funding and leadership of the project. The Cultural Spring has successfully hosted community initiatives and events like the Great North Passion, Rush, Summer Streets, and Inventors! Recently, it received additional funding from Arts Council England, bringing its total CPP funding to £5.5 million since 2014.

Cultural Spring collaborates with artists to offer workshops, events, and discounted tickets. Since 2014, it has engaged communities in 26 ward areas of South Tyneside and Sunderland. The project aims to foster a legacy of arts participation, enhance artistic expression, and help communities host sustainable events. Workshop activities include ceramics, guitar, crafting, photography, and more, led by professional artists in familiar local venues. Other Cultural Spring programs like ‘Go and See’ offer residents opportunities to experience cultural events, while ‘Your Art’ supports community-driven artistic ideas and events.

In September 2020, The Cultural Spring Charity was created to support The Cultural Spring project and enhance investment in arts and culture from trusts and foundations. The Trust is on the Steering Group and the Charity Board, committed to expanding The Cultural Spring's work and creating new opportunities for community engagement in arts and culture across Sunderland and South Tyneside.

Summer Streets
Established in 2014, the Summer Streets Festival is an annual music, arts, and community festival that takes place in Sunderland every July. Over the years, Summer Streets has hosted countless musicians, outdoor arts performers, comedians, spoken-word artists, and workshop practitioners, with artists hailing from all over the world. It is produced by one of our trustees and funded by Arts Council England and Sunderland City Council.

3. The establishment of innovative governance structures

The Trust aims to deliver infrastructure and cultural activities while demonstrating strategic cultural leadership. It collaborates with Sunderland University and the City Council, both of which own significant cultural assets and recognise the benefits of collective effort. This has been a three-stage process:

Sunderland Cultural Partnership
This was formed in 2013, bringing together the University, Council, and Trust, working with Arts Council England and the Heritage Lottery Fund to develop the city's cultural life. It was a forum and decision-making body that galvanized activity and focused minds in a way that the city had never previously seen, and it was widely recognised for its success.

The Sunderland Cultural Strategy
The Trust was a driving force in developing this strategy, showing a clear vision for the city’s cultural development. Sponsored by the Cultural Partnership, it involved various city partners and has been described as the trigger for the Sunderland Cultural Renaissance.

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Objectives and activities (continued)

Sunderland Culture Limited
Following the success of the cultural partnership model, the three key partners established Sunderland Culture Limited, a charitable trust committed to providing long-term leadership in culture and the arts within the city. Under Sunderland Culture, some of the city's key assets, including the National Glass Centre, The Museum and Winter Gardens, and the Northern Gallery for Contemporary Art, are managed strategically. As one of the three partners, the Trust has financed this initiative and will collaborate to ensure its future success. Sunderland Culture is an Arts Council England National Portfolio Organisation and a registered charity.

Culture Start
Culture Start is a transformative three-year initiative designed to combat the long-term effects of child poverty on children and young people in Sunderland. The project aims to reduce inequalities in cultural opportunities, thereby fostering a more equitable cultural landscape within the city.

The North East has surpassed London as one of the regions with the highest child poverty rates in the UK. In Sunderland, this rate has steadily increased in recent years and now exceeds both national and regional averages. Over 15,000 children in the city live in poverty, with some wards reporting rates above 40%. Sunderland also has the highest Red Cross Vulnerability Score in the North East, with 27% of its children residing in the country's 10% most deprived areas.

The impact of growing up in poverty are complex and long-lasting, affecting health and educational attainment. Access to cultural activities can have positive, life-changing effects in all these areas; however, those young individuals with the greatest need often have the least access. Culture Start, which commenced in 2024 and is delivered by Sunderland Culture, is a £1.5 million, three-year programme funded by a £1.2 million grant from Arts Council England and £300,000 of charitable contributions which aims to provide access to arts and cultural opportunities for children and young people from the most disadvantaged households in Sunderland. It will deliver an ambitious, high-quality creative programme, co-developed with children, young people, and city partners, to enhance reach and engagement, build confidence and skills, develop access to cultural opportunities, and embed long-term change in the policies and practices of the city's cultural organisations. The project has been developed in partnership with cultural, educational, community, and civic partners, including: the Trust, Together for Children, Children North East, Gentoo, Inspired Sunderland, North East Youth, All Together Consortium, Sunderland College and the University of Sunderland.

Sunderland Music City
Sunderland has undergone significant cultural renewal in the past decade. Better leadership and governance have driven infrastructure investments, positioning Sunderland as a potential global music city. The Trust believes that partnerships with other music cities worldwide can enhance the local and national music scene, fostering a legacy for future generations.

Sunderland Music City aims to ignite a vibrant creative phase in our city, focusing on three essential pillars: culture, economy, and society. Conversations with residents, musicians, educators, and audiences provided insights into desired changes and the impact of music on youth, health, social connections, the creative economy, and overall visibility. These discussions highlight three key themes of the creative pillars:

- Creativity and Talent
- Passion for Music
- Inclusivity and Civic Pride

The journey to develop Sunderland as a Music City began in 2018 with the Trust initiating discussions with the University, College, Council, and other parties in the city. There was evident enthusiasm for the initiative from all sectors, aligning with new cultural programs like 'We Make Culture' and the 'Young Musicians Project' and developing new venues, including the Fire Station and PopRecs. Although COVID-19 hindered progress, enthusiasm for the project remained strong.

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Objectives and activities (continued)

In the summer of 2024 Sunderland Music City launched with an Advisory Board of local music stakeholders, including university and football club representatives, and diverse music organisations. This ensures broad representation across genres, supporting the Music Office in developing and implementing initiatives through existing networks.

Establishing a City Music Office in the Cultural Quarter and appointing two Music Officers as key contacts for musicians and industry professionals in June 2024 represented a significant step. The Music Officers enhance connections among stakeholders in the music industry, cultural sector, and community, fostering essential trust.

The Music Office audited the city's musical activities, highlighting music's vital role in the cultural landscape. Engaging with industry professionals, the evaluation showcased Sunderland’s music networks and community ties. It raised awareness of sector needs and built trust among those hesitant about innovation. The Office used the audit and surveys to develop policies for Sunderland's music sector growth, implemented by community aware individuals. It will outline measurable outcomes for ongoing assessment.

The Music Office, with the Music City Advisory Board, has developed a music strategy which was publicly launched on January 21, 2025. This plan draws on successful practices from other cities, adapted for Sunderland’s context. It enhances the Sunderland Cultural Partnership’s strategy, the City of Culture bid, and regional initiatives. The strategy aligns efforts among local organisations like the City Council, the University, and Sunderland Music Hub. The aim is to unify these components into an inclusive strategy for all stakeholders and support a bid to become a member of the Music Cities Network.

Achievements and performance

- **Review of activities**

2023/24 has been another exciting and successful year for the Trust with the continued success of the Fire Station Auditorium. Pub Culture Ltd delivered the programming and venue operations in the Fire Station. The Trust is pleased that the University of Sunderland continues to use the Auditorium for conferences, student performances, and lectures.

Throughout the year, the Auditorium:
- hosted 204 public ticketed shows
- sold 71,000 tickets
- achieved total ticket turnover of £1,650,000

The Auditorium has welcomed a range of performers including:

American Four Tops
Arab Strap
Ben Ottewell & Ian Ball
Beth Nielsen Chapman
Big Country
Brian Bilston & Henry Normal
Calexico
China Crisis
Chris Difford
Craig Charles
David Puttnam Chariots of Fire
Ed Byrne
Eliza Carthy & Jon Boden
Fairport Convention
Ferocious Dog
Focus

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Achievements and performance (continued)

Inspiral Carpets
Janey Godley
Joanne Shaw Taylor
John Grant
Johnny Hates Jazz
Karine Polwart & Dave Milligan
Kathryn Tickell
Kim Wilde
Leo Sayer
Lindisfarne
Maximo Park
Mica Paris
Moya Brennan
Mugenkyo Taiko Drummers
National Theatre Live
Nick Heyward
Nick Lowe & Los Straitjackets
Nik Kershaw
North East Culture Awards
Oysterband & June Tabor
Paul Edis
Penguin Cafe
Peter Hook & The Light
Ronnie Scott's All Stars
Royal Northern Sinfonia
Royal Philharmonic Orchestra
Ruby Turner
Sam Sweeney Band
Seckou Keita
Seth Lakeman
Skindred
Starsailor
Sunderland Shorts Film Festival
Sweet
Teddy Thompson
The Eveready Brass Band
The Futureheads
The Handsome Family
The Lake Poets
The Lathums
The Pitmen Poets
The Royal Ballet
The Science Museum
The Shires
The Undertones
Tom A. Smith
Tom Robinson Band
Tommy Emmanuel
Trevor Nelson’s Soul Nation
University of Sunderland Final Showcase '24
Vonda Shepard
Waves Festival
Will Young
Various other conferences and meetings

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Achievements and performance (continued)

The Fire Station Studios

The first-floor dance and drama studios are leased to Musical Theatre Studio Ltd (MTS), a leading musical theatre academy in the North East. MTS students have secured places at prestigious arts schools, colleges, and universities, including ArtsEd, Mountview, and The BRIT School. The Fire Station offers MTS state-of-the art facilities and a dedicated space for self-reflection, study, and rehearsal. The Trust is pleased that the Fire Station is filled with talented young individuals beginning their journeys into musical theatre.

The second-floor studios of the Fire Station are leased to the Northern Academy of Music Education (NAME), an independent college offering contemporary higher education programmes in modern music, in partnership with The University of Sunderland.

The BA (Hons) and MA Modern Music Industries degrees, validated by the University, provide essential skills for succeeding in the modern music industry. Taught by industry professionals, the course covers recording, marketing, event planning, composition, genre studies, and performance. Now in its fourth year, the Academy has exceeded recruitment targets and is a key partner in the city's musical education.

Financial review

- **Financial performance**

The Trust has benefited from support from several Trusts and Foundations and personal donations from Paul Callaghan, its Chair, and other individual donors.

The Trust has incurred expenditures related to the ongoing management of the Fire Station and the delivery of the Summer Streets Festival. Given the ongoing development, the trustees are satisfied with the overall performance and year-end position.

The trust changed its management arrangements during the year where Pub Culture Limited will manage the property and will therefore be entitled to the rental income which is recieved.

- **Going concern**

The Trust will receive rental income in 2024/2025, as noted in the reserves policy. It continues receiving support from Leighton Management, which will inject funds as needed for at least twelve months from the signing date of these financial statements. Leighton Management will provide loan funding until the Auditorium is operational and other income sources arise. After appropriate inquiries, the trustees reasonably expect the Trust has adequate resources to maintain its operations for the foreseeable future. Thus, they continue adopting the going concern basis for the financial statements..

- **Reserves policy**

At the year end the Trust has unrestricted reserves of £10,392,336 of which £12,906,019 was tied up in fixed assets, with the deficit funded through loans. The Trust will seek to accrue reserves now the capital development phase of the Culture Quarter project is complete. It anticipates continuing to earn income from the Peacock and Dun Cow Public Houses, the Fire Station, and the Auditorium in the 2024/25 financial year. The Trust will also continue to seek other grants from charitable trusts to support its work in the future.

- **Plans for the future**

The Trust will continue collaborating with partners on the Fire Station, Culture Start, and other initiatives. Enhancing arts and culture in Sunderland is vital, and the Trust will play a significant role in this.

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Structure, governance and management

- **Constitution**

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 October 2012. It is a registered charity, number 1150733.

- **The board and its members**

The trustees, who are elected and co-opted under the Articles of Association, are responsible for the company's management. If necessary, new trustees are inducted.

The board has a minimum of five and a maximum of 11 members. In the 2023/24 financial year, the board had six members.

Articles provide for 'members' and 'directors,' but in practice, board members are both company directors and trustees of the trust. However, representatives of funding organisations (such as Sunderland City Council, the Heritage Lottery Fund, and Arts Council England) may also attend board meetings as observers.

Board composition and recruitment
Board membership reflects the diverse communities served by the Trust. In selecting its members, the board strives for gender balance and promotes an appropriate age distribution. Furthermore, the board comprises a range of relevant skills, experience, and abilities, with members contributing one or more of the following skills and expertise:

- Arts and Entertainment
- Finance/Accounting/Business
- Fundraising
- Networking
- Marketing/communications
- Digital media
- Education and training
- HR Management
- Capital projects
- Legal
- Community Representation

Role of the board

Board members hold both corporate and individual responsibilities under company and charity law. They govern the Trust, align its objectives with the governing document, and comply with legal guidelines. They are responsible for the Trust’s success and long-term financial sustainability.

The board acts collectively and corporately, with care, diligence, and skill, in the best interests of the Trust..

Executive Management

This year, Trust Chief Executive Lucy Bird retired, after benefiting the Trust with her exceptional leadership. In April 2024, the Board appointed experienced arts leader Michelle Daurat as the new Chief Executive. Previously, she was Director of the Tall Ships Races in Hartlepool (2011) and Sunderland (2017), and held senior roles at the National Glass Centre. The Board is delighted to welcome her to the Trust..

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Structure, governance and management (continued)

- **Diversity**

The Trust values diversity among artists, participants, audience, and staff. It commits to a discrimination-free cultural environment where everyone is treated with respect. The trust fosters inclusivity, creating a dynamic space, valuing contributions and individuality. Its policies ensure all feel welcome and free from discrimination based on age, disability, gender, ethnicity, religion, or sexual orientation.

- **Risk management**

The trustees assessed major risks to the Trust, especially operational and financial ones, and are confident that systems are in place to mitigate these risks.

Members' liability

The members of the trust guarantee to contribute an amount not exceeding £10 to the assets of the trust in the event of winding up.

Statement of trustees' responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

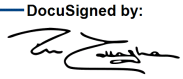
Disclosure of information to auditor

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

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

Approved by order of the members of the board of trustees on 23 June 2025 and signed on their behalf by:

DocuSigned by:



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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

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Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust

Opinion

We have audited the financial statements of Sunderland Music, Arts and Culture Trust (the 'charitable company') for the year ended 31 October 2024 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



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 matters perscribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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Independent auditor's report to the members of Sunderland Music, Arts and Culture 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.

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
For and on behald of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

23 June 2025

UNW LLP are eligible to act as auditors in terms of section 12 of the Companies Act 2006.

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 October 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations	4	**385,452**	**254,333**	**639,785**	190,408
Other activities	5	**106,657**	**-**	**106,657**	227,060
Total income		**492,109**	**254,333**	**746,442**	417,468
Expenditure on:					
Charitable activities	6	**631,837**	**195,690**	**827,527**	726,642
Total expenditure		**631,837**	**195,690**	**827,527**	726,642
Net movement in funds		**(139,728)**	**58,643**	**(81,085)**	(309,174)
Reconciliation of funds:					
Total funds brought forward		**10,532,064**	**-**	**10,532,064**	10,841,238
Net movement in funds		**(139,728)**	**58,643**	**(81,085)**	(309,174)
Total funds carried forward		**10,392,336**	**58,643**	**10,450,979**	10,532,064

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 32 form part of these financial statements.

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Sunderland Music, Arts and Culture Trust

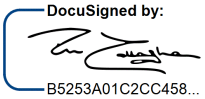
(A company limited by guarantee)

Balance sheet
At 31 October 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	9		**12,906,019**		13,211,686
Current assets					
Debtors	11	**78,336**		123,969	
Cash at bank and in hand		**239,821**		13,726	
		318,157		137,695	
Creditors: amounts falling due within one year	12	**(368,651)**		(244,680)	
Net current liabilities			**(50,494)**		(106,985)
Total assets less current liabilities			**12,855,525**		13,104,701
Creditors: amounts falling due after more than one year	13		**(2,404,546)**		(2,572,637)
Total net assets			**10,450,979**		10,532,064
Charity funds					
Unrestricted funds	14		**10,392,336**		10,532,064
Total funds			**10,450,979**		10,532,064

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

The financial statements were approved and authorised for issue by the trustees on 23 June 2025 and signed on their behalf by:

DocuSigned by:

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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Company registered number: 08251877

The notes on pages 19 to 32 form part of these financial statements.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of cash flows
Year ended 31 October 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	16	**352,173**	88,535
Cash flows from investing activities			
Purchase of tangible fixed assets		**(27,772)**	(140,453)
Net cash used in investing activities		**(27,772)**	(140,453)
Cash flows from financing activities			
Cash inflows from new borrowing		**350,000**	370,000
Repayments of borrowing		**(434,622)**	(310,000)
Interest paid		**(13,684)**	-
Net cash (used in)/provided by financing activities		**(98,306)**	60,000
Change in cash and cash equivalents in the year		**226,095**	8,082
Cash and cash equivalents at the beginning of the year		**13,726**	5,644
Cash and cash equivalents at the end of the year	17	**239,821**	13,726

The notes on pages 19 to 32 form part of these financial statements

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Notes to the financial statements
Year ended 31 October 2024

1. General information

Sunderland Music, Arts and Culture Trust ('the trust') is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is disclosed in the reference and administrative details page on page 1 and the principal activity is disclosed in the trustees' report on page 2.

2. Accounting policies

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

2.1 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.

The 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 financial statements are prepared in sterling, which is the functional currency of the charity and are rounded to the nearest £1.

2.2 Going concern

Although in a net current liabilities position, the Trust expects to continue to receive rental income in 2025 and 2026 as detailed in the reserves policy in the Trustees' report on page 8. It continues to be supported by Leighton Management, which has confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding. After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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.

2.3 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income is recognised on an accruals basis.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity.

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

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

2.6 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.

2.7 Cash at bank and in hand

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

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2. Accounting policies (continued)

2.8 Liabilities

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 trust 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.

2.9 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the trust to the fund in respect of the year.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

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

The only estimate included within these financial statements is the depreciation charge. This is not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

4. Income from donations

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	301,995	-	**301,995**
Grants	83,457	254,333	**337,790**
	385,452	254,333	**639,785**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	104,410	-	104,410
Grants	-	85,998	85,998
	104,410	85,998	190,408

5. Income from other activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rental income	106,657	**106,657**	227,060

The Trust are collecting rental income on behalf of Pub Culture under the revised licence for the buildings, as an agency arrangement, with any balance due to Pub Culture being shown within creditors.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

6. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	**Grant funding of activities 2024 £**	**Support costs 2024 £**	**Total funds 2024 £**
Support for cultural activites	213,098	101,000	513,429	**827,527**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Charitable activities	311,131	415,511	726,642

Analysis of direct costs

	Charitable activities 2024 £	**Total funds 2024 £**	Total funds 2023 £
Staff costs	81,660	**81,660**	39,000
Consultancy fees	17,024	**17,024**	41,550
Summer Streets Festival	94,690	**94,690**	92,360
Building management costs	-	**-**	20,736
Insurance	5,092	**5,092**	29,227
Utilities	10,872	**10,872**	22,699
Repairs and maintenance	2,305	**2,305**	2,559
Cleaning	(845)	**(845)**	57,708
Donations	2,300	**2,300**	5,292
	213,098	**213,098**	311,131

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2024 £	**Total funds 2024 £**	Total funds 2023 £
Staff costs	3,542	**3,542**	983
Depreciation	333,439	**333,439**	328,511
Administration	60,055	**60,055**	68,093
Interest	90,679	**90,679**	-
Auditor's remuneration for the audit of these accounts	6,900	**6,900**	6,600
Auditor's remuneration for other financial services	18,314	**18,314**	10,824
Auditor's remuneration for other assurance services	500	**500**	500
	513,429	**513,429**	415,511

7. Analysis of grants

	Grants to Institutions 2024 £	**Total funds 2024 £**	Total funds 2023 £
Grants, Charitable activities	101,000	**101,000**	-

The grants payable in the year is in relation to Culture Start grant which has been subcontracted to Sunderland Culture. This is payable over 3 years with the £101,000 relating to the current financial year.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

8. Staff costs

	2024	2023
	£	£
Wages and salaries	**81,660**	39,000
Social security costs	**1,797**	-
Contribution to defined contribution pension schemes	**1,745**	983
	85,202	39,983

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

	2024	2023
	No.	No.
Employees	**2**	1

No employee received remuneration amounting to more than £60,000 in either year.

No trustees received any remuneration or benefits for their services to the trust, nor were any expenses reimbursed to trustees during the year (2023: £nil).

Key management personnel is considered to be both employees, whose total remuneration was £85,202 as disclosed above.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

9. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2023	**73,213**	**13,823,044**	**225,953**	**16,761**	**14,138,971**
Additions	**-**	**18,289**	**8,808**	**675**	**27,772**
Transfers between classes	**(73,213)**	**73,213**	**-**	**-**	**-**
At 31 October 2024	**-**	**13,914,546**	**234,761**	**17,436**	**14,166,743**
Depreciation					
At 1 November 2023	**-**	**815,129**	**104,133**	**8,023**	**927,285**
Charge for the year	**-**	**276,827**	**52,284**	**4,328**	**333,439**
At 31 October 2024	**-**	**1,091,956**	**156,417**	**12,351**	**1,260,724**
Net book value					
At 31 October 2024	**-**	**12,822,590**	**78,344**	**5,085**	**12,906,019**
At 31 October 2023	73,213	13,007,915	121,820	8,738	13,211,686

Included in land and buildings is land with a cost of £125,726 (2023: £125,726) which is not depreciated.

10. Fixed asset investments

The Trust is a 33.3% member of Sunderland Culture Limited, a partnership between the trust, Sunderland City Council and Sunderland University.

The trustees do not consider the Trust to have significant influence over Sunderland Culture Limited, which is a separate registered charity, and therefore do not consider it to be an associate. Accordingly, Sunderland Culture Limited is not consolidated into the accounts of the Trust.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

11. Debtors

	2024 £	2023 £
Trade debtors	**34,914**	81,864
Other debtors	**19,314**	824
Prepayments and accrued income	**24,108**	41,281
	78,336	123,969

12. Creditors: Amounts falling due within one year

	2024 £	2023 £
Other loans	**83,469**	-
Trade creditors	**26,782**	9,724
Other taxation and social security	**16,692**	705
Other creditors	**25,802**	-
Accruals and deferred income	**215,906**	234,251
	368,651	244,680

	2024 £	2023 £
Resources deferred during the year	**5,677**	-

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

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

	2024	2023
	£	£
Loan	**2,404,546**	2,572,637

The loan, which is from Leighton Management Limited, has a term of 40 years, is unsecured, accrues interest at 3% per annum and is repayable in consecutive monthly instalments commencing in November 2020 and continuing until October 2060. In previous years Leighton Management Limited have confirmed that the scheduled payments of capital and interest had been waived, however the capital element of the loan repayments has not been waived in the current year. Leighton Management Limited have continued to waive payments of interest during the year. The total value of interest charges waived during the year was £76,995 (2023: £76,025), this has been shown been classified as donation income from Leighton Management Limited.

A new loan for £300,000 was entered into during the year with North East Social Investment fund, it has a term of 5 years, is unsecured, accrues interest at a rate 8% per annum and is repayment in consecutive monthly instalments commencing in April 2024. The total interest charge for the year was £13,684.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

14. Statement of funds

Statement of funds - current year

	Balance at 1 November 2023 £	Income £	Expenditure £	Balance at 31 October 2024 £
Unrestricted funds				
General funds	**10,532,064**	**492,109**	**(631,837)**	**10,392,336**
Restricted funds				
Grants received	**-**	**164,074**	**(101,000)**	**63,074**
Summer Streets	**-**	**90,259**	**(94,690)**	**(4,431)**
	-	**254,333**	**(195,690)**	**58,643**
Total of funds	**10,532,064**	**746,442**	**(827,527)**	**10,450,979**

Statement of funds - prior year

	Balance at 1 November 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2023 £
Unrestricted funds					
General funds	10,841,238	331,470	(634,282)	(6,362)	10,532,064
Restricted funds					
Restricted funds	-	85,998	(92,360)	6,362	-
Total of funds	10,841,238	417,468	(726,642)	-	10,532,064

Restricted funds represent grants received for specific revenue projects, with any shortfall met from unrestricted funds.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	12,906,019	-	**12,906,019**
Current assets	414,499	58,643	**473,142**
Creditors due within one year	(523,636)	-	**(523,636)**
Creditors due in more than one year	(2,404,546)	-	**(2,404,546)**
Total	10,392,336	58,643	**10,450,979**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	13,211,686	13,211,686
Current assets	137,695	137,695
Creditors due within one year	(244,680)	(244,680)
Creditors due in more than one year	(2,572,637)	(2,572,637)
Total	10,532,064	10,532,064

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

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	**(81,085)**	(309,174)
Adjustments for:		
Depreciation charges	**333,439**	328,511
Interest paid	**13,684**	-
(Increase)/decrease in debtors	**(109,352)**	189,404
Increase/(decrease) in creditors	**195,487**	(120,206)
Net cash provided by operating activities	**352,173**	88,535

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	**239,821**	13,726

18. Analysis of changes in net debt

	At 1 November 2023 £	Cash flows £	At 31 October 2024 £
Cash at bank and in hand	**13,726**	**226,095**	**239,821**
Debt due within 1 year	**-**	**(83,469)**	**(83,469)**
Debt due after 1 year	**(2,572,637)**	**168,091**	**(2,404,546)**

19. Pension commitments

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £1,745 (2023: £983). No contributions were outstanding at the year end (2023: £nil).

20. Operating leases

In 2023 The Trust owned land and buildings which were rented out to a third party. At 31 October 2024 the Trust had replaced this lease with a service level arrangement with Pub Culture:

	2024 £	2023 £
Not later than 1 year	**-**	52,850
Later than 1 year and not later than 5 years	**-**	158,550
	-	211,400

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

21. Related party transactions

Included within creditors are loans from Leighton Management Limited, a company wholly owned by Paul Callaghan, trustee, totalling £2,217,637 (2023: £2,580,000). During the year, the Trust paid £405,000 (2023: £nil) to Leighton Management Limited in relation to loan repayments. During the year, the Trust received £Nil (2023: £231,504) from Leighton Management in relation to recharges of costs and £Nil (2023: £75,732) was owed at the year end. Furthermore, the Trust received £76,995 (2023: £nil) in donations from Leighton Management Limited which is equivalent of the loan interest which was waived.

During the year, the Trust paid £19,137 (2023: £13,016) to Ross Millard, trustee, for his role as the artistic director of the Summer Streets Festival, a project supported by the Trust.

During the year, the Trust paid £1,624,391 (2023: £nil) to Pub Culture Ltd, a company in which Paull Callaghan, trustee, is a director, in relation to ticket sales collected on behalf of Pub Culture and £33,142 (2023: £3,627) in relation to recharged expenses. At the year end the Trust owed Pub Culture £154,985 (2023: £nil). Pub Culture paid the Trust £120,000 (2023: £nil) during the year in relation to rental costs and £320,798 (2023: £nil) in relation to recharged expenses. At the year end Pub Culture owed the Trust £174,149 (2023: £nil).

During the year, the Trust paid £nil (2023: £129,629) to Sunderland Culture Limited, a company in which the Trust is a 33.3% member, and owed £nil (2023: £nil) at the year end. During the year, Sunderland Culture Limited paid the Trust £25,167 (2023: £nil) in relation to a settlement agreement.

During the year, the Trust received £225,000 (2023: £100,000) from Paul Callaghan, trustee, in donations.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Registered number: 08251877
Charity number: 1150733

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Annual report

Year ended 31 October 2024

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust	12 - 15
Statement of financial activities incorporating income and expenditure account	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 32

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 October 2024

Trustees

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA, Chair
John Dennis Mowbray, OBE, DL
Robert William Lawson OBE
Ross George Thomas Millard
Marie Nixon
Graeme Thompson MBE

Company registered number

08251877

Charity registered number

1150733

Registered office

The Fire Station
High Street West
Sunderland
SR1 3HA

Company secretary

Paul Callaghan

Independent auditor

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

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 October 2024

The trustees present their annual report together with the trust's audited financial statements for the year 1st November 2023 to 31st October 2024. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

Objectives and activities

- **Policies and objectives**

Founded in 2012, the Sunderland Music, Arts, and Culture Trust ('the Trust') seeks to act as a catalyst, developer, and promoter of cultural initiatives in the city. Its goal is to unite individuals with skills, talent, and ambition who are committed to realising a vision of Sunderland as a lively, creative, and dynamic environment for arts, music, and culture to flourish.

It encourages individuals of all ages and backgrounds to engage in cultural activities, such as playing an instrument, learning to dance, act, or sing, or creating literature or poetry. It also assists in developing audiences for arts and cultural performances in Sunderland.

The Trust sees the digital revolution as an amazing opportunity, enabling new creativity and reaching wider audiences.

The Trust builds infrastructure and venues for the city's cultural renaissance and develops sector capacity.

Through a balanced, sustainable programme of high-quality art and culture, it has expanded partnerships, increased programming reach, and raised awareness. It promotes outstanding arts events that engage participants, attract diverse audiences, and enhance community well-being.

The charity's objectives are to benefit the public at large, particularly the residents of Sunderland and its surrounding areas:

1. To promote urban or rural regeneration in areas of social and economic deprivation, particularly in Sunderland and its surrounding areas, by any or all of the following means:

- the maintenance, improvement or provision of public amenities;
- the preservation of buildings or sites of historic or architectural importance;
- the provision of recreational facilities for the public at large or for those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances have need of such facilities; and
- such other means as the trustees may from time to time determine.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Objectives and activities (continued)

2. To advance the arts (including music, music theatre, drama, decorative and visual arts, dance, ballet, circus, poetry, music hall, comedy, and variety performance) and the education of the public in the arts by:

- the establishment and maintenance of an arts venue and the presentation, production and commissioning of public concerts, plays, shows, performances and other demonstrations of the arts at the said venue and elsewhere;
- such other means as the trustees may from time to time determine; and
- for such other exclusively charitable purposes as the trustees may from time to time determine.

In setting objectives and planning activities, the trustees have considered the general guidance published by the Charity Commission on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

● **Activities undertaken to achieve objectives**

Since it was established in 2012, the Trust has been active in the following three areas in the city of Sunderland and the wider north east region:

a. The development of significant infrastructure projects for the arts and culture or to support arts and culture;

b. The delivery, promotion, and support of cultural activities, events, and organisations; and

c. The establishment of innovative governance structures in collaboration with key civic stakeholders to develop and implement a cultural strategy for the city.

1. The Development of Major Infrastructure Projects Supporting Arts and Culture

The main goal of this initiative is to develop a cultural quarter in central Sunderland, significantly regenerating the Edwardian core around the Bishopwearmouth Conservation Area, near Sunderland Minster and the Sunderland Empire. Key structures built between 1901 and 1908 include the Dun Cow pub, the Old Fire Station, and the Peacock pub. The project also features the Fire Station Auditorium, a performing arts venue located between the Empire and the Fire Station, previously the site of three car parks from demolished buildings due to bomb damage. The Auditorium opened on 10 December 2021.

The Cultural Quarter houses diverse arts and cultural spaces, forming the city’s creative hub. It includes theatres, music and dance venues, cultural enterprise facilities, and education studios. Funding for Sunderland's ambitious regeneration came from various sources, starting with the Heritage Lottery Fund. Sunderland City Council and Arts Council England also contributed significantly to projects like the Fire Station and Auditorium.

Significant investment from Leighton Management, based in Sunderland, funded the initial master planning for the Quarter and provided substantial loans to the Trust. Leighton acquired the Dun Cow and Peacock pubs; their rent supports the Trust, generating extra revenue for the Fire Station and Auditorium until 2027. The main auditorium is considered one of the finest mid-sized venues in the country, with exceptional lighting, acoustics, and sightlines.

The Trust is grateful for the generous financial support from: The Garfield Weston Foundation, The Catherine Cookson Charitable Trust, The Foyle Foundation, The Esmée Fairbairn Foundation, The Sir Tom Cowie Charitable Trust, The Wolfson Foundation, The Backstage Trust, The Sir James Knott Trust, and The Gillian Dickinson Trust.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Objectives and activities (continued)

2. The Delivery, Promotion, and Support of Cultural Activities

The Trust acts as a catalyst and developer of cultural activity in Sunderland, promoting and funding key initiatives in recent years, including:

The Cultural Spring
Established in 2014, this project is part of the Arts Council England's Creative People and Places programme for Sunderland and South Tyneside. Initially a partnership between the Trust, Sunderland University, and the Customs House, it has since included Sangini, a multicultural women's organisation. The Trust has initiated funding and leadership of the project. The Cultural Spring has successfully hosted community initiatives and events like the Great North Passion, Rush, Summer Streets, and Inventors! Recently, it received additional funding from Arts Council England, bringing its total CPP funding to £5.5 million since 2014.

Cultural Spring collaborates with artists to offer workshops, events, and discounted tickets. Since 2014, it has engaged communities in 26 ward areas of South Tyneside and Sunderland. The project aims to foster a legacy of arts participation, enhance artistic expression, and help communities host sustainable events. Workshop activities include ceramics, guitar, crafting, photography, and more, led by professional artists in familiar local venues. Other Cultural Spring programs like ‘Go and See’ offer residents opportunities to experience cultural events, while ‘Your Art’ supports community-driven artistic ideas and events.

In September 2020, The Cultural Spring Charity was created to support The Cultural Spring project and enhance investment in arts and culture from trusts and foundations. The Trust is on the Steering Group and the Charity Board, committed to expanding The Cultural Spring's work and creating new opportunities for community engagement in arts and culture across Sunderland and South Tyneside.

Summer Streets
Established in 2014, the Summer Streets Festival is an annual music, arts, and community festival that takes place in Sunderland every July. Over the years, Summer Streets has hosted countless musicians, outdoor arts performers, comedians, spoken-word artists, and workshop practitioners, with artists hailing from all over the world. It is produced by one of our trustees and funded by Arts Council England and Sunderland City Council.

3. The establishment of innovative governance structures

The Trust aims to deliver infrastructure and cultural activities while demonstrating strategic cultural leadership. It collaborates with Sunderland University and the City Council, both of which own significant cultural assets and recognise the benefits of collective effort. This has been a three-stage process:

Sunderland Cultural Partnership
This was formed in 2013, bringing together the University, Council, and Trust, working with Arts Council England and the Heritage Lottery Fund to develop the city's cultural life. It was a forum and decision-making body that galvanized activity and focused minds in a way that the city had never previously seen, and it was widely recognised for its success.

The Sunderland Cultural Strategy
The Trust was a driving force in developing this strategy, showing a clear vision for the city’s cultural development. Sponsored by the Cultural Partnership, it involved various city partners and has been described as the trigger for the Sunderland Cultural Renaissance.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Objectives and activities (continued)

Sunderland Culture Limited
Following the success of the cultural partnership model, the three key partners established Sunderland Culture Limited, a charitable trust committed to providing long-term leadership in culture and the arts within the city. Under Sunderland Culture, some of the city's key assets, including the National Glass Centre, The Museum and Winter Gardens, and the Northern Gallery for Contemporary Art, are managed strategically. As one of the three partners, the Trust has financed this initiative and will collaborate to ensure its future success. Sunderland Culture is an Arts Council England National Portfolio Organisation and a registered charity.

Culture Start
Culture Start is a transformative three-year initiative designed to combat the long-term effects of child poverty on children and young people in Sunderland. The project aims to reduce inequalities in cultural opportunities, thereby fostering a more equitable cultural landscape within the city.

The North East has surpassed London as one of the regions with the highest child poverty rates in the UK. In Sunderland, this rate has steadily increased in recent years and now exceeds both national and regional averages. Over 15,000 children in the city live in poverty, with some wards reporting rates above 40%. Sunderland also has the highest Red Cross Vulnerability Score in the North East, with 27% of its children residing in the country's 10% most deprived areas.

The impact of growing up in poverty are complex and long-lasting, affecting health and educational attainment. Access to cultural activities can have positive, life-changing effects in all these areas; however, those young individuals with the greatest need often have the least access. Culture Start, which commenced in 2024 and is delivered by Sunderland Culture, is a £1.5 million, three-year programme funded by a £1.2 million grant from Arts Council England and £300,000 of charitable contributions which aims to provide access to arts and cultural opportunities for children and young people from the most disadvantaged households in Sunderland. It will deliver an ambitious, high-quality creative programme, co-developed with children, young people, and city partners, to enhance reach and engagement, build confidence and skills, develop access to cultural opportunities, and embed long-term change in the policies and practices of the city's cultural organisations. The project has been developed in partnership with cultural, educational, community, and civic partners, including: the Trust, Together for Children, Children North East, Gentoo, Inspired Sunderland, North East Youth, All Together Consortium, Sunderland College and the University of Sunderland.

Sunderland Music City
Sunderland has undergone significant cultural renewal in the past decade. Better leadership and governance have driven infrastructure investments, positioning Sunderland as a potential global music city. The Trust believes that partnerships with other music cities worldwide can enhance the local and national music scene, fostering a legacy for future generations.

Sunderland Music City aims to ignite a vibrant creative phase in our city, focusing on three essential pillars: culture, economy, and society. Conversations with residents, musicians, educators, and audiences provided insights into desired changes and the impact of music on youth, health, social connections, the creative economy, and overall visibility. These discussions highlight three key themes of the creative pillars:

- Creativity and Talent
- Passion for Music
- Inclusivity and Civic Pride

The journey to develop Sunderland as a Music City began in 2018 with the Trust initiating discussions with the University, College, Council, and other parties in the city. There was evident enthusiasm for the initiative from all sectors, aligning with new cultural programs like 'We Make Culture' and the 'Young Musicians Project' and developing new venues, including the Fire Station and PopRecs. Although COVID-19 hindered progress, enthusiasm for the project remained strong.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Objectives and activities (continued)

In the summer of 2024 Sunderland Music City launched with an Advisory Board of local music stakeholders, including university and football club representatives, and diverse music organisations. This ensures broad representation across genres, supporting the Music Office in developing and implementing initiatives through existing networks.

Establishing a City Music Office in the Cultural Quarter and appointing two Music Officers as key contacts for musicians and industry professionals in June 2024 represented a significant step. The Music Officers enhance connections among stakeholders in the music industry, cultural sector, and community, fostering essential trust.

The Music Office audited the city's musical activities, highlighting music's vital role in the cultural landscape. Engaging with industry professionals, the evaluation showcased Sunderland’s music networks and community ties. It raised awareness of sector needs and built trust among those hesitant about innovation. The Office used the audit and surveys to develop policies for Sunderland's music sector growth, implemented by community aware individuals. It will outline measurable outcomes for ongoing assessment.

The Music Office, with the Music City Advisory Board, has developed a music strategy which was publicly launched on January 21, 2025. This plan draws on successful practices from other cities, adapted for Sunderland’s context. It enhances the Sunderland Cultural Partnership’s strategy, the City of Culture bid, and regional initiatives. The strategy aligns efforts among local organisations like the City Council, the University, and Sunderland Music Hub. The aim is to unify these components into an inclusive strategy for all stakeholders and support a bid to become a member of the Music Cities Network.

Achievements and performance

- **Review of activities**

2023/24 has been another exciting and successful year for the Trust with the continued success of the Fire Station Auditorium. Pub Culture Ltd delivered the programming and venue operations in the Fire Station. The Trust is pleased that the University of Sunderland continues to use the Auditorium for conferences, student performances, and lectures.

Throughout the year, the Auditorium:
- hosted 204 public ticketed shows
- sold 71,000 tickets
- achieved total ticket turnover of £1,650,000

The Auditorium has welcomed a range of performers including:

American Four Tops
Arab Strap
Ben Ottewell & Ian Ball
Beth Nielsen Chapman
Big Country
Brian Bilston & Henry Normal
Calexico
China Crisis
Chris Difford
Craig Charles
David Puttnam Chariots of Fire
Ed Byrne
Eliza Carthy & Jon Boden
Fairport Convention
Ferocious Dog
Focus

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Achievements and performance (continued)

Inspiral Carpets
Janey Godley
Joanne Shaw Taylor
John Grant
Johnny Hates Jazz
Karine Polwart & Dave Milligan
Kathryn Tickell
Kim Wilde
Leo Sayer
Lindisfarne
Maximo Park
Mica Paris
Moya Brennan
Mugenkyo Taiko Drummers
National Theatre Live
Nick Heyward
Nick Lowe & Los Straitjackets
Nik Kershaw
North East Culture Awards
Oysterband & June Tabor
Paul Edis
Penguin Cafe
Peter Hook & The Light
Ronnie Scott's All Stars
Royal Northern Sinfonia
Royal Philharmonic Orchestra
Ruby Turner
Sam Sweeney Band
Seckou Keita
Seth Lakeman
Skindred
Starsailor
Sunderland Shorts Film Festival
Sweet
Teddy Thompson
The Eveready Brass Band
The Futureheads
The Handsome Family
The Lake Poets
The Lathums
The Pitmen Poets
The Royal Ballet
The Science Museum
The Shires
The Undertones
Tom A. Smith
Tom Robinson Band
Tommy Emmanuel
Trevor Nelson’s Soul Nation
University of Sunderland Final Showcase '24
Vonda Shepard
Waves Festival
Will Young
Various other conferences and meetings

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Achievements and performance (continued)

The Fire Station Studios

The first-floor dance and drama studios are leased to Musical Theatre Studio Ltd (MTS), a leading musical theatre academy in the North East. MTS students have secured places at prestigious arts schools, colleges, and universities, including ArtsEd, Mountview, and The BRIT School. The Fire Station offers MTS state-of-the art facilities and a dedicated space for self-reflection, study, and rehearsal. The Trust is pleased that the Fire Station is filled with talented young individuals beginning their journeys into musical theatre.

The second-floor studios of the Fire Station are leased to the Northern Academy of Music Education (NAME), an independent college offering contemporary higher education programmes in modern music, in partnership with The University of Sunderland.

The BA (Hons) and MA Modern Music Industries degrees, validated by the University, provide essential skills for succeeding in the modern music industry. Taught by industry professionals, the course covers recording, marketing, event planning, composition, genre studies, and performance. Now in its fourth year, the Academy has exceeded recruitment targets and is a key partner in the city's musical education.

Financial review

- **Financial performance**

The Trust has benefited from support from several Trusts and Foundations and personal donations from Paul Callaghan, its Chair, and other individual donors.

The Trust has incurred expenditures related to the ongoing management of the Fire Station and the delivery of the Summer Streets Festival. Given the ongoing development, the trustees are satisfied with the overall performance and year-end position.

The trust changed its management arrangements during the year where Pub Culture Limited will manage the property and will therefore be entitled to the rental income which is recieved.

- **Going concern**

The Trust will receive rental income in 2024/2025, as noted in the reserves policy. It continues receiving support from Leighton Management, which will inject funds as needed for at least twelve months from the signing date of these financial statements. Leighton Management will provide loan funding until the Auditorium is operational and other income sources arise. After appropriate inquiries, the trustees reasonably expect the Trust has adequate resources to maintain its operations for the foreseeable future. Thus, they continue adopting the going concern basis for the financial statements..

- **Reserves policy**

At the year end the Trust has unrestricted reserves of £10,392,336 of which £12,906,019 was tied up in fixed assets, with the deficit funded through loans. The Trust will seek to accrue reserves now the capital development phase of the Culture Quarter project is complete. It anticipates continuing to earn income from the Peacock and Dun Cow Public Houses, the Fire Station, and the Auditorium in the 2024/25 financial year. The Trust will also continue to seek other grants from charitable trusts to support its work in the future.

- **Plans for the future**

The Trust will continue collaborating with partners on the Fire Station, Culture Start, and other initiatives. Enhancing arts and culture in Sunderland is vital, and the Trust will play a significant role in this.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Structure, governance and management

- **Constitution**

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 October 2012. It is a registered charity, number 1150733.

- **The board and its members**

The trustees, who are elected and co-opted under the Articles of Association, are responsible for the company's management. If necessary, new trustees are inducted.

The board has a minimum of five and a maximum of 11 members. In the 2023/24 financial year, the board had six members.

Articles provide for 'members' and 'directors,' but in practice, board members are both company directors and trustees of the trust. However, representatives of funding organisations (such as Sunderland City Council, the Heritage Lottery Fund, and Arts Council England) may also attend board meetings as observers.

Board composition and recruitment
Board membership reflects the diverse communities served by the Trust. In selecting its members, the board strives for gender balance and promotes an appropriate age distribution. Furthermore, the board comprises a range of relevant skills, experience, and abilities, with members contributing one or more of the following skills and expertise:

- Arts and Entertainment
- Finance/Accounting/Business
- Fundraising
- Networking
- Marketing/communications
- Digital media
- Education and training
- HR Management
- Capital projects
- Legal
- Community Representation

Role of the board

Board members hold both corporate and individual responsibilities under company and charity law. They govern the Trust, align its objectives with the governing document, and comply with legal guidelines. They are responsible for the Trust’s success and long-term financial sustainability.

The board acts collectively and corporately, with care, diligence, and skill, in the best interests of the Trust..

Executive Management

This year, Trust Chief Executive Lucy Bird retired, after benefiting the Trust with her exceptional leadership. In April 2024, the Board appointed experienced arts leader Michelle Daurat as the new Chief Executive. Previously, she was Director of the Tall Ships Races in Hartlepool (2011) and Sunderland (2017), and held senior roles at the National Glass Centre. The Board is delighted to welcome her to the Trust..

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Structure, governance and management (continued)

- **Diversity**

The Trust values diversity among artists, participants, audience, and staff. It commits to a discrimination-free cultural environment where everyone is treated with respect. The trust fosters inclusivity, creating a dynamic space, valuing contributions and individuality. Its policies ensure all feel welcome and free from discrimination based on age, disability, gender, ethnicity, religion, or sexual orientation.

- **Risk management**

The trustees assessed major risks to the Trust, especially operational and financial ones, and are confident that systems are in place to mitigate these risks.

Members' liability

The members of the trust guarantee to contribute an amount not exceeding £10 to the assets of the trust in the event of winding up.

Statement of trustees' responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

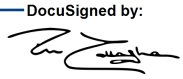
Disclosure of information to auditor

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

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

Approved by order of the members of the board of trustees on 23 June 2025 and signed on their behalf by:

DocuSigned by:



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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

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Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust

Opinion

We have audited the financial statements of Sunderland Music, Arts and Culture Trust (the 'charitable company') for the year ended 31 October 2024 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



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 matters perscribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE



Independent auditor's report to the members of Sunderland Music, Arts and Culture 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.

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
For and on behald of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

23 June 2025

UNW LLP are eligible to act as auditors in terms of section 12 of the Companies Act 2006.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 October 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations	4	**385,452**	**254,333**	**639,785**	190,408
Other activities	5	**106,657**	**-**	**106,657**	227,060
Total income		**492,109**	**254,333**	**746,442**	417,468
Expenditure on:					
Charitable activities	6	**631,837**	**195,690**	**827,527**	726,642
Total expenditure		**631,837**	**195,690**	**827,527**	726,642
Net movement in funds		**(139,728)**	**58,643**	**(81,085)**	(309,174)
Reconciliation of funds:					
Total funds brought forward		**10,532,064**	**-**	**10,532,064**	10,841,238
Net movement in funds		**(139,728)**	**58,643**	**(81,085)**	(309,174)
Total funds carried forward		**10,392,336**	**58,643**	**10,450,979**	10,532,064

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 32 form part of these financial statements.

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Sunderland Music, Arts and Culture Trust

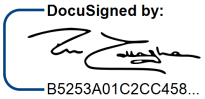
(A company limited by guarantee)

Balance sheet
At 31 October 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	9		**12,906,019**		13,211,686
Current assets					
Debtors	11	**78,336**		123,969	
Cash at bank and in hand		**239,821**		13,726	
		318,157		137,695	
Creditors: amounts falling due within one year	12	**(368,651)**		(244,680)	
Net current liabilities			**(50,494)**		(106,985)
Total assets less current liabilities			**12,855,525**		13,104,701
Creditors: amounts falling due after more than one year	13		**(2,404,546)**		(2,572,637)
Total net assets			**10,450,979**		10,532,064
Charity funds					
Unrestricted funds	14		**10,392,336**		10,532,064
Total funds			**10,450,979**		10,532,064

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

The financial statements were approved and authorised for issue by the trustees on 23 June 2025 and signed on their behalf by:

DocuSigned by:

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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Company registered number: 08251877

The notes on pages 19 to 32 form part of these financial statements.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of cash flows
Year ended 31 October 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	16	**352,173**	88,535
Cash flows from investing activities			
Purchase of tangible fixed assets		**(27,772)**	(140,453)
Net cash used in investing activities		**(27,772)**	(140,453)
Cash flows from financing activities			
Cash inflows from new borrowing		**350,000**	370,000
Repayments of borrowing		**(434,622)**	(310,000)
Interest paid		**(13,684)**	-
Net cash (used in)/provided by financing activities		**(98,306)**	60,000
Change in cash and cash equivalents in the year		**226,095**	8,082
Cash and cash equivalents at the beginning of the year		**13,726**	5,644
Cash and cash equivalents at the end of the year	17	**239,821**	13,726

The notes on pages 19 to 32 form part of these financial statements

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

Notes to the financial statements
Year ended 31 October 2024

1. General information

Sunderland Music, Arts and Culture Trust ('the trust') is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is disclosed in the reference and administrative details page on page 1 and the principal activity is disclosed in the trustees' report on page 2.

2. Accounting policies

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

2.1 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.

The 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 financial statements are prepared in sterling, which is the functional currency of the charity and are rounded to the nearest £1.

2.2 Going concern

Although in a net current liabilities position, the Trust expects to continue to receive rental income in 2025 and 2026 as detailed in the reserves policy in the Trustees' report on page 8. It continues to be supported by Leighton Management, which has confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding. After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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.

2.3 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income is recognised on an accruals basis.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity.

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

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

2.6 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.

2.7 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.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

2. Accounting policies (continued)

2.8 Liabilities

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 trust 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.

2.9 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the trust to the fund in respect of the year.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

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

The only estimate included within these financial statements is the depreciation charge. This is not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

4. Income from donations

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	301,995	-	**301,995**
Grants	83,457	254,333	**337,790**
	385,452	254,333	**639,785**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	104,410	-	104,410
Grants	-	85,998	85,998
	104,410	85,998	190,408

5. Income from other activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rental income	106,657	**106,657**	227,060

The Trust are collecting rental income on behalf of Pub Culture under the revised licence for the buildings, as an agency arrangement, with any balance due to Pub Culture being shown within creditors.

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6. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	**Grant funding of activities 2024 £**	**Support costs 2024 £**	**Total funds 2024 £**
Support for cultural activites	213,098	101,000	513,429	**827,527**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Charitable activities	311,131	415,511	726,642

Analysis of direct costs

	Charitable activities 2024 £	**Total funds 2024 £**	Total funds 2023 £
Staff costs	81,660	**81,660**	39,000
Consultancy fees	17,024	**17,024**	41,550
Summer Streets Festival	94,690	**94,690**	92,360
Building management costs	-	**-**	20,736
Insurance	5,092	**5,092**	29,227
Utilities	10,872	**10,872**	22,699
Repairs and maintenance	2,305	**2,305**	2,559
Cleaning	(845)	**(845)**	57,708
Donations	2,300	**2,300**	5,292
	213,098	**213,098**	311,131

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2024 £	**Total funds 2024 £**	Total funds 2023 £
Staff costs	3,542	**3,542**	983
Depreciation	333,439	**333,439**	328,511
Administration	60,055	**60,055**	68,093
Interest	90,679	**90,679**	-
Auditor's remuneration for the audit of these accounts	6,900	**6,900**	6,600
Auditor's remuneration for other financial services	18,314	**18,314**	10,824
Auditor's remuneration for other assurance services	500	**500**	500
	513,429	**513,429**	415,511

7. Analysis of grants

	Grants to Institutions 2024 £	**Total funds 2024 £**	Total funds 2023 £
Grants, Charitable activities	101,000	**101,000**	-

The grants payable in the year is in relation to Culture Start grant which has been subcontracted to Sunderland Culture. This is payable over 3 years with the £101,000 relating to the current financial year.

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8. Staff costs

	2024	2023
	£	£
Wages and salaries	**81,660**	39,000
Social security costs	**1,797**	-
Contribution to defined contribution pension schemes	**1,745**	983
	85,202	39,983

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

	2024	2023
	No.	No.
Employees	**2**	1

No employee received remuneration amounting to more than £60,000 in either year.

No trustees received any remuneration or benefits for their services to the trust, nor were any expenses reimbursed to trustees during the year (2023: £nil).

Key management personnel is considered to be both employees, whose total remuneration was £85,202 as disclosed above.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

9. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2023	**73,213**	**13,823,044**	**225,953**	**16,761**	**14,138,971**
Additions	**-**	**18,289**	**8,808**	**675**	**27,772**
Transfers between classes	**(73,213)**	**73,213**	**-**	**-**	**-**
At 31 October 2024	**-**	**13,914,546**	**234,761**	**17,436**	**14,166,743**
Depreciation					
At 1 November 2023	**-**	**815,129**	**104,133**	**8,023**	**927,285**
Charge for the year	**-**	**276,827**	**52,284**	**4,328**	**333,439**
At 31 October 2024	**-**	**1,091,956**	**156,417**	**12,351**	**1,260,724**
Net book value					
At 31 October 2024	**-**	**12,822,590**	**78,344**	**5,085**	**12,906,019**
At 31 October 2023	73,213	13,007,915	121,820	8,738	13,211,686

Included in land and buildings is land with a cost of £125,726 (2023: £125,726) which is not depreciated.

10. Fixed asset investments

The Trust is a 33.3% member of Sunderland Culture Limited, a partnership between the trust, Sunderland City Council and Sunderland University.

The trustees do not consider the Trust to have significant influence over Sunderland Culture Limited, which is a separate registered charity, and therefore do not consider it to be an associate. Accordingly, Sunderland Culture Limited is not consolidated into the accounts of the Trust.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

11. Debtors

	2024 £	2023 £
Trade debtors	**34,914**	81,864
Other debtors	**19,314**	824
Prepayments and accrued income	**24,108**	41,281
	78,336	123,969

12. Creditors: Amounts falling due within one year

	2024 £	2023 £
Other loans	**83,469**	-
Trade creditors	**26,782**	9,724
Other taxation and social security	**16,692**	705
Other creditors	**25,802**	-
Accruals and deferred income	**215,906**	234,251
	368,651	244,680

	2024 £	2023 £
Resources deferred during the year	**5,677**	-

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

	2024	2023
	£	£
Loan	**2,404,546**	2,572,637

The loan, which is from Leighton Management Limited, has a term of 40 years, is unsecured, accrues interest at 3% per annum and is repayable in consecutive monthly instalments commencing in November 2020 and continuing until October 2060. In previous years Leighton Management Limited have confirmed that the scheduled payments of capital and interest had been waived, however the capital element of the loan repayments has not been waived in the current year. Leighton Management Limited have continued to waive payments of interest during the year. The total value of interest charges waived during the year was £76,995 (2023: £76,025), this has been shown been classified as donation income from Leighton Management Limited.

A new loan for £300,000 was entered into during the year with North East Social Investment fund, it has a term of 5 years, is unsecured, accrues interest at a rate 8% per annum and is repayment in consecutive monthly instalments commencing in April 2024. The total interest charge for the year was £13,684.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

14. Statement of funds

Statement of funds - current year

	Balance at 1 November 2023 £	Income £	Expenditure £	Balance at 31 October 2024 £
Unrestricted funds				
General funds	**10,532,064**	**492,109**	**(631,837)**	**10,392,336**
Restricted funds				
Grants received	**-**	**164,074**	**(101,000)**	**63,074**
Summer Streets	**-**	**90,259**	**(94,690)**	**(4,431)**
	-	**254,333**	**(195,690)**	**58,643**
Total of funds	**10,532,064**	**746,442**	**(827,527)**	**10,450,979**

Statement of funds - prior year

	Balance at 1 November 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2023 £
Unrestricted funds					
General funds	10,841,238	331,470	(634,282)	(6,362)	10,532,064
Restricted funds					
Restricted funds	-	85,998	(92,360)	6,362	-
Total of funds	10,841,238	417,468	(726,642)	-	10,532,064

Restricted funds represent grants received for specific revenue projects, with any shortfall met from unrestricted funds.

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	12,906,019	-	**12,906,019**
Current assets	414,499	58,643	**473,142**
Creditors due within one year	(523,636)	-	**(523,636)**
Creditors due in more than one year	(2,404,546)	-	**(2,404,546)**
Total	10,392,336	58,643	**10,450,979**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	13,211,686	13,211,686
Current assets	137,695	137,695
Creditors due within one year	(244,680)	(244,680)
Creditors due in more than one year	(2,572,637)	(2,572,637)
Total	10,532,064	10,532,064

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

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	**(81,085)**	(309,174)
Adjustments for:		
Depreciation charges	**333,439**	328,511
Interest paid	**13,684**	-
(Increase)/decrease in debtors	**(109,352)**	189,404
Increase/(decrease) in creditors	**195,487**	(120,206)
Net cash provided by operating activities	**352,173**	88,535

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	**239,821**	13,726

18. Analysis of changes in net debt

	At 1 November 2023 £	Cash flows £	At 31 October 2024 £
Cash at bank and in hand	**13,726**	**226,095**	**239,821**
Debt due within 1 year	**-**	**(83,469)**	**(83,469)**
Debt due after 1 year	**(2,572,637)**	**168,091**	**(2,404,546)**

19. Pension commitments

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £1,745 (2023: £983). No contributions were outstanding at the year end (2023: £nil).

20. Operating leases

In 2023 The Trust owned land and buildings which were rented out to a third party. At 31 October 2024 the Trust had replaced this lease with a service level arrangement with Pub Culture:

	2024 £	2023 £
Not later than 1 year	**-**	52,850
Later than 1 year and not later than 5 years	**-**	158,550
	-	211,400

Docusign Envelope ID: 031CBD7A-2B4C-4B77-BDD5-A9E183DFF0DE

21. Related party transactions

Included within creditors are loans from Leighton Management Limited, a company wholly owned by Paul Callaghan, trustee, totalling £2,217,637 (2023: £2,580,000). During the year, the Trust paid £405,000 (2023: £nil) to Leighton Management Limited in relation to loan repayments. During the year, the Trust received £Nil (2023: £231,504) from Leighton Management in relation to recharges of costs and £Nil (2023: £75,732) was owed at the year end. Furthermore, the Trust received £76,995 (2023: £nil) in donations from Leighton Management Limited which is equivalent of the loan interest which was waived.

During the year, the Trust paid £19,137 (2023: £13,016) to Ross Millard, trustee, for his role as the artistic director of the Summer Streets Festival, a project supported by the Trust.

During the year, the Trust paid £1,624,391 (2023: £nil) to Pub Culture Ltd, a company in which Paull Callaghan, trustee, is a director, in relation to ticket sales collected on behalf of Pub Culture and £33,142 (2023: £3,627) in relation to recharged expenses. At the year end the Trust owed Pub Culture £154,985 (2023: £nil). Pub Culture paid the Trust £120,000 (2023: £nil) during the year in relation to rental costs and £320,798 (2023: £nil) in relation to recharged expenses. At the year end Pub Culture owed the Trust £174,149 (2023: £nil).

During the year, the Trust paid £nil (2023: £129,629) to Sunderland Culture Limited, a company in which the Trust is a 33.3% member, and owed £nil (2023: £nil) at the year end. During the year, Sunderland Culture Limited paid the Trust £25,167 (2023: £nil) in relation to a settlement agreement.

During the year, the Trust received £225,000 (2023: £100,000) from Paul Callaghan, trustee, in donations.

SUNDERLAND MUSIC, ARTS & CULTURE TRUST

England & Wales - Charity number 1150733

Accounts

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Registered number: 08251877
Charity number: 1150733

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Annual report

Year ended 31 October 2023

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust	12 - 15
Statement of financial activities incorporating income and expenditure account	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 30

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 October 2023

Trustees

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA, Chair
John Dennis Mowbray, OBE, DL
Robert William Lawson OBE
Ross George Thomas Millard
Marie Nixon
Graeme Thompson MBE

Company registered number

08251877

Charity registered number

1150733

Registered office

The Fire Station
High Street West
Sunderland
SR1 3HA

Company secretary

Paul Callaghan

Independent auditor

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

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 October 2023

The trustees present their annual report together with the audited financial statements of the trust for the year 1 November 2022 to 31 October 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

Objectives and activities

- **Policies and objectives**

Established in 2012, Sunderland Music, Arts and Culture Trust ('the Trust') has the objective of being a catalyst, developer, and promoter of cultural activities within the city. It aims to bring together people with ability, talent and ambition who share a vision for Sunderland's future as a vibrant, creative, and exciting place where the arts, music, and culture flourish.

It encourages people of all ages and all backgrounds to participate in cultural activities such as playing an instrument, learning to dance, act or sing or creating literature or poetry. It also helps build audiences for the arts and culture performances in Sunderland.

The Trust sees the digital revolution that has been created through new technology and the internet as an amazing opportunity, allowing new forms of creativity and providing ways of reaching existing and new audiences.

The Trust develops the infrastructure and venues needed for this cultural renaissance in the city and helps to build organisations and capacity within the sector.

Through a broad, balanced, and sustainable programme of high-quality art and cultural activities for all, it has developed the range of its partnerships, the reach of its programming and awareness of its work. It helps create and promote excellent arts and cultural programmes and events that engage and involve participants, encourage new and diverse audiences, and enhance the wellbeing of the communities it works with.

The charity's objects are for the benefit of the public generally and in particular the inhabitants of Sunderland and its surrounding areas:

1. To promote urban or rural regeneration in areas of social and economic deprivation, particularly in Sunderland and its surrounding areas, by any or all of the following means:

- the maintenance, improvement or provision of public amenities;
- the preservation of buildings or sites of historic or architectural importance;
- the provision of recreational facilities for the public at large or for those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances have need of such facilities; and
- such other means as the trustees may from time to time determine.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Objectives and activities (continued)

2. To advance the arts (including music, music theatre, drama, decorative and visual arts, dance, ballet, circus, poetry, music hall, comedy, and variety performance) and the education of the public in the arts by:

- the establishment and maintenance of an arts venue and the presentation, production and commissioning of public concerts, plays, shows, performances and other demonstrations of the arts at the said venue and elsewhere;
- such other means as the trustees may from time to time determine; and
- for such other exclusively charitable purposes as the trustees may from time to time determine.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

● Activities undertaken to achieve objectives

Since it was established in 2012, the Trust has been active in the following three areas in the city of Sunderland and the wider north east region:

1. The development of major infrastructure projects for arts and culture or to support arts and culture;

2. The delivery, promotion and support of cultural activity, events, and cultural organisations; and

3. The establishment of innovative governance structures in partnership with key civic players to create and deliver a cultural strategy for the city.

1. The development of infrastructure

The primary objective under this area of activity has been the creation of a cultural quarter in the centre of Sunderland. This has involved a major regeneration of the Edwardian heart of the city, focusing on buildings or sites that are all within the Bishopwearmouth Conservation Area and sit next to Sunderland Minster and the Sunderland Empire. Of these, three were built between 1901 and 1908, the Dun Cow pub, the Old Fire Station, and the Peacock pub. The final area of development has been the construction of the Fire Station Auditorium, a performing arts venue situated on a site between the Empire and the Fire Station on which there were previously three car parks created after previous buildings were demolished after bomb damage or later redevelopment. The Auditorium was completed and opened on 10 December 2021.

Buildings within the Cultural Quarter are used for arts and cultural purposes and collectively form the vibrant and creative cultural heart of the city. The Quarter now includes theatre, music and dance spaces, facilities for new cultural enterprises and music and artistic education studios and centres. The funding for this ambitious regeneration of the centre of Sunderland through Arts and Culture has come from a number of sources. The Heritage Lottery Fund was the first major funder to commit, and this was followed by support both in cash and in property by Sunderland City Council. Arts Council England committed significant funding for the Fire Station and Auditorium. There has been significant private sector investment in the project from Leighton Management, a Sunderland-based company. The company funded the initial master planning for the Quarter and has made significant loan funding available to the Trust to enable the project to progress. Leighton Management has purchased both the Dun Cow and the Peacock pubs as part of the project. The rent from both pubs is donated to the Trust to provide significant additional revenue funding for the Fire Station and Auditorium until 2027. The main auditorium is one of the finest mid-sized venues in the country with exceptional lighting and acoustics and excellent sight lines from all seats in the auditorium. The Trust is also extremely grateful for the generous financial support it has received from the following Trusts and Foundations: The Garfield Weston Foundation, The Catherine Cookson Charitable Trust, The Foyle Foundation, the Sir Tom Cowie Charitable Trust, the Wolfson Foundation, the Backstage Trust, and the Sir James Knott Trust.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Objectives and activities (continued)

2. The delivery, promotion, and support of cultural activity

The Trust also believes in being both a catalyst and developer of cultural activity within the city and has promoted, funded, and initiated several key activities within Sunderland over recent years. The most significant of these activities is:

The Cultural Spring
This project was established in 2014 as part of the Arts Council England Creative People and Places programme for Sunderland and South Tyneside. The three initial partners were the Trust, Sunderland University, and the Customs House. The founding partners have now been joined by Sangini, a Black and minority ethnic (BME) led, multicultural women's organisation based in Sunderland. The Trust funded the initial bid proposal and has continued to provide funding and leadership. The Cultural Spring has been extremely successful with a series of community-based initiatives as well as several major events including the Great North Passion, Rush, Summer Streets, and Inventors! The Cultural Spring has been again funded by Arts Council England in the recent round of the Creative People and Places programme. The latest grant brings Cultural Spring's total CPP funding to £5.5million since 2014. The Cultural Spring's new Sunderland programme began in April 2022.

The Cultural Spring works with the best local, regional, and national artists to provide workshops, events, and subsidised tickets and since 2014, has worked across 26 ward areas in South Tyneside and Sunderland to engage communities in the arts. The project's aim is to leave a legacy of communities interested in the arts by increasing participation in arts and culture, enabling more excellent art and creativity, and helping communities to set up and run sustainable events and workshops. The workshop programme includes activities like ceramics, guitar and ukulele, crafting, drawing, painting, photography, singing, dancing, theatre and more, run by professional artists. The aim is to make these activities as accessible as possible using local venues that communities are familiar with. Other Cultural Spring Programmes include 'Go and See' that aims to give people in Sunderland and South Tyneside the chance to experience the best arts and cultural events across the North East and beyond and 'Your Art' which supports communities to develop their own arts ideas and to support people to shape, lead and programme arts events that they want in their communities. To date, 144 Your Art projects have been supported.

In September 2020, The Cultural Spring Charity was established to support the work and values of The Cultural Spring project and increase investment in arts and culture from a range of sources, including trusts and foundations. Currently, the Charity's main priority is working with partners to ensure The Cultural Spring continued its work in South Tyneside when the CPP project came to an end there in March 2023. This is due to South Tyneside no longer being eligible for Creative People and Places funding.

The Trust has representation on the Steering Group of the Cultural Spring and on the Cultural Spring Charity Board and is committed to continuing to develop the work of The Cultural Spring and exploring new opportunities for communities to engage in arts and culture across Sunderland and South Tyneside.

3. The establishment of innovative governance structures

The Trust was conceived not just as a mechanism for delivering infrastructure and cultural activity but also a vehicle that would demonstrate clear strategic cultural leadership in the city. It has worked with two key partners in seeking to achieve this: Sunderland University and the City Council. Both have ownership of key cultural assets in the city but more importantly both recognise the advantages and synergies that can be achieved in working collectively. This has been a three stage process.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Objectives and activities (continued)

Sunderland Cultural Partnership
This was formed in 2013 bringing together the University, Council and the Trust working together with Arts Council England and the Heritage Lottery Fund to develop the cultural life of the city. It was a forum and decision-making body that galvanized activity and focused minds in a way that the city had never previously seen and was widely recognised for its success.

The Sunderland Cultural Strategy
The Trust was a driving force in the development of this strategy that showed a clear strategic vision for the city's cultural development. Sponsored by the Cultural Partnership it involved a range of city partners and has been described as the trigger for the Sunderland Cultural Renaissance.

Sunderland Culture Limited
Following the success of the cultural partnership model, the three key partners formed Sunderland Culture Limited, a charitable trust, providing long term leadership of culture and the arts in the city. Under Sunderland Culture the key assets of the city including the National Glass Centre, The Museum and Winter Gardens and the Northern Gallery for Contemporary Art are strategically managed. The Trust, as one of the three partners, has been the funder of this initiative and will work collectively to ensure its success in the future. Sunderland Culture is an Arts Council England National Portfolio Organisations and a registered charity.

Culture Start
Culture Start is a transformational 3-year project to address the long-term impacts of child poverty on children and young people growing up in Sunderland, by reducing inequality of cultural opportunity in the city.

The North East has overtaken London as the region with the highest rate of child poverty in the UK. In Sunderland, the rate has increased steadily over recent years and now exceeds both national and North East averages. Over 15,000 children in the city live in poverty with rates exceeding 40% in multiple wards. Sunderland has the highest Red Cross Vulnerability Score in the North East. 27% of Sunderland's children live in the country's 10% most deprived areas (Sunderland City Council Healthy City Plan). The impacts of growing up in poverty are complex and long-lasting in terms of health and educational attainment. Access to cultural activities can have positive, life-changing, impacts in all these areas but too often those young people with greatest need, have the least access.

Culture Start, which will begin in 2024, is a £1.5million, 3-year programme, funded by a £1.2m grant from Arts Council England and £300,000 of charitable giving and will give access to arts and cultural opportunities to children and young people from the most-disadvantage homes in Sunderland. It will deliver an ambitious high-quality creative programme, co-developed with children, young people, and city partners, to increase reach and engagement, build confidence and skills, develop access to cultural opportunities and embed long term change in the policies and practices of the city's cultural organisations. The project has been developed in partnership with cultural, educational, community and civic partners including:

- The MAC Trust
- Together for Children
- Children North East
- Gentoo
- InspirED Sunderland – Sunderland Local Cultural Education Partnership
- North East Youth
- All Together Consortium
- Sunderland College
- University of Sunderland

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Achievements and performance

- **Review of activities**

2022/23 has been another exciting and successful year for the Trust with the continued success of the Fire Station Auditorium. Sunderland Culture delivered the programming and venue operations in the Fire Station until 30 September 2023 when the Service Level Agreement ended with Sunderland Culture then focusing on the development and delivery of the Culture Start programme. From 1 October 2023, the Trust agreed a similar SLA with Pub Culture Ltd, the existing hospitality partner in the Fire Station since 2017, to operate and manage both the Fire Station and the Auditorium. This process involved Fire Station staff being TUPE transferred from Sunderland Culture to Pub Culture on that date and this was successfully completed with all senior management and programming staff staying in place and the operation of the venue continuing as normal.

The Trust is pleased that the University of Sunderland are continuing to use the Auditorium for Conferences, Student Performances and for Lectures.

During the year the Auditorium delivered the following:

- 190 public ticketed shows
- 60,000 tickets sold
- Total ticket turnover of £1,350,000

The Auditorium has welcomed a range of performers including:
- Aly Bain & Phil Cunningham
- Sir Bradley Wiggins
- Sir Steve Redgrave
- The Cowboy Junkies
- Roachford
- Badly Drawn Boy
- Barbara Dickson
- BBC New Comedy Awards
- BBC Radio 3's New Music Show
- Beth Nielsen Chapman
- Bishopwearmouth Choral Society
- Brighouse & Rastrick Brass Band
- Cara Dillon
- Chris Difford
- Chris McCausland
- Christmas Brass with Reg Vardy Band
- DakhaBrakha
- Eddi Reader
- Elkie Brooks
- Elles Bailey
- Faye Fantarrow
- Gaz Coombes
- Graham Gouldman
- Graham Parker
- Gyles Brandreth
- Gary Neville
- James Taylor Quartet
- Joe McElderry
- John Grant
- Laura Cantrell
- Lindisfarne
- Lisa O'Neill

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Achievements and performance (continued)

- Martin Simpson & Martin Carthy
- National Theatre Connections Festival
- Nu Civilisation Orchestra
- Public Image Ltd
- Republica
- Rich Hall
- Richard Hawley
- Ronnie Scott's All Stars
- Royal Northern Sinfonia
- Samantha Fish & Jesse Dayton
- Smoove & Turrell
- Steve Harley
- Sugaray Rayford
- Sunderland Shorts Film Festival
- Syd Lawrence Orchestra
- The Futureheads
- The Odyssey
- The Pasadena Roof Orchestra
- University of Sunderland - Final Showcase '23
- Walter Trout
- Sunderland winning the FA Cup 'LIVE' - 50 years to the minute!
- Waves Festival
- Various other conferences and meetings

The Fire Station Studios

From 1 April 2023, the first-floor dance and drama studios have been leased to Musical Theatre Studio Ltd (MTS), one of the leading musical theatre academies in the North East which is partnered with Olivier Award-winning West End production company, DLAP Group. Students from MTS have gained places at prestigious performing arts schools, colleges, and universities such as ArtsEd, Mountview, Royal Central School of Speech and Drama, Laine Theatre Arts, Urdang, Guilford School of Acting, Bird College, LAMDA, Italia Conti, The BRIT School and many more. The Fire Station provides MTS with state-of-the-art facilities for students and coaches alike, as well as a dedicated student space for self-reflection, study, and rehearsal. The Trust is delighted that the Fire Station is filled with talented and energetic young people, many of whom are starting an exciting journey into musical theatre.

The second-floor studios of the Fire Station are leased to the Northern Academy of Music Education (NAME), an independent music college offering a modern music industries higher education programme, delivered with The University of Sunderland.

The BA (Hons) Modern Music Industries degree validated by the University covers the skills needed to succeed as a professional in the modern music industry. The course is designed and delivered by current industry professionals, and covers the areas of recording, marketing, event planning, composing, genre studies and music performance. The Academy, now in its third year, has exceeded its recruitment targets for students and is an important partner in the city’s musical education offering.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Financial review

- **Financial performance**

The Trust has benefited from grants from Arts Council England as well as generous support from several Trusts and Foundations and personal donations from Paul Callaghan, the Chair of the Trust.

The Trust has incurred expenditure in relation to the ongoing management of the Fire Station and the delivery of the Summer Streets Festival. The Trustees are satisfied with the overall performance in the year and the year-end position, given the ongoing development underway.

- **Going concern**

The Trust will receive rental income in 2023 and 2024 as detailed in the reserves policy below. It continues to be supported by Leighton Management, which has confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding until the Auditorium is fully operational and further income sources come on stream. After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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.

- **Reserves policy**

At the year end the Trust has unrestricted reserves of £10,563,400, of which £13,211,686 was tied up in fixed assets ,with the deficit funded through loans. The Trust will seek to accrue reserves now the capital development phase of the Culture Quarter project is complete. It anticipates continuing to earn income from the Peacock and Dun Cow Public Houses, the Fire Station, and the Auditorium in the 2023/234 financial year. The Trust will also continue to seek other grants from charitable trusts to support its work in the future.

- **Plans for the future**

The Trust will continue to work with partners to develop the Fire Station, Culture Start and other projects. The development of arts and culture in Sunderland is very important for the city and the Trust will continue to play a major role in helping deliver this in coming years.

Structure, governance and management

- **Constitution**

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 October 2012. It is a registered charity, number 1150733.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Structure, governance and management (continued)

- **The board and its members**

The management of the company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. Induction is provided to new trustees if necessary.

The board has minimum number of five and maximum of 11 members. In the 2022/23 financial year the board had six members.

Articles provide for 'members' and 'directors' but in practice members of the board are both directors of the company and trustees of the trust. However, representatives of funding organisations (such as Sunderland City Council, the Heritage Lottery Fund and Arts Council England) may also attend as observers and participate in Board meetings.

Board composition and recruitment
Board membership reflects the diversity of the communities that the Trust serves. In selecting its members, the board aims for a gender balance and encourages an appropriate age distribution. Furthermore, the board has a range of relevant skills, experience and abilities and has members who bring one or more of the following skills and experience:

- Arts and Entertainment
- Finance/Accounting/Business
- Fundraising
- Networking
- Marketing/communications
- Digital media
- Education and training
- HR Management
- Capital projects
- Legal
- Community Representation

Role of the board

Board members have corporate and individual responsibilities under company law and charity law. The board is responsible for the overall governance and strategic direction of the Trust, developing its aims, objectives, and goals in accordance with the governing document, as well as legal and regulatory guidelines. It is responsible overall for the future success of the Trust and ensuring its long-term financial sustainability.

The board acts collectively and corporately, with care, diligence, and skills, in the best interests of the Trust.

Executive Management

During this year our Board and the Trust’s operations have been guided by Lucy Bird, our Chief Executive. Lucy is one of the finest cultural executives in the country and the Trust has been fortunate to have enjoyed her astute and visionary leadership. However, Lucy has indicated that she wishes to retire in early 2024 and the Board will be seeking to appoint a new Chief Executive at that time.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Structure, governance and management (continued)

- **Diversity**

The trust values and celebrates the diversity of all its artists, participants, audience members and staff. It is committed to providing a cultural and work environment free from discrimination, bullying, harassment, or victimisation, where all artists, participants, audience members and staff are treated with respect and dignity. It aims to create a culture of diversity and inclusivity within the trust and its activities, providing a dynamic working and cultural environment, where all members are valued for their contribution and individuality.

Through its policies and practices, it works to ensure that all artists, participants, audience members and staff are welcome and do not face discrimination with regard to any aspect of their identity, such as age, disability, gender (including gender reassignment, marital status, pregnancy, and maternity), ethnicity (including race, colour, or nationality), religion or belief (including non-belief) or sexual orientation.

- **Risk management**

The trustees have assessed the major risks to which the Trust is exposed, in particular, those related to the operations and finances of the trust and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Members' liability

The members of the trust guarantee to contribute an amount not exceeding £10 to the assets of the trust in the event of winding up.

Statement of trustees' responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

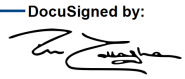
Disclosure of information to auditor

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

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

Approved by order of the members of the board of trustees on 29 July 2024 and signed on their behalf by:

DocuSigned by:



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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0



Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust

Opinion

We have audited the financial statements of Sunderland Music, Arts and Culture Trust ('the Trust') for the year ended 31 October 2023 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0



Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0



Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0



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

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

Use of our report

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

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

29 July 2024

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 October 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations	4	**104,410**	**85,998**	**190,408**	1,287,661
Other activities	5	**227,060**	**-**	**227,060**	123,001
Total income		**331,470**	**85,998**	**417,468**	1,410,662
Expenditure on:					
Charitable activities	6	**634,282**	**92,360**	**726,642**	716,573
Total expenditure		**634,282**	**92,360**	**726,642**	716,573
Net (expenditure)/income		**(302,812)**	**(6,362)**	**(309,174)**	694,089
Transfers between funds	13	**(6,362)**	**6,362**	**-**	-
Net movement in funds		**(309,174)**	**-**	**(309,174)**	694,089
Reconciliation of funds:					
Total funds brought forward		**10,841,238**	**-**	**10,841,238**	10,147,149
Net movement in funds		**(309,174)**	**-**	**(309,174)**	694,089
Total funds carried forward		**10,532,064**	**-**	**10,532,064**	10,841,238

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 30 form part of these financial statements.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Balance sheet
At 31 October 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	8		**13,211,686**		13,399,744
Current assets					
Debtors	10	**123,969**		313,373	
Cash at bank and in hand		**13,726**		5,644	
		137,695		319,017	
Creditors: amounts falling due within one year	11	**(244,680)**		(357,523)	
Net current liabilities			**(106,985)**		(38,506)
Total assets less current liabilities			**13,104,701**		13,361,238
Creditors: amounts falling due after more than one year	12		**(2,572,637)**		(2,520,000)
Total net assets			**10,532,064**		10,841,238
Charity funds					
Unrestricted funds	13		**10,532,064**		10,841,238
Total funds			**10,532,064**		10,841,238

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

The financial statements were approved and authorised for issue by the trustees on 29 July 2024 and signed on their behalf by:

DocuSigned by:
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Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Company registered number: 08251877

The notes on pages 19 to 30 form part of these financial statements.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of cash flows
Year ended 31 October 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	15	**88,535**	1,234,931
Cash flows from investing activities			
Purchase of tangible fixed assets		**(140,453)**	(1,496,926)
Net cash used in investing activities		**(140,453)**	(1,496,926)
Cash flows from financing activities			
Cash inflows from new borrowing		**370,000**	775,000
Repayments of borrowing		**(310,000)**	(555,000)
Net cash provided by financing activities		**60,000**	220,000
Change in cash and cash equivalents in the year		**8,082**	(41,995)
Cash and cash equivalents at the beginning of the year		**5,644**	47,639
Cash and cash equivalents at the end of the year	16	**13,726**	5,644

The notes on pages 19 to 30 form part of these financial statements

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

Notes to the financial statements
Year ended 31 October 2023

1. General information

Sunderland Music, Arts and Culture Trust ('the trust') is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is disclosed in the reference and administrative details page on page 1 and the principal activity is disclosed in the trustees' report on page 2.

2. Accounting policies

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

2.1 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.

The 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 financial statements are prepared in sterling, which is the functional currency of the charity and are rounded to the nearest £1.

2.2 Going concern

Although in a net current liabilities position, the Trust expects to continue to receive rental income in 2024 and 2025 as detailed in the reserves policy in the Trustees' report on page 8. It continues to be supported by Leighton Management, which has confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding until the Auditorium is fully operational and further income sources come on stream. After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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.

2.3 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income is recognised on an accruals basis.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity.

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

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

2.6 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.

2.7 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.

2.8 Liabilities

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 trust 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.

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

2. Accounting policies (continued)

2.9 Pensions

The trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the trust to the fund in respect of the year.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

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

The only estimate included within these financial statements is the depreciation charge. This is not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

4. Income from donations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	104,410	-	**104,410**
Grants	-	85,998	**85,998**
	104,410	85,998	**190,408**

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

4. Income from donations (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	338,210	-	338,210
Grants	-	949,451	949,451
	338,210	949,451	1,287,661

5. Income from other activities

	Unrestricted funds 2023 £	**Total funds 2023 £**	Total funds 2022 £
Rental income	227,060	**227,060**	123,001

There is an agreement with Leighton Management for the Trust to receive rent until 2027.

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Charitable activities	272,131	454,511	**726,642**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	355,132	361,441	716,573

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Delivery of capital projects	41,550	**41,550**	1,940
Summer Streets Festival	92,360	**92,360**	59,765
Building management costs	20,736	**20,736**	45,000
Sunderland Culture project delivery costs	-	**-**	112,025
Insurance	29,227	**29,227**	30,077
Utilities	22,699	**22,699**	32,990
Repairs and maintenance	2,559	**2,559**	30,402
Cleaning	57,708	**57,708**	42,933
Donations	5,292	**5,292**	-
	272,131	**272,131**	355,132

Analysis of support costs

	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	39,983	**39,983**	23,078
Depreciation	328,511	**328,511**	284,549
Administration	68,093	**68,093**	38,433
Auditor's remuneration for the audit of these accounts	6,600	**6,600**	6,300
Auditor's remuneration for other assurance services	500	**500**	500
Auditor's remuneration for other financial services	10,824	**10,824**	8,581
	454,511	**454,511**	361,441

Docusign Envelope ID: 2A5F5098-7EDC-475E-B755-E12C13C116E0

7. Staff costs

	2023	2022
	£	£
Wages and salaries	**39,000**	22,750
Contribution to defined contribution pension schemes	**983**	328
	39,983	23,078

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

	2023	2022
	No.	No.
Employees	**1**	1

No employee received remuneration amounting to more than £60,000 in either year.

No trustees received any remuneration or benefits for their services to the trust, nor were any expenses reimbursed to trustees during the year (2022: £nil).

Key management personnel is considered to be the one employee, whose total remuneration was £39,983 as disclosed above.

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8. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2022	**72,698**	**13,695,823**	**213,236**	**16,761**	**13,998,518**
Additions	**515**	**127,221**	**12,717**	**-**	**140,453**
At 31 October 2023	**73,213**	**13,823,044**	**225,953**	**16,761**	**14,138,971**
Depreciation					
At 1 November 2022	**-**	**543,572**	**51,338**	**3,864**	**598,774**
Charge for the year	**-**	**271,557**	**52,795**	**4,159**	**328,511**
At 31 October 2023	**-**	**815,129**	**104,133**	**8,023**	**927,285**
Net book value					
At 31 October 2023	**73,213**	**13,007,915**	**121,820**	**8,738**	**13,211,686**
At 31 October 2022	72,698	13,152,251	161,898	12,897	13,399,744

Included in land and buildings is land with a cost of £125,726 (2022: £125,726) which is not depreciated.

9. Fixed asset investments

The Trust is a 33.3% member of Sunderland Culture Limited, a partnership between the trust, Sunderland City Council and Sunderland University.

The trustees do not consider the trust to have significant influence over Sunderland Culture Limited, which is a separate registered charity, and therefore do not consider it to be an associate. Accordingly, Sunderland Culture Limited is not consolidated into the accounts of the trust.

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10. Debtors

	2023 £	2022 £
Trade debtors	**81,864**	30,078
Other debtors	**824**	45,508
Prepayments and accrued income	**41,281**	237,787
	123,969	313,373

11. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**9,724**	68,892
Other taxation and social security	**705**	732
Accruals and deferred income	**234,251**	287,899
	244,680	357,523

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

	2023 £	2022 £
Loan	**2,572,637**	2,520,000

The loan, which is from Leighton Management Limited, has a term of 40 years, is unsecured, accrues interest at 3% per annum and is repayable in consecutive monthly instalments commencing in November 2020 and continuing until October 2060. However, Leighton Management Limited have confirmed that the scheduled payments of capital and interest during the year ending 31 October 2024 have been waived, therefore the full value of the loan has been classified as due in more than one year.

Leighton Management Limited has also waived payments of capital and interest during the year to 31 October 2023. The total value of interest charges waived during the year was £76,025 (2022: £80,409).

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13. Statement of funds

Statement of funds - current year

	Balance at 1 November 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2023 £
Unrestricted funds					
General funds	**10,841,238**	**331,470**	**(634,282)**	**(6,362)**	**10,532,064**
Restricted funds					
Restricted funds	**-**	**85,998**	**(92,360)**	**6,362**	**-**
Total funds	**10,841,238**	**417,468**	**(726,642)**	**-**	**10,532,064**

Statement of funds - prior year

	Balance at 1 November 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2022 £
Unrestricted funds					
General Funds	10,147,149	463,589	(604,547)	835,047	10,841,238
Restricted funds					
Restricted Funds	-	947,073	(112,026)	(835,047)	-
Total funds	10,147,149	1,410,662	(716,573)	-	10,841,238

Restricted funds represent grants received for specific revenue projects, with any shortfall met from unrestricted funds.

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14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	13,211,686	**13,211,686**
Current assets	137,695	**137,695**
Creditors due within one year	(244,680)	**(244,680)**
Creditors due in more than one year	(2,572,637)	**(2,572,637)**
Total	10,532,064	**10,532,064**

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	13,399,744	13,399,744
Current assets	319,017	319,017
Creditors due within one year	(357,523)	(357,523)
Creditors due in more than one year	(2,520,000)	(2,520,000)
Total	10,841,238	10,841,238

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

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(309,174)**	694,089
Adjustments for:		
Depreciation charges	**328,511**	284,549
Decrease in debtors	**189,404**	543,525
Decrease in creditors	**(120,206)**	(287,232)
Net cash provided by operating activities	**88,535**	1,234,931

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16. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	**13,726**	5,644

17. Analysis of changes in net debt

	At 1 November 2022 £	Cash flows £	At 31 October 2023 £
Cash at bank and in hand	**5,644**	**8,082**	**13,726**
Debt due after 1 year	**(2,520,000)**	**(52,637)**	**(2,572,637)**

18. Pension commitments

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £983 (2022: £328). No contributions were outstanding at the year end (2022: £nil).

19. Operating leases

The Trust owns land and buildings which are rented out to a third party. At 31 October 2023 the trust had future minimum lease receipts under a non-cancellable operating lease as follows:

	2023 £	2022 £
Not later than 1 year	**52,850**	52,850
Later than 1 year and not later than 5 years	**158,550**	211,400
	211,400	264,250

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20. Related party transactions

Included within creditors are loans from Leighton Management Limited, a company wholly owned by Paul Callaghan, trustee, totalling £2,580,000 (2022: £2,520,000). During the year, the Trust paid £nil (2022: £996) to Leighton Management Limited in relation to recharges or costs. During the year, the Trust received £231,504 (2022: £177,530) from Leighton Management Limited in relation to recharges of costs and was owed £75,732 (2022: £30,078) at the year end. Furthermore, the Trust received £nil (2022: £25,650) in donations from Leighton Management Limited.

During the year, the Trust paid £13,016 (2022: £nil) to Ross Millard, trustee, for his role as the artistic director of the Summer Streets Festival, a project supported by the Trust.

During the year, the Trust paid £3627 (2022: £4,074) to Pub Culture Ltd, a company in which Paul Callaghan, trustee, is a director, in relation to recharges of costs.

During the year, the Trust paid £129,629 (2022: £3,936) to Sunderland Culture Limited, a company in which the Trust is a 33.3% member, and owed £nil (2022: £54,000) at the year end.

During the year, the Trust received £100,000 (2022: £250,000) from Paul Callaghan, trustee, in donations.

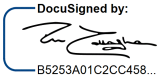
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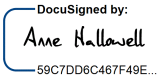
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Anne Hallowell annehallowell@unw.co.uk Partner Security Level: Email, Account Authentication (None)	DocuSigned by:  59C7DD6C467F49E...	Sent: July 29, 2024 | 10:45 Viewed: July 29, 2024 | 11:09 Signed: July 29, 2024 | 11:09
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Envelope Sent	Hashed/Encrypted	July 29, 2024 | 10:15
Certified Delivered	Security Checked	July 29, 2024 | 11:09
Signing Complete	Security Checked	July 29, 2024 | 11:09

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SUNDERLAND MUSIC, ARTS & CULTURE TRUST

England & Wales - Charity number 1150733

Accounts

Registered number: 08251877
Charity number: 1150733

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Annual report

Year ended 31 October 2022

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust	11 - 14
Statement of financial activities incorporating income and expenditure account	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 29

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 October 2022

Trustees

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA, Chair
John Dennis Mowbray, OBE, DL
Robert William Lawson OBE
Ross George Thomas Millard
Marie Nixon
Graeme Thompson MBE

Company registered number

08251877

Charity registered number

1150733

Registered office

The Fire Station
High Street West
Sunderland
SR1 3HA

Company secretary

Paul Callaghan

Independent auditor

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

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 October 2022

The trustees present their annual report together with the audited financial statements of the trust for the year 1 November 2021 to 31 October 2022. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

Objectives and activities

- **Policies and objectives**

Established in 2012, Sunderland Music, Arts and Culture Trust ('the Trust') has the objective of being a catalyst, developer, and promoter of cultural activities within the city. It aims to bring together people with ability, talent and ambition who share a vision for Sunderland's future as a vibrant, creative, and exciting place where the arts, music, and culture flourish.

It encourages people of all ages and all backgrounds to participate in cultural activities such as playing an instrument, learning to dance, act or sing or creating literature or poetry. It also helps build audiences for the arts and culture performances in Sunderland.

The Trust sees the digital revolution that has been created through new technology and the internet as an amazing opportunity, allowing new forms of creativity and providing ways of reaching existing and new audiences.

The Trust develops the infrastructure and venues needed for this cultural renaissance in the city and helps to build organisations and capacity within the sector.

Through a broad, balanced, and sustainable programme of high quality art and cultural activities for all, it has developed the range of its partnerships, the reach of its programming and awareness of its work. It helps create and promote excellent arts and cultural programmes and events that engage and involve participants, encourage new and diverse audiences, and enhance the wellbeing of the communities it works with.

The charity's objects are for the benefit of the public generally and in particular the inhabitants of Sunderland and its surrounding areas:

1. To promote urban or rural regeneration in areas of social and economic deprivation, particularly in Sunderland and its surrounding areas, by any or all of the following means:

- the maintenance, improvement or provision of public amenities;
- the preservation of buildings or sites of historic or architectural importance;
- the provision of recreational facilities for the public at large or for those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances have need of such facilities; and
- such other means as the trustees may from time to time determine.

Objectives and activities (continued)

2. To advance the arts (including music, music theatre, drama, decorative and visual arts, dance, ballet, circus, poetry, music hall, comedy, and variety performance) and the education of the public in the arts by:

- the establishment and maintenance of an arts venue and the presentation, production and commissioning of public concerts, plays, shows, performances and other demonstrations of the arts at the said venue and elsewhere;
- such other means as the trustees may from time to time determine; and
- for such other exclusively charitable purposes as the trustees may from time to time determine.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

- **Activities undertaken to achieve objectives**

Since it was established in 2012, the Trust has been active in the following three areas in the city of Sunderland and the wider north east region:

1. The development of major infrastructure projects for arts and culture or to support arts and culture;

2. The delivery, promotion and support of cultural activity, events, and cultural organisations; and

3. The establishment of innovative governance structures in partnership with key civic players to create and deliver a cultural strategy for the city.

1. The development of infrastructure

The primary objective under this area of activity has been the creation of a cultural quarter in the centre of Sunderland. This has involved a major regeneration of the Edwardian heart of the city, focusing on buildings or sites that are all within the Bishopwearmouth Conservation Area and sit next to Sunderland Minster and the Sunderland Empire. Of these, three were built between 1901 and 1908, the Dun Cow pub, the Old Fire Station, and the Peacock pub. The final area of development has been the construction of the Fire Station Auditorium, a performing arts venue situated on a site between the Empire and the Fire Station on which there were previously three car parks created after previous buildings were demolished after bomb damage or later redevelopment. Despite the challenges caused by the Covid pandemic, the Auditorium was completed and opened on 10 December 2021.

Buildings within the Cultural Quarter are used for arts and cultural purposes and collectively form the vibrant and creative cultural heart of the city. The Quarter now includes theatre, music and dance spaces, facilities for new cultural enterprises and music and artistic education studios and centres. The funding for this ambitious regeneration of the centre of Sunderland through Arts and Culture has come from a number of sources. The Heritage Lottery Fund was the first major funder to commit, and this was followed by support both in cash and in property by Sunderland City Council which has become an enthusiastic and committed partner in the project. Arts Council England committed significant funding for the Fire Station and Auditorium. There has been significant private sector investment in the project from Leighton Management, a Sunderland-based company. The company funded the initial master planning for the Quarter and has made significant loan funding available to the Trust to enable the project to progress. Leighton Management has purchased both the Dun Cow and the Peacock pubs as part of the project. The rent from both pubs will be used to provide significant additional revenue funding for the Fire Station and Auditorium until 2027. The Trust was extremely grateful to be given a grant of £1.38 million from the DCMS Cultural Capital Kickstart Fund and a personal gift of £250,000 from Paul Callaghan as matched funding. This additional funding allowed the Trust to complete the capital project including the main auditorium and the adjoining Parade Ground. This has given Sunderland one of the finest mid-sized venues in the country with exceptional lighting and acoustics and excellent sight lines from all seats in the

Objectives and activities (continued)

auditorium. The Trust is also extremely grateful for the generous financial support it has received from the following Trusts and Foundations: The Garfield Weston Foundation, The Catherine Cookson Charitable Trust, The Foyle Foundation, the Wolfson Foundation, the Backstage Trust, and the Sir James Knott Trust.

2. The delivery, promotion, and support of cultural activity

The Trust also believes in being both a catalyst and developer of cultural activity within the city and has promoted, funded, and initiated several key activities within Sunderland over recent years. The most significant of these activities is:

The Cultural Spring
This project was established in 2014 as part of the Arts Council England Creative People and Places programme for Sunderland and South Tyneside. The three initial partners were the Trust, Sunderland University, and the Customs House. The founding partners have now been joined by Sangini, a Black and minority ethnic (BME) led, multicultural women's organisation based in Sunderland. The Trust funded the initial bid proposal and has continued to provide funding and leadership. The Cultural Spring has been extremely successful with a series of community based initiatives as well as several major events including the Great North Passion, Rush, Summer Streets, and Inventors! The Cultural Spring has been again funded by Arts Council England in the recent round of the Creative People and Places programme. The latest grant brings Cultural Spring's total CPP funding to £5.5million since 2014. The Cultural Spring's new Sunderland programme began in April 2022.

The Cultural Spring works with the best local, regional, and national artists to provide workshops, events, and subsidised tickets and since 2014, has worked across 26 ward areas in South Tyneside and Sunderland to engage communities in the arts. The project's aim is to leave a legacy of communities interested in the arts by increasing participation in arts and culture, enabling more excellent art and creativity, and helping communities to set up and run sustainable events and workshops. The workshop programme includes activities like ceramics, guitar and ukulele, crafting, drawing, painting, photography, singing, dancing, theatre and more, run by professional artists. The aim is to make these activities as accessible as possible using local venues that communities are familiar with. Other Cultural Spring Programmes include 'Go and See' that aims to give people in Sunderland and South Tyneside the chance to experience the best arts and cultural events across the North East and beyond and 'Your Art' which supports communities to develop their own arts ideas and to support people to shape, lead and programme arts events that they want in their communities. To date, 144 Your Art projects have been supported.

In September 2020, The Cultural Spring Charity was established to support the work and values of The Cultural Spring project and increase investment in arts and culture from a range of sources, including trusts and foundations. Currently, the Charity's main priority is working with partners to ensure The Cultural Spring continues its work in South Tyneside once the current CPP project comes to an end there in March 2023. This is due to South Tyneside no longer being eligible for Creative People and Places funding.

The Trust has representation on the Steering Group of the Cultural Spring and on the Cultural Spring Charity Board and is committed to continuing to develop the work of The Cultural Spring and exploring new opportunities for communities to engage in arts and culture across Sunderland and South Tyneside.

3. The establishment of innovative governance structures

The Trust was conceived not just as a mechanism for delivering infrastructure and cultural activity but also a vehicle that would demonstrate clear strategic cultural leadership in the city. It has worked with two key partners in seeking to achieve this: Sunderland University and the City Council. Both have ownership of key cultural assets in the city but more importantly both recognise the advantages and synergies that can be achieved in working collectively. This has been a three stage process.

Objectives and activities (continued)

Sunderland Cultural Partnership
This was formed in 2013 bringing together the University, Council and the Trust working together with Arts Council England and the Heritage Lottery Fund to develop the cultural life of the city. It has been a forum and decision making body that has galvanized activity and focused minds in a way that the city has never previously seen and has been widely recognised for its success.

The Sunderland Cultural Strategy
The Trust was a driving force in the development of this strategy that is a statement of the clear strategic vision that is now being developed within the city. Sponsored by the Cultural Partnership it involved a range of city partners and was extremely well received both within the cultural community but also in the wider world. It has been described as the trigger for the Sunderland Cultural Renaissance.

Sunderland Culture Limited
Following the success of the cultural partnership model, the three key partners agreed to take the next step and in early 2016 formed Sunderland Culture Limited, a charitable trust, providing long term leadership of culture and the arts in the city. Under Sunderland Culture the key assets of the city including the National Glass Centre, The Museum and Winter Gardens, the Northern Gallery for Contemporary Art and the Fire Station are strategically managed. The Trust, as one of the three partners, has been the funder of this initiative and will work collectively to ensure its success in the future. Sunderland Culture is an Arts Council England National Portfolio Organisations and a registered charity.

Culture Start – our next project
Culture Start is a transformational 3-year project to address the long-term impacts of child poverty on children and young people growing up in Sunderland, by reducing inequality of cultural opportunity in the city. In 2021 the North East overtook London as the region with the highest rate of child poverty in the UK. In Sunderland, the rate has increased steadily over the past 5 years and exceeds both national and North East averages. Over 15,000 children in the city live in poverty with rates exceeding 40% in multiple wards.

The impacts of growing up in poverty are complex and long-lasting in terms of health and educational attainment. Access to cultural activities can have positive, life-changing, impacts in all these areas but too often those young people with greatest need, have the least access. Culture Start is led by Sunderland Culture, partnered by the Sunderland Music, Arts and Culture Trust, and will be delivered by an extensive, cross-sector, strategic partnership including cultural, education, civic, voluntary sector and philanthropic partners. Collectively, these partners have considerable experience of delivering collaborative programmes at scale for children and young people. Culture Start builds on this learning and experience. Delivering strongly against the Arts Council's Let's Create in a Levelling Up for Culture Place, partners will work collaboratively to improve cultural and creative education for children and young people.

Culture Start is a strategic place-based intervention which will enable a step change in cultural and creative opportunity for children and young people in Sunderland, which has the highest Red Cross Vulnerability Score in the North East. 27% of Sunderland's children live in the country's 10% most deprived areas (Sunderland City Council Healthy City Plan). It is a place where culture has significant potential to improve life chances and choices, but Sunderland remains an area of low cultural participation (Taking Part) and Audience Agency research shows 60% of residents are in the lowest engaged groups. More can be delivered to extend reach to children, young people, and their families/carers, and to build their confidence and aspirations. Sunderland is a city that has pioneered place-based partnerships to take forward ambitious visions for the city and Culture Start is the city's next significant partnership, formed to address specific place-based needs. Culture Start brings together cultural, education, civic and voluntary sector partners' expertise, skills, and knowledge to increase equality of cultural opportunity for the children of Sunderland. Cultural partners in the city have already demonstrated what is possible. Culture Start will capitalise on the progress made, and accelerate momentum gained and help fully realise the transformative potential of culture and creativity for Sunderland and its children and young people.

Achievements and performance

- **Review of activities**

2021/22 has been a very exciting and successful year for the Trust with the completion and opening of the Fire Station Auditorium on 10 December 2021. The Trust agreed a management protocol with Sunderland Culture so that all programming and operations in the Fire Station have been delivered by Sunderland Culture.

The Trust is also pleased that the University of Sunderland is using the Auditorium for Conferences, Student Performances and for Lectures and we are always delighted to welcome the University's staff and students to the Fire Station.

During the year the Auditorium delivered the following:

- 140 public ticketed shows
- 43,000 tickets sold
- Total ticket turnover of almost £1,000,000
- 106% of target number of tickets sold
- 117% of financial ticket sales targets achieved overall.

The Auditorium has welcomed a range of performers including:

- Musicians
- Emeli Sandé
- Dave Stewart
- Royal Northern Sinfonia
- The National Youth Jazz Orchestra
- BBC Radio 3 New Music Show
- Bill Laurance
- Ronnie Scott's All Stars
- Ricky Ross
- Public Service Broadcasting
- Ladysmith Black Mambazo
- Barbara Dickson
- Elkie Brooks
- Spoken word performances
- Shakespeare's Globe
- P J Harvey
- Dr John Cooper Clarke
- A Doll's House
- Children's performances
- Dinosaur World Live
- Room on the Broom
- The Tiger Who Came to Tea
- The Very Hungry Caterpillar Show
- Comedy shows
- Gary Delaney
- Al Murray
- Rich Hall
- Special events:
- An Evening with Lord David Puttnam
- A Labour Manifesto Launch with Keir Starmer
- BBC Newsnight live from the Fire Station Auditorium
- Radio 5 Nicky Campbell Show live from the Fire Station Auditorium
- Various other conferences and meetings

Achievements and performance (continued)

The Auditorium has won several national and regional design and construction awards including:

- UK Structural Steel Design Award
- Best Cultural Building in the Schüco UK Limited Architecture Today awards
- North East Cultural Venue of the Year
- North East Property Public-Private Collaboration Award

Financial review

- **Financial performance**

All capital work on the Auditorium was completed during 2021/22, with grants being received from Arts Council England and from the DCMS Culture Recovery Fund to support the project as well as generous support from several Trusts and Foundations and a personal donation from Paul Callaghan. The Trust has incurred expenditure in relation to the ongoing management of the Fire Station and the delivery of the Summer Streets Festival. Whilst the Trust remains in a net current liability position, the trustees are satisfied with the overall performance in the year and the year-end position, given the ongoing development underway.

- **Going concern**

Although in a net current liabilities position, the Trust expects to continue to receive rental income in 2022 and 2023 as detailed in the reserves policy below. It continues to be supported by Leighton Management, which has confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding until the Auditorium is fully operational and further income sources come on stream. After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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.

- **Reserves policy**

At the year end the Trust has unrestricted reserves of £10,879,774, of which £13,399,774, was tied up in fixed assets with the deficit funded through loans. The Trust will seek to accrue reserves now the development phase of the MACQ project is complete. It anticipates continuing to earn income from the Peacock and Dun Cow Public Houses, the Fire Station, and the Auditorium in the 2022/23 financial year. The Trust will also continue to seek other grants from charitable trusts to support its work in the future.

- **Plans for the future**

The Trust will continue to support Sunderland Culture in managing the Fire Station as well as developing other projects with several partners. The success of Sunderland Culture is important for the city and the Trust will continue to play a major role in helping deliver its cultural strategy for the next decade.

Structure, governance and management

- **Constitution**

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 October 2012. It is a registered charity, number 1150733.

- **The board and its members**

The management of the company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. Induction is provided to new trustees if necessary.

The board has minimum number of five and maximum of 11 members. In the 2021/22 financial year the board had six members.

Articles provide for 'members' and 'directors' but in practice members of the board are both directors of the company and trustees of the trust. However, representatives of funding organisations (such as Sunderland City Council, the Heritage Lottery Fund and Arts Council England) may also attend as observers and participate in Board meetings.

Board composition and recruitment

Board membership reflects the diversity of the communities that the Trust serves. In selecting its members, the board aims for a gender balance and encourages an appropriate age distribution. Furthermore, the board has a range of relevant skills, experience and abilities and has members who bring one or more of the following skills and experience:

- Arts and Entertainment Performance
- Finance/Accounting/Business and business development
- Fundraising
- Networked within the business and/or wider community
- Marketing and communications
- Digital social media
- Education, training, skills development
- Human Resources Management
- Capital and premises development
- Legal
- Community Representation

Role of the board

Board members have corporate and individual responsibilities under company law and charity law. The board is responsible for the overall governance and strategic direction of the Trust, developing its aims, objectives, and goals in accordance with the governing document, as well as legal and regulatory guidelines. It is responsible overall for the future success of the Trust and ensuring its long term financial sustainability.

The board acts collectively and corporately, with care, diligence, and skills, in the best interests of the Trust.

Structure, governance and management (continued)

- **Diversity**

The trust values and celebrates the diversity of all its artists, participants, audience members and staff. It is committed to providing a cultural and work environment free from discrimination, bullying, harassment or victimisation, where all artists, participants, audience members and staff are treated with respect and dignity. It aims to create a culture of diversity and inclusivity within the trust and its activities, providing a dynamic working and cultural environment, where all members are valued for their contribution and individuality.

Through its policies and practices, it works to ensure that all artists, participants, audience members and staff are welcome and do not face discrimination with regard to any aspect of their identity, such as age, disability, gender (including gender reassignment, marital status, pregnancy and maternity), ethnicity (including race, colour or nationality), religion or belief (including non-belief) or sexual orientation.

- **Risk management**

The trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Members' liability

The members of the trust guarantee to contribute an amount not exceeding £10 to the assets of the trust in the event of winding up.

Statement of trustees' responsibilities

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

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

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

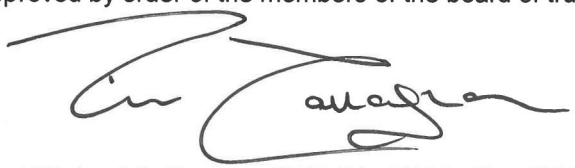
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Companies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

Disclosure of information to auditor

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

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

Approved by order of the members of the board of trustees on 26 July 2023 and signed on their behalf by:



Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees



Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust

Opinion

We have audited the financial statements of Sunderland Music, Arts and Culture Trust ('the Trust') for the year ended 31 October 2022 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.



Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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

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

26 July 2023

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 October 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations	4	**340,588**	**947,073**	**1,287,661**	4,087,077
Other activities	5	**123,001**	**-**	**123,001**	8,500
Total income		**463,589**	**947,073**	**1,410,662**	4,095,577
Expenditure on:					
Charitable activities	6	**604,547**	**112,026**	**716,573**	257,801
Total expenditure		**604,547**	**112,026**	**716,573**	257,801
Net (expenditure)/income		**(140,958)**	**835,047**	**694,089**	3,837,776
Transfers between funds	13	**835,047**	**(835,047)**	**-**	-
Net movement in funds		**694,089**	**-**	**694,089**	3,837,776
Reconciliation of funds:					
Total funds brought forward		**10,147,149**	**-**	**10,147,149**	6,309,373
Net movement in funds		**694,089**	**-**	**694,089**	3,837,776
Total funds carried forward		**10,841,238**	**-**	**10,841,238**	10,147,149

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 29 form part of these financial statements.

Sunderland Music, Arts and Culture Trust

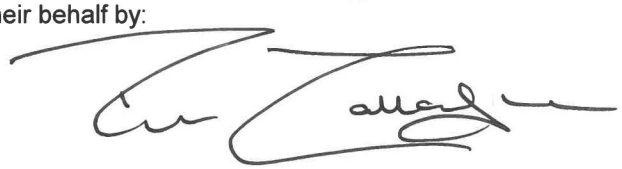
(A company limited by guarantee)

Balance sheet
At 31 October 2022

	Note	2022 £		2021 £	
Fixed assets					
Tangible assets	8		**13,399,744**		12,007,924
Current assets					
Debtors	10	**313,373**		856,898	
Cash at bank and in hand		**5,644**		47,639	
		319,017		904,537	
Creditors: amounts falling due within one year	11	**(357,523)**		(465,312)	
Net current (liabilities)/assets			**(38,506)**		439,225
Total assets less current liabilities			**13,361,238**		12,447,149
Creditors: amounts falling due after more than one year	12		**(2,520,000)**		(2,300,000)
Total net assets			**10,841,238**		10,147,149
Charity funds					
Restricted funds	13		**-**		-
Unrestricted funds	13		**10,841,238**		10,147,149
Total funds			**10,841,238**		10,147,149

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

The financial statements were approved and authorised for issue by the trustees on 26 July 2023 and signed on their behalf by:



Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Company registered number: 08251877

The notes on pages 18 to 29 form part of these financial statements.

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of cash flows
Year ended 31 October 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	15	**1,234,931**	2,881,392
Cash flows from investing activities			
Purchase of tangible fixed assets		**(1,496,926)**	(4,077,393)
Net cash used in investing activities		**(1,496,926)**	(4,077,393)
Cash flows from financing activities			
Cash inflows from new borrowing		**775,000**	1,195,000
Repayments of borrowing		**(555,000)**	(404,000)
Net cash provided by financing activities		**220,000**	791,000
Change in cash and cash equivalents in the year		**(41,995)**	(405,001)
Cash and cash equivalents at the beginning of the year		**47,639**	452,640
Cash and cash equivalents at the end of the year	16	**5,644**	47,639

The notes on pages 18 to 29 form part of these financial statements

Notes to the financial statements
Year ended 31 October 2022

1. General information

Sunderland Music, Arts and Culture Trust ('the trust') is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is disclosed in the reference and administrative details page on page 1 and the principal activity is disclosed in the trustees' report on page 2.

2. Accounting policies

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

2.1 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.

The 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 financial statements are prepared in sterling, which is the functional currency of the charity and are rounded to the nearest £1.

2.2 Going concern

Although in a net current liabilities position, the Trust expects to continue to receive rental income in 2022 and 2023 as detailed in the reserves policy in the Trustees' report on page 7. It continues to be supported by Leighton Management, which has confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding until the Auditorium is fully operational and further income sources come on stream. After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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.

2.3 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income is recognised on an accruals basis.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity.

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

2.6 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.

2.7 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.

2.8 Liabilities

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 trust 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.

2.9 Pensions

The trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the trust to the fund in respect of the year.

2. Accounting policies (continued)

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

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

The only estimate included within these financial statements is the depreciation charge. This is not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

4. Income from donations

	Unrestricted funds 2022 £	**Restricted funds 2022 £**	**Total funds 2022 £**
Donations	340,588	-	**340,588**
Grants	-	947,073	**947,073**
	340,588	947,073	**1,287,661**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Grants	4,513	4,082,564	4,087,077

5. Income from other activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	123,001	**123,001**	8,500

There is an agreement with Leighton Management for the Trust to receive rent until 2027.

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	355,132	361,441	**716,573**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	147,567	110,234	257,801

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Delivery of capital projects	1,940	**1,940**	13,468
Summer Streets Festival	59,765	**59,765**	35,545
Building management costs	45,000	**45,000**	-
Cultural Spring	-	**-**	8,093
Sunderland Culture project delivery costs	112,025	**112,025**	37,342
Insurance	30,077	**30,077**	16,784
Utilities	32,990	**32,990**	12,526
Repairs and maintenance	30,402	**30,402**	9,476
Cleaning	42,933	**42,933**	14,333
	355,132	**355,132**	147,567

Analysis of support costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	23,078	**23,078**	-
Depreciation	284,549	**284,549**	81,753
Administration	38,433	**38,433**	22,668
Auditor's remuneration for the audit of these accounts	6,300	**6,300**	5,813
Auditor's remuneration for other assurance services	500	**500**	-
Auditor's remuneration for other financial services	8,581	**8,581**	-
	361,441	**361,441**	110,234

7. Staff costs

	2022 £	2021 £
Wages and salaries	**22,750**	-
Contribution to defined contribution pension schemes	**328**	-
	23,078	-

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

	2022 No.	2021 No.
Employees	**1**	-

No employee received remuneration amounting to more than £60,000 in either year.

No trustees received any remuneration or benefits for their services to the trust, nor were any expenses reimbursed to trustees during the year (2021: £nil).

Key management personnel is considered to be the one employee, whose total remuneration was £23,078 as disclosed above.

8. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2021	**8,374,650**	**3,933,930**	**13,444**	**125**	**12,322,149**
Additions	**1,428,386**	**31,555**	**199,792**	**16,636**	**1,676,369**
Transfers between classes	**(9,730,338)**	**9,730,338**	**-**	**-**	**-**
At 31 October 2022	**72,698**	**13,695,823**	**213,236**	**16,761**	**13,998,518**
Depreciation					
At 1 November 2021	**-**	**301,797**	**12,303**	**125**	**314,225**
Charge for the year	**-**	**241,775**	**39,035**	**3,739**	**284,549**
At 31 October 2022	**-**	**543,572**	**51,338**	**3,864**	**598,774**
Net book value					
At 31 October 2022	**72,698**	**13,152,251**	**161,898**	**12,897**	**13,399,744**
At 31 October 2021	8,374,650	3,632,133	1,141	-	12,007,924

Included in land and buildings is land with a cost of £121,555 (2021: £90,000) which is not depreciated.

9. Fixed asset investments

The Trust is a 33.3% member of Sunderland Culture Limited, a partnership between the trust, Sunderland City Council and Sunderland University.

The trustees do not consider the trust to have significant influence over Sunderland Culture Limited, which is a separate registered charity, and therefore do not consider it to be an associate. Accordingly, Sunderland Culture Limited is not consolidated into the accounts of the trust.

10. Debtors

	2022 £	2021 £
Trade debtors	**30,078**	-
Other debtors	**45,508**	28,727
Prepayments and accrued income	**237,787**	828,171
	313,373	856,898

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	**68,892**	3,029
Other taxation and social security	**732**	-
Accruals and deferred income	**287,899**	462,283
	357,523	465,312

	2022 £	2021 £
Deferred income at 1 November	**37,342**	-
Resources deferred during the year	**-**	37,342
Amounts released from previous years	**(37,342)**	-
Deferred income at 31 October	**-**	37,342

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

	2022 £	2021 £
Loan	**2,520,000**	2,300,000

The loan, which is from Leighton Management Limited, has a term of 40 years, is unsecured, accrues interest at 3% per annum and is repayable in consecutive monthly instalments commencing in November 2020 and continuing until October 2060. However, Leighton Management Limited have confirmed that the scheduled payments of capital and interest during the year ending 31 October 2023 have been waived, therefore the full value of the loan has been classified as due in more than one year.

Leighton Management Limited has also waived payments of capital and interest during the year to 31 October 2022. The total value of interest charges waived during the year was £80,409 (2021: £54,473).

13. Statement of funds

Statement of funds - current year

	Balance at 1 November 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2022 £
Unrestricted funds					
General funds	**10,147,149**	**463,589**	**(604,547)**	**835,047**	**10,841,238**
Restricted funds					
Restricted funds	**-**	**947,073**	**(112,026)**	**(835,047)**	**-**
Total funds	**10,147,149**	**1,410,662**	**(716,573)**	**-**	**10,841,238**

Restricted funds represent grants received for specific capital projects, with funds transferred to unrestricted funds on defrayment.

Statement of funds - prior year

	Balance at 1 November 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2021 £
Unrestricted funds					
General funds	6,309,373	13,013	(220,459)	4,045,222	10,147,149
Restricted funds					
Restricted funds	-	4,082,564	(37,342)	(4,045,222)	-
Total funds	6,309,373	4,095,577	(257,801)	-	10,147,149

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	13,399,744	**13,399,744**
Current assets	319,017	**319,017**
Creditors due within one year	(357,523)	**(357,523)**
Creditors due in more than one year	(2,520,000)	**(2,520,000)**
Total	10,841,238	**10,841,238**

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	12,007,924	-	12,007,924
Current assets	565,885	338,652	904,537
Creditors due within one year	(126,660)	(338,652)	(465,312)
Creditors due in more than one year	(2,300,000)	-	(2,300,000)
Total	10,147,149	-	10,147,149

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

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	**694,089**	3,837,776
Adjustments for:		
Depreciation charges	**284,549**	81,754
Decrease/(increase) in debtors	**543,525**	(633,713)
Decrease in creditors	**(287,232)**	(404,425)
Net cash provided by operating activities	**1,234,931**	2,881,392

16. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	**5,644**	47,639

17. Analysis of changes in net debt

	At 1 November 2021	Cash flows	At 31 October 2022
	£	£	£
Cash at bank and in hand	**47,639**	**(41,995)**	**5,644**
Debt due after 1 year	**(2,300,000)**	**(220,000)**	**(2,520,000)**

18. Capital commitments

	2022	2021
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**-**	1,332,657

19. Pension commitments

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £328 (2021: £nil). No contributions were outstanding at the year end (2021: £nil).

20. Operating leases

The Trust owns land and buildings which are rented out to a third party. At 31 October 2022 the trust had future minimum lease receipts under a non-cancellable operating lease as follows:

	2022	2021
	£	£
Not later than 1 year	**52,850**	52,850
Later than 1 year and not later than 5 years	**211,400**	211,400
Later than 5 years	**-**	52,850
	264,250	317,100

21. Related party transactions

Included within creditors are loans from Leighton Management Limited, a company wholly owned by Paul Callaghan, trustee, totalling £2,520,000 (2021: £2,300,000). During the year, the Trust paid £996 (2021: £9,414) to Leighton Management Limited in relation to recharges of costs. During the year, the Trust received £77,530 (2021: £11,050) from Leighton Management Limited in relation to rent of land and buildings (see note 20) and was owed £30,078 (2021: £nil) at the year end. Furthermore, the Trust received £25,650 (2021: £nil) in donations from Leighton Management Limited.

During the year, the Trust paid £nil (2021: £13,203) to Ross Millard, trustee, for his role as the artistic director of the Summer Streets Festival, a project supported by the Trust.

During the year, the Trust paid £nil (2021: £3,000) to Richard Callaghan, son of Paul Callaghan, trustee, in relation to consultancy fees.

During the year, the Trust paid £4,074 (2021: £197) to Pub Culture Ltd, a company in which Paul Callaghan, trustee, is a director, in relation to recharges of costs.

During the year, the Trust paid £nil (2021: £413) to Sunderland BID Limited, a company in which Graeme Thompson, trustee, is a director, in relation to rent and rates, and owed £nil (2021: £413) at the year end.

During the year, the Trust paid £3,936 (2021: £nil) to Sunderland Culture Limited, a company in which the Trust is a 33.3% member, and owed £54,000 (2021: £nil) at the year end.

During the year, the Trust received £250,000 (2021: £nil) from Paul Callaghan, trustee, in donations.

SUNDERLAND MUSIC, ARTS & CULTURE TRUST

England & Wales - Charity number 1150733

Accounts

Registered number: 08251877
Charity number: 1150733

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Annual report

Year ended 31 October 2021

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Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 9
Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust	10 - 13
Statement of financial activities incorporating income and expenditure account	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 28

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 October 2021

Trustees

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA, Chair
John Dennis Mowbray, OBE, DL
Robert William Lawson OBE
Ross George Thomas Millard
Marie Nixon
Graeme Thompson MBE

Company registered number

08251877

Charity registered number

1150733

Registered office

The Fire Station
High Street West
Sunderland
SR1 3HA

Company secretary

Paul Callaghan

Independent auditor

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

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 October 2021

The trustees present their annual report together with the audited financial statements of the trust for the 1 November 2020 to 31 October 2021. The trustees present their annual report together with the audited financial statements of the Trust for the year 1 November 2020 to 31 October 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Objectives and activities

- **Policies and objectives**

Established in 2012, Sunderland Music, Arts and Culture Trust ('the Trust') has the objective of being a catalyst, developer, and promoter of cultural activities within the city. It aims to bring together people with ability, talent and ambition who share a vision for Sunderland's future as a vibrant, creative, and exciting place where the arts, music, and culture flourish.

It encourages people of all ages and all backgrounds to participate in cultural activities such as playing an instrument, learning to dance, act or sing or creating literature or poetry. It also helps build audiences for the arts and culture performances in Sunderland.

The Trust sees the digital revolution that has been created through new technology and the internet as an amazing opportunity, allowing new forms of creativity and providing ways of reaching existing and new audiences.

The Trust develops the infrastructure and venues needed for this cultural renaissance in the city and helps to build organisations and capacity within the sector.

Through a broad, balanced, and sustainable programme of high quality art and cultural activities for all, it has developed the range of its partnerships, the reach of its programming and awareness of its work. It helps create and promote excellent arts and cultural programmes and events that engage and involve participants, encourage new and diverse audiences, and enhance the wellbeing of the communities it works with.

The charity's objects are for the benefit of the public generally and in particular the inhabitants of Sunderland and its surrounding areas:

1. To promote urban or rural regeneration in areas of social and economic deprivation, particularly in Sunderland and its surrounding areas, by any or all of the following means:

- the maintenance, improvement or provision of public amenities;
- the preservation of buildings or sites of historic or architectural importance;
- the provision of recreational facilities for the public at large or for those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances have need of such facilities; and
- such other means as the trustees may from time to time determine.

Objectives and activities (continued)

2. To advance the arts (including music, music theatre, drama, decorative and visual arts, dance, ballet, circus, poetry, music hall, comedy, and variety performance) and the education of the public in the arts by:

- the establishment and maintenance of an arts venue and the presentation, production and commissioning of public concerts, plays, shows, performances and other demonstrations of the arts at the said venue and elsewhere;
- such other means as the trustees may from time to time determine; and
- for such other exclusively charitable purposes as the trustees may from time to time determine.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

- **Activities undertaken to achieve objectives**

Since it was established in 2012, the Trust has been active in the following three areas in the city of Sunderland and the wider north east region:

1. The development of major infrastructure projects for arts and culture or to support arts and culture;

2. The delivery, promotion and support of cultural activity, events, and cultural organisations; and

3. The establishment of innovative governance structures in partnership with key civic players to create and deliver a cultural strategy for the city.

1. The development of infrastructure

The primary objective under this area of activity has been the creation of a cultural quarter in the centre of Sunderland. This has involved a major regeneration of the Edwardian heart of the city, focusing on buildings or sites that are all within the Bishopwearmouth Conservation Area and sit next to Sunderland Minster and the Sunderland Empire. Of these, three were built between 1901 and 1908, the Dun Cow pub, the Old Fire Station, and the Peacock pub. The final area of development has been the construction of the Fire Station Auditorium, a performing arts venue situated on a site between the Empire and the Fire Station on which there were previously three car parks created after previous buildings were demolished after bomb damage or later redevelopment. Despite the challenges caused by the Covid pandemic, the Auditorium was completed and opened in December 2021.

Buildings within the Cultural Quarter will be used for arts and cultural purposes and collectively will form the vibrant and creative cultural heart of the city. The Quarter now includes theatre, music and dance spaces, facilities for new cultural enterprises and music and artistic education studios and centres. The funding for this ambitious regeneration of the centre of Sunderland through Arts and Culture has come from a number of sources. The Heritage Lottery Fund was the first major funder to commit, and this was followed by support both in cash and in property by Sunderland City Council which has become an enthusiastic and committed partner in the project. Arts Council England committed significant funding for the Fire Station and Auditorium. There has been significant private sector investment in the project from Leighton Management, a Sunderland-based company. The company funded the initial master planning for the Quarter and has made significant loan funding available to the Trust to enable the project to progress. Leighton Management has purchased both the Dun Cow and the Peacock pubs as part of the project. The rent from both pubs will be used to provide significant additional revenue funding for the Fire Station and Auditorium until 2027. The Trust is also extremely grateful for the generous financial support it has received from the following Trusts and Foundations: The Garfield Weston Foundation, The Catherine Cookson Charitable Trust, The Foyle Foundation, the Wolfson Foundation, the Backstage Trust, and the Sir James Knott Trust.

Objectives and activities (continued)

2. The delivery, promotion, and support of cultural activity

The Trust also believes in being both a catalyst and developer of cultural activity within the city and has promoted, funded, and initiated several key activities within Sunderland over recent years. The most significant of these activities is:

The Cultural Spring
This project was established in 2014 as part of the Arts Council England Creative People and Places programme for Sunderland and South Tyneside. The three initial partners were the Trust, Sunderland University, and the Customs House. The founding partners have now been joined by Sangini, a Black and minority ethnic (BME) led, multicultural women's organisation based in Sunderland. The Trust funded the initial bid proposal and has continued to provide funding and leadership. The Cultural Spring has been extremely successful with a series of community based initiatives as well as several major events including the Great North Passion, Rush, Summer Streets, and Inventors! The Cultural Spring has been again funded by Arts Council England in the recent round of the Creative People and Places ('CPP') programme. The latest grant brings Cultural Spring's total CPP funding to £5.5million since 2014. The new Sunderland programme began in April 2022.

The Cultural Spring works with the best local, regional, and national artists to provide workshops, events, and subsidised tickets and since 2014, has worked across 26 ward areas in South Tyneside and Sunderland to engage communities in the arts. The project's aim is to leave a legacy of communities interested in the arts by increasing participation in arts and culture, enabling more excellent art and creativity, and helping communities to set up and run sustainable events and workshops. The workshop programme includes activities like ceramics, guitar and ukulele, crafting, drawing, painting, photography, singing, dancing, theatre and more, run by professional artists. The aim is to make these activities as accessible as possible using local venues that communities are familiar with. Other Cultural Spring Programmes include 'Go and See' that aims to give people in Sunderland and South Tyneside the chance to experience the best arts and cultural events across the North East and beyond and 'Your Art' which supports communities to develop their own arts ideas and to support people to shape, lead and programme arts events that they want in their communities. To date, 144 Your Art projects have been supported

In September 2020, The Cultural Spring Charity was established to support the work and values of The Cultural Spring project and increase investment in arts and culture from a range of sources, including trusts and foundations. Currently, the Charity's main priority is working with partners to ensure The Cultural Spring continues its work in South Tyneside once the current CPP project comes to an end there in March 2023. This is due to South Tyneside no longer being eligible for Creative People and Places funding.

The MAC Trust has representation on the Steering Group of the Cultural Spring and on the Cultural Spring Charity Board and is committed to continuing to develop the work of The Cultural Spring and exploring new opportunities for communities to engage in arts and culture across Sunderland and South Tyneside.

3. The establishment of innovative governance structures

The Trust was conceived not just as a mechanism for delivering infrastructure and cultural activity but also a vehicle that would demonstrate clear strategic cultural leadership in the city. It has worked with two key partners in seeking to achieve this: Sunderland University and the City Council. Both have ownership of key cultural assets in the city but more importantly both recognise the advantages and synergies that can be achieved in working collectively. This has been a three stage process.

Sunderland Cultural Partnership
This was formed in 2013 bringing together the University, Council and the Trust working together with Arts Council England and the Heritage Lottery Fund to develop the cultural life of the city. It has been a forum and decision making body that has galvanized activity and focused minds in a way that the city has never previously seen. It has effective working groups and action groups and has been widely recognised for its success.

Objectives and activities (continued)

The Sunderland Cultural Strategy
The Trust was a driving force in the development of this strategy that is a statement of the clear strategic vision that is now being developed within the city. Sponsored by the Cultural Partnership it involved a range of city partners and was extremely well received both within the cultural community but also in the wider world. It has been described as the trigger for the Sunderland Cultural Renaissance.

Sunderland Culture Limited
Following the success of the cultural partnership model, the three key partners agreed to take the next step and in early 2016 formed Sunderland Culture Limited, a charitable trust, providing long term leadership of culture and the arts in the city. Under Sunderland Culture the key assets of the city including the National Glass Centre, The Museum and Winter Gardens, the Northern Gallery for Contemporary Art and the Fire Station are strategically managed. The Trust, as one of the three partners, has been the funder of this initiative and will work collectively to ensure its success in the future. Sunderland Culture is an Arts Council England National Portfolio Organisations and a registered charity.

Achievements and performance

- **Review of activities**

2020/21 has continued to be a challenging year for organisations in the arts and culture sector. The Covid 19 pandemic has meant that many venues, including the Fire Station, were closed for much of the year either as a part of the Government's activity lockdown or because of staffing challenges caused by Covid 19 or self isolation.

The Fire Station is the Sunderland home for Dance City, which delivers a range of dance programmes and has its MA in Dance based there but its programmes have been disrupted by the pandemic. Live Tales Sunderland, the project run by Live Theatre, is also based in the Fire Station, and has also faced considerable disruption. In September 2021, the Fire Station became the home of the Northern Academy for Music Education, an independent music academy, which delivers a BA (Music Industries) validated by the University of Sunderland. It is based on the top floor of the Fire Station and the upper floors of the Peacock.

Brims Construction have been the main contractor for the Auditorium build, and while the project has suffered delays through lockdown and the impact of Covid 19 on staff and supply chains, the build continued, and the Auditorium was opened on December 10th, 2021. The Trust has agreed a management protocol with Sunderland Culture so that all programming and operations in the Fire Station will be delivered by Sunderland Culture.

The Trust is particularly grateful for the support it has received from Sunderland City Council and Arts Council England. Without their significant financial support, these developments would not have been possible.

The Trust has continued to work with the City Council and Sunderland University through Sunderland Culture, delivering both cultural activities and managing the city's cultural venues. The impact of the Covid 19 pandemic resulted in exceptional challenges for Sunderland Culture during 2020/21. Vital investment from DCMS, through the Culture Recovery Fund, Arts Council England, Art Fund, Garfield Weston Culture Fund and Sunderland City Council enabled it to keep going and despite all the uncertainties, it launched a new online shop to generate vital earned income, developed new digital exhibitions and performances so audiences could still access its programme, designed creative activity packs to support health and wellbeing and creative learning for children and adults across the city, delivered artist support and training sessions and secured funding for new artists commissions and creative projects. This shows more than ever the critical role that arts and culture plays in difficult times.

Financial review

- **Financial performance**

Capital work on the Auditorium continued during 2020/21, with grants being received from Arts Council England and from the DCMS Cultural Recovery Fund to support the project as well as generous support from several Trusts and Foundations. Following the completion of the Fire Station project in 2017/18 rental income was being generated but this has been reduced since the start of the pandemic to support the cultural organisations using the building. In addition, the pubs were closed for periods during the year, however both income streams began to recover as restrictions eased and venues were able to reopen in late summer 2021.

The Trust has incurred expenditure in relation to the ongoing management of the Fire Station and the delivery of the Summer Streets Festival.

The trustees are satisfied with the overall performance in the year and the year-end position, given the ongoing development underway.

- **Going concern**

The Trust expects to continue to receive rental income in 2022 and 2023 as detailed in the reserves policy below. It continues to be supported by Leighton Management, who have confirmed that it will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management will continue to provide loan funding until the Auditorium is fully operational and further income sources come on stream.

The Covid 19 pandemic has obviously impacted on the arts and culture sector as a whole, with pubs and venues closed. Whilst this will inevitably impact on the immediate income streams of the trust, it is not expected to affect the longer term plan and vision for the culture of the city as lockdown lifts and activities recommence over the coming months. Leighton Management have confirmed their commitment to underwrite the activities of the trust until it is income generating and able to be self supporting.

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

- **Reserves policy**

At the year end the Trust has unrestricted reserves of £9,484,992, of which £12,007,924 was tied up in fixed assets with the deficit funded through loans. The Trust will seek to accrue reserves once the development phase of the MACQ project is complete. It anticipates continuing to earn income from the Peacock and Dun Cow Public Houses, the Fire Station, and the Auditorium in the 2021/22 financial year, albeit at reduced levels due to the Covid 19 pandemic. The Trust will also continue to seek other grants from charitable trusts to support its work in the future.

- **Plans for the future**

The successful launch of the Auditorium and then development of associated events and projects will be the focus of much of the Trust's work in the coming period.

The Trust will continue to support Sunderland Culture in managing the Fire Station as well as developing projects with several partners. The success of Sunderland Culture is important for the city and the Trust will continue to play a major role in helping deliver its cultural strategy for the next decade.

Structure, governance and management

- **Constitution**

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 October 2012. It is a registered charity, number 1150733.

- **The board and its members**

The management of the company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. Induction is provided to new trustees if necessary.

The board has minimum number of five and maximum of 11 members. In the 2020/21 financial year the board had six members.

Articles provide for 'members' and 'directors' but in practice members of the board are both directors of the company and trustees of the trust. However, representatives of funding organisations (such as Sunderland City Council, the Heritage Lottery Fund and Arts Council England) may also attend as observers and participate in Board meetings.

Board composition and recruitment

Board membership reflects the diversity of the communities that the trust serves. In selecting its members, the board aims for a gender balance and encourages an appropriate age distribution. Furthermore, the board has a range of relevant skills, experience and abilities and has members who bring one or more of the following skills and experience:

- Arts and Entertainment Performance
- Finance/Accounting/Business and business development
- Fundraising
- Networked within the business and/or wider community
- Marketing and communications
- Digital Social Media
- Education, training, skills development
- Human Resources Management
- Capital and premises development
- Legal
- Community Representation

Role of the board

Board members have corporate and individual responsibilities under company law and charity law. The board is responsible for the overall governance and strategic direction of the trust, developing its aims, objectives and goals in accordance with the governing document, as well as legal and regulatory guidelines. It is responsible overall for the future success of the trust and ensuring its long-term financial sustainability.

The board acts collectively and corporately, with care, diligence and skills, in the best interests of the trust.

Structure, governance and management (continued)

- **Diversity**

The trust values and celebrates the diversity of all its artists, participants, audience members and staff. It is committed to providing a cultural and work environment free from discrimination, bullying, harassment or victimisation, where all artists, participants, audience members and staff are treated with respect and dignity. It aims to create a culture of diversity and inclusivity within the trust and its activities, providing a dynamic working and cultural environment, where all members are valued for their contribution and individuality.

Through its policies and practices, it works to ensure that all artists, participants, audience members and staff are welcome and do not face discrimination with regard to any aspect of their identity, such as age, disability, gender (including gender reassignment, marital status, pregnancy and maternity), ethnicity (including race, colour or nationality), religion or belief (including non-belief) or sexual orientation.

- **Risk management**

The trustees have assessed the major risks to which the trust is exposed, in particular those related to the operations and finances of the trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Members' liability

The members of the trust guarantee to contribute an amount not exceeding £10 to the assets of the trust in the event of winding up.

Statement of trustees' responsibilities

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

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

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

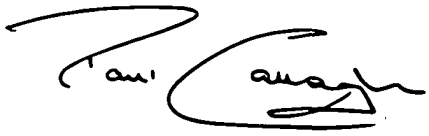
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Companies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

Disclosure of information to auditor

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

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

Approved by order of the members of the board of trustees on 27 July 2022 and signed on their behalf by:



Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust

Opinion

We have audited the financial statements of Sunderland Music, Arts and Culture Trust (the 'trust') for the year ended 31 October 2021 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.



Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
:We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by Auditing Standards) and from inspection of the charitable company's legal correspondence and we discussed with the trustees and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

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

Use of our report

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

Anne Hallowell

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

27 July 2022

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 October 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations	4	**4,513**	**4,082,564**	**4,087,077**	3,738,981
Other activities	5	**8,500**	**-**	**8,500**	2,476
Investments	6	**-**	**-**	**-**	630
Total income		**13,013**	**4,082,564**	**4,095,577**	3,742,087
Expenditure on:					
Charitable activities	7	**220,459**	**37,342**	**257,801**	224,619
Total expenditure		**220,459**	**37,342**	**257,801**	224,619
Net (expenditure)/income		**(207,446)**	**4,045,222**	**3,837,776**	3,517,468
Transfers between funds	13	**4,045,222**	**(4,045,222)**	**-**	-
Net movement in funds		**3,837,776**	**-**	**3,837,776**	3,517,468
Reconciliation of funds:					
Total funds brought forward		**6,309,373**	**-**	**6,309,373**	2,791,905
Net movement in funds		**3,837,776**	**-**	**3,837,776**	3,517,468
Total funds carried forward		**10,147,149**	**-**	**10,147,149**	6,309,373

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 28 form part of these financial statements.

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Balance sheet
At 31 October 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	8		**12,007,924**		7,670,628
Current assets					
Debtors	10	**856,898**		223,185	
Cash at bank and in hand		**47,639**		452,640	
		904,537		675,825	
Creditors: amounts falling due within one year	11	**(465,312)**		(1,257,080)	
Net current assets / liabilities			**439,225**		(581,255)
Total assets less current liabilities			**12,447,149**		7,089,373
Creditors: amounts falling due after more than one year	12		**(2,300,000)**		(780,000)
Total net assets			**10,147,149**		6,309,373
Charity funds					
Restricted funds	13		**-**		-
Unrestricted funds	13		**10,147,149**		6,309,373
Total funds			**10,147,149**		6,309,373

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

The financial statements were approved and authorised for issue by the trustees on 27 July 2022 and signed on their behalf by:

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Company registered number: 08251877

The notes on pages 17 to 28 form part of these financial statements.

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of cash flows
Year ended 31 October 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	15	**2,881,392**	3,644,853
Cash flows from investing activities			
Purchase of tangible fixed assets		**(4,077,393)**	(3,360,963)
Net cash used in investing activities		**(4,077,393)**	(3,360,963)
Cash flows from financing activities			
Cash inflows from new borrowing		**1,195,000**	472,000
Repayments of borrowing		**(404,000)**	(662,000)
Net cash provided by/(used in) financing activities		**791,000**	(190,000)
Change in cash and cash equivalents in the year		**(405,001)**	93,890
Cash and cash equivalents at the beginning of the year		**452,640**	358,750
Cash and cash equivalents at the end of the year	16	**47,639**	452,640

The notes on pages 17 to 28 form part of these financial statements

Notes to the financial statements
Year ended 31 October 2021

1. General information

Sunderland Music, Arts and Culture Trust ('the trust') is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is disclosed in the reference and administrative details page on page 1 and the principal activity is disclosed in the trustees' report on page 2.

2. Accounting policies

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

2.1 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.

The trust has early adopted the Amendments to FRS 102: COVID-19 related rent concessions.

The 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 financial statements are prepared in sterling, which is the functional currency of the charity and are rounded to the nearest £1.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The ability of the trust to continue as a going concern is dependent on the continuing support of related parties, who have financed the initial work during this start up and project development phase. Trustees have confirmed that the outstanding loan balances will not be repaid until the trust is in a position to do so, and that they will inject sufficient additional funds should the need arise, thus enabling the trust to continue to operate as a going concern. Whilst the income streams of the trust generated from venues have been reduced through the Covid-19 pandemic, the trust is not yet wholly dependent upon them through the development phase of its vision and consequently the impact of Covid-19 has not been significant. On this basis, the trustees believe the going concern assumption is appropriate in the preparation of these financial statements.

2. Accounting policies (continued)

2.3 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income is recognised on an accruals basis.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity.

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	*2% straight line*
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

2.6 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.

2.7 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.

2. Accounting policies (continued)

2.8 Liabilities

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 trust 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.

2.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

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

The only estimate included within these financial statements is the depreciation charge. This is not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

4. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Grants	4,513	4,082,564	**4,087,077**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Grants	15,000	3,723,981	3,738,981

5. Income from other activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	8,500	**8,500**	2,476

6. Investment income

	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	-	630

Notes to the financial statements
Year ended 31 October 2021

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	94,448	163,353	**257,801**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Charitable activities	66,808	157,811	224,619

Analysis of direct costs

	Charitable activities 2021 £	Total funds 2021 £	Total funds 2020 £
Delivery of capital projects	13,468	**13,468**	7,964
Summer Streets Festival	35,545	**35,545**	25,351
Building management costs	-	**-**	22,500
Cultural Spring	8,093	**8,093**	10,993
Sunderland Culture project delivery costs	37,342	**37,342**	-
	94,448	**94,448**	66,808

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2021 £	Total funds 2021 £	Total funds 2020 £
Depreciation	81,753	**81,753**	79,604
Administration	75,787	**75,787**	73,018
Auditor's remuneration for the audit of these accounts	5,813	**5,813**	5,000
Auditor's remuneration for other services	-	**-**	189
	163,353	**163,353**	157,811

The Trust has no employees. No trustees received any remuneration or benefits for their services to the trust, nor were any expenses reimbursed to trustees during the year (2020: £nil).

8. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2020	**3,986,695**	**3,902,835**	**13,444**	**125**	**7,903,099**
Additions	**4,387,955**	**31,095**	**-**	**-**	**4,419,050**
At 31 October 2021	**8,374,650**	**3,933,930**	**13,444**	**125**	**12,322,149**
Depreciation					
At 1 November 2020	**-**	**223,391**	**8,955**	**125**	**232,471**
Charge for the year	**-**	**78,406**	**3,348**	**-**	**81,754**
At 31 October 2021	**-**	**301,797**	**12,303**	**125**	**314,225**
Net book value					
At 31 October 2021	**8,374,650**	**3,632,133**	**1,141**	**-**	**12,007,924**
At 31 October 2020	3,986,695	3,679,444	4,489	-	7,670,628

Included in land and buildings is land with a cost of £90,000 (2020: £90,000) which is not depreciated.

9. Fixed asset investments

The Trust is a 33.3% member of Sunderland Culture Limited, a partnership between the trust, Sunderland City Council and Sunderland University.

The trustees do not consider the trust to have significant influence over Sunderland Culture Limited, and therefore do not consider it to be an associate. Accordingly, Sunderland Culture Limited is not consolidated into the accounts of the trust.

10. Debtors

	2021 £	2020 £
Trade debtors	-	5,850
Other debtors	**28,727**	56,854
Prepayments and accrued income	**828,171**	160,481
	856,898	223,185

11. Creditors: amounts falling due within one year

	2021 £	2020 £
Loan	-	729,000
Trade creditors	**3,029**	350,322
Accruals and deferred income	**462,283**	177,758
	465,312	1,257,080

	2021 £	2020 £
Deferred income at 1 November	-	350,000
Resources deferred during the year	**37,342**	-
Amounts released from previous years	-	(350,000)
Deferred income at 31 October	**37,342**	-

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

	2021 £	2020 £
Loan	**2,300,000**	780,000

The loan, which is from Leighton Management Limited, has a term of 40 years, is unsecured, accrues interest at 3% per annum and is repayable in consecutive monthly instalments commencing in November 2020 and continuing until October 2060. However, Leighton Management Limited have confirmed that the scheduled payments of capital during the year ending 31 October 2022 have been waived, therefore the full value of the loan has been classified as due in more than one year.

Leighton Management Limited has also waived payments of capital and interest during the year to 31 October 2021. The total value of interest charges waived during the year was £54,473 (2020: £31,954).

13. Statement of funds

Statement of funds - current year

	Balance at 1 November 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2021 £
Unrestricted funds					
General funds	**6,309,373**	**13,013**	**(220,459)**	**4,045,222**	**10,147,149**
Restricted funds					
Restricted funds	**-**	**4,082,564**	**(37,342)**	**(4,045,222)**	**-**
Total funds	**6,309,373**	**4,095,577**	**(257,801)**	**-**	**10,147,149**

Restricted funds represent grants received for specific capital projects, with funds transferred to unrestricted funds on defrayment.

Statement of funds - prior year

	Balance at 1 November 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2020 £
Unrestricted funds					
General funds	2,791,905	18,106	(224,619)	3,723,981	6,309,373
Restricted funds					
Restricted funds	-	3,723,981	-	(3,723,981)	-
Total funds	2,791,905	3,742,087	(224,619)	-	6,309,373

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	12,007,924	-	**12,007,924**
Current assets	565,885	338,652	**904,537**
Creditors due within one year	(126,660)	(338,652)	**(465,312)**
Creditors due in more than one year	(2,300,000)	-	**(2,300,000)**
Total	10,147,149	-	**10,147,149**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,670,628	7,670,628
Current assets	675,825	675,825
Creditors due within one year	(1,257,080)	(1,257,080)
Creditors due in more than one year	(780,000)	(780,000)
Total	6,309,373	6,309,373

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	**3,837,776**	3,517,468
Adjustments for:		
Depreciation charges	**81,754**	79,604
Decrease/(increase) in debtors	**(633,713)**	100,466
(Decrease)/increase in creditors	**(404,425)**	(52,685)
Net cash provided by operating activities	**2,881,392**	3,644,853

16. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	**47,639**	452,640

17. Analysis of changes in net debt

	At 1 November 2020	Cash flows	Other non-cash changes	At 31 October 2021
	£	£	£	£
Cash at bank and in hand	**452,640**	**(405,001)**	**-**	**47,639**
Debt due within 1 year	**(729,000)**	**-**	**729,000**	**-**
Debt due after 1 year	**(780,000)**	**(791,000)**	**(729,000)**	**(2,300,000)**

18. Capital commitments

	2021	2020
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**1,332,657**	3,485,088

19. Operating leases

The Trust owns land and buildings which are rented out to a third party. At 31 October 2021 the trust had future minimum lease receipts under a non-cancellable operating lease as follows:

	2021	2020
	£	£
Not later than 1 year	**52,850**	52,850
Later than 1 year and not later than 5 years	**211,400**	211,400
Later than 5 years	**52,850**	114,508
	317,100	378,758

20. Related party transactions

Included within creditors are loans from Leighton Management Limited, a company wholly owned by Paul Callaghan, trustee, totalling £2,300,000 (2020: £1,509,000). During the year, the Trust paid £9,414 (2020: £8,053) to Leighton Management Limited and owed £nil (2020: £1,103) at the year end. During the year, the Trust received £11,050 (2020: £4,237) from Leighton Management Limited and was owed £nil (2020: £850) at the year end.

The Trust is the accountable body for a grant from Arts Council England, with Sunderland Culture, a company of which Paul Callaghan, John Mowbray and Graeme Thompson, trustees, are directors, as the delivery partner. During the year, the Trust granted £37,432 (2020: £nil) to Sunderland Culture in respect of the delivery of this project. At the year end, a balance of £37,432 (2020: £nil) was held in prepayments as cash paid to Sunderland Culture to fund activities that will be delivered in 2021/22. In the prior year, Sunderland Culture supplied services amounting to £48,250 to the Trust, of which £27,000 was owing to Sunderland Culture at the prior year end and was received during the year.

During the year, Ross Millard, trustee, received payments of £13,203 (2020: £11,151) for his role as the artistic director of the Summer Streets Festival, a project supported by the Trust.

During the year, the Trust paid £3,000 (2020: £nil) to Richard Callaghan, son of Paul Callaghan, trustee, in relation to consultancy fees.

During the year, the Trust paid £197 (2020: £nil) to Pub Culture Ltd, a company in which Paul Callaghan, trustee, is a director, in relation to recharges of costs.

During the year, the Trust paid £413 (2020: £nil) to Sunderland BID Limited, a company in which Graeme Thompson, trustee, is a director, in relation to rent and rates, and owed £413 (2020: £nil) at the year end.

SUNDERLAND MUSIC, ARTS & CULTURE TRUST

England & Wales - Charity number 1150733

Accounts

Registered number: 08251877
Charity number: 1150733

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Annual report

31 October 2020

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 9
Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust	10 - 12
Statement of financial activities incorporating income and expenditure account	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 26

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 October 2020

Trustees

Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA, Chair
John Dennis Mowbray, OBE, DL
Robert William Lawson
Ross George Thomas Millard
Marie Nixon
Graeme Thompson

Company registered number

08251877

Charity registered number

1150733

Registered office

Chase House
4 Mandarin Road
Rainton Bridge
Houghton le Spring
Tyne and Wear
DH4 5RA

Company secretary

Ian High

Independent auditor

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

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Trustees' report
Year ended 31 October 2020

The trustees present their annual report together with the audited financial statements of the trust for the year 1 November 2019 to 31 October 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Objectives and activities

- **Policies and objectives**

Established in 2012, Sunderland Music, Arts and Culture Trust ('the trust') has the objective of being a catalyst, developer and promoter of cultural activities within the city. It aims to bring together people with ability, talent and ambition who share a vision for Sunderland's future as a vibrant, creative and exciting place where the arts, music and culture flourish.

It seeks to encourage people of all ages and all backgrounds to participate in cultural activities such as playing an instrument, learning to dance, act or sing or creating literature or poetry. It also wants to help build audiences for the arts and culture performances in Sunderland.

The trust sees the digital revolution that has been created through new technology and the internet as an amazing opportunity, allowing new forms of creativity and providing ways of reaching existing and new audiences.

The trust seeks to develop the infrastructure and venues needed for this cultural renaissance in the city and help to build organisations and capacity within the sector.

Through a broad, balanced and sustainable programme of high-quality art and cultural activities for all, it will develop the range of its partnerships, the reach of its programming and awareness of its work. It will create and promote excellent arts and cultural programmes and events that engage and involve participants, encourage new and diverse audiences and enhance the wellbeing of the communities it works with.

The charity's objects are for the benefit of the public generally and in particular the inhabitants of Sunderland and its surrounding areas:

1. To promote urban or rural regeneration in areas of social and economic deprivation, particularly in Sunderland and its surrounding areas, by any or all of the following means:

    - the maintenance, improvement or provision of public amenities;
    - the preservation of buildings or sites of historic or architectural importance;
    - the provision of recreational facilities for the public at large or for those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances have need of such facilities; and
    - such other means as the trustees may from time to time determine.

Objectives and activities (continued)

2. To advance the arts (including music, music theatre, drama, decorative and visual arts, dance, ballet, circus, poetry, music hall, comedy and variety performance) and the education of the public in the arts by:

   - the establishment and maintenance of an arts venue and the presentation, production and commissioning of public concerts, plays, shows, performances and other demonstrations of the arts at the said venue and elsewhere;
   - such other means as the trustees may from time to time determine; and
   - for such other exclusively charitable purposes as the trustees may from time to time determine.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

- **Activities undertaken to achieve objectives**

Since it was established in 2012, the trust has been active in the following three areas in the city of Sunderland and the wider north east region:

1. The development of major infrastructure projects for arts and culture or to support arts and culture;

2. The delivery, promotion and support of cultural activity, events and cultural organisations; and

3. The establishment of innovative governance structures in partnership with key civic players to create and deliver a cultural strategy for the city.

1. The development of infrastructure

The primary objective under this area of activity has been to create a cultural quarter (the MACQ) in the centre of the city. This involves a major regeneration of the Edwardian heart of the city. It focuses on buildings or sites that are all within the Bishopwearmouth Conservation Area and sit next to Sunderland Minster and the Sunderland Empire. Of these, three were built between 1901 and 1908, the Dun Cow pub, the Old Fire Station and the Peacock pub. The final area of development is the construction of a Performing Arts Auditorium on a site between the Empire and the Fire Station on which there were previously three car parks created after previous buildings were demolished after bomb damage or later redevelopment. All buildings within the MACQ will be used for arts and culture purposes and collectively will form the vibrant and creative cultural heart of the city. When completed, the MACQ will include theatre, music and dance spaces, galleries, facilities for new cultural enterprises and music and artistic education centres. The funding for this ambitious regeneration of the centre of Sunderland through Arts and Culture has come from a number of sources. The Heritage Lottery Fund was the first major funder to commit and this was followed by support both in cash and in property by Sunderland City Council which has become an enthusiastic and committed partner in the project. Arts Council England have committed funding for the Fire Station and Auditorium. There has been significant private sector investment in the project from Leighton Management, a Sunderland based company. The company funded the initial master planning for the MACQ and has made significant loan funding available to the trust to enable the project to progress. Leighton has purchased both the Dun Cow and the Peacock pubs as part of the MACQ project. The profit from both pubs will be used to provide significant additional revenue funding for the Fire Station and Auditorium until 2027. The trust is also extremely grateful for the generous financial support it has received from the following Trusts and Foundations: The Garfield Weston Foundation, The Catherine Cookson Charitable Trust, The Foyle Foundation and the Wolfson Foundation.

Objectives and activities (continued)

2. The delivery, promotion and support of cultural activity

The trust also believes in being both a catalyst and developer of cultural activity within the city and has promoted, funded and initiated a number of key activities within Sunderland over recent years. The most significant of these activities is:

The Cultural Spring
This is Arts Council England Creative People and Places programme for Sunderland and South Tyneside, established in 2014. The three initial partners were the trust, Sunderland University and the Customs House. The founding partners have now been joined by Sangini, a Black and minority ethnic (BME) led, multicultural women's organisation based in Sunderland, Tyne and Wear. The trust funded the initial bid proposal and has continued to provide funding and leadership. The Cultural Spring has been extremely successful with a series of community-based initiatives as well as several major events including the Great North Passion, Rush, Summer Streets and Inventors! The Cultural Spring continues to be very successful and has been again funded by Arts Council England in the third round of the Creative People and Places programme.

3. The establishment of innovative governance structures

The trust was conceived not just as a mechanism for delivering infrastructure and cultural activity but also a vehicle that would demonstrate clear strategic cultural leadership in the city. It has worked with two key partners in seeking to achieve this: Sunderland University and the City Council. Both have ownership of key cultural assets in the city but more importantly both recognise the advantages and synergies that can be achieved in working collectively. This has been a three-stage process.

Sunderland Cultural Partnership
This was formed in 2013 bringing together the University, Council and the trust working together with Arts Council England and the Heritage Lottery Fund to develop the cultural life of the city. It has been a forum and decision-making body that has galvanized activity and focused minds in a way that the city has never previously seen. It has effective working groups and action groups and has been widely recognised for its success.

The Sunderland Cultural Strategy
The trust was a driving force in the development of this strategy that is a statement of the clear strategic vision that is now being developed within the city. Sponsored by the Cultural Partnership it involved a range of city partners and was extremely well received both within the cultural community but also in the wider world. It has been described as the trigger for the Sunderland Cultural Renaissance.

Sunderland Culture Limited
Following the success of the cultural partnership model, the three key partners agreed to take the next step and in early 2016 formed Sunderland Culture Limited, a charitable trust, providing long term leadership of culture and the arts in the city. Under Sunderland Culture the key assets of the city including the National Glass Centre, The Museum and Winter Gardens, the Northern Gallery for Contemporary Art as well as the assets of the MACQ will be strategically managed. The trust, as one of the three partners, has been the funder of this initiative and will work collectively to ensure its success in the future. Sunderland Culture is an Arts Council England National Portfolio Organisations and a registered charity.

Achievements and performance

- **Review of activities**

2019/20 has been a challenging year for most organisations in the arts and culture sector. The Covid-19 pandemic has meant that many venues, including the Fire Station, have been closed for much of the year either as a part of the Government's activity lockdown or because of staffing challenges caused by Covid-19 or self-isolation. The Fire Station is the Sunderland home for Dance City, which delivers a range of dance programmes and has its MA in Dance based there but its programmes have been disrupted by the pandemic. Live Tales Sunderland, the project run by Live Theatre, is also based in the Fire Station and has also faced considerable disruption as a result of school closures and the need for social distancing.

Brims Construction are the main contractor for the Auditorium build, and while the project has suffered delays through lockdown and the impact of Covid-19 on staff and supply chains, the build has continued with a scheduled opening later in 2021. The trust is particularly grateful for the support it has received from Sunderland City Council and Arts Council England. Without their significant financial support, these developments would not have been possible.

The trust has continued to work with the City Council and Sunderland University through Sunderland Culture Limited, a city-wide organisation, delivering both cultural activities and managing the city's cultural venues. Despite the restrictions placed on activities because of Covid-19, Sunderland Culture has delivered an exciting and varied programme of activities for people in Sunderland. Some of this activity has been online and has been expertly delivered and well received. Throughout 2019/20, Sunderland Culture had 798,399 visitors to its venues and programmes, 63,421 participants of which 20,597 were family groups and 42,824 were adults. It delivered 313 exhibitions, performances and events, had 17,967 school visitors and was helped by 375 volunteers. On social media, it had 284,004 visits to its website and has 74,236 social media followers. The trust looks forward to another successful year for Sunderland Culture as Covid-19 restrictions are lifted.

Financial review

- **Financial performance**

Capital work on the Auditorium continued during 2019/20, with grants being received from Arts Council England to support the project. Following the completion of the Fire Station project in 2017/18 rental income was being generated but this has been much reduced since the start of the pandemic in order to support the cultural organisations using the building. In addition, the pubs have also been closed and consequently have not donated profits during the year. However, both of these income streams are expected to recover as restrictions ease through the summer of 2021.

The trust has incurred expenditure in relation to the ongoing management of the Fire Station and the delivery of the Summer Streets Festival.

Whilst the trust remains in a net current liability position, the trustees are satisfied with the overall performance in the year and the year end position, given the ongoing development underway.

- **Going concern**

Although in a net current liabilities position, the trust expects to continue to receive rental income in 2021 and 2022 as detailed in the reserves policy below. It continues to be supported by Leighton Management, who have confirmed that they will inject funds as needed for a period of at least twelve months from the date of signing these financial statements. Leighton Management provide loan funding until the development of the Auditorium is completed and further income sources come on stream.

The Covid-19 pandemic has obviously impacted on the arts and culture sector as a whole, with pubs and venues closed. Whilst this will inevitably impact on the immediate income streams of the trust, it is not expected to affect the longer-term plan and vision for the culture of the city as lockdown lifts and activities recommence over the coming months. Leighton Management have confirmed their commitment to underwrite the activities of the trust until it is income generating and able to be self-supporting.

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

- **Reserves policy**

At the year end the trust has unrestricted reserves of £6,309,373, of which £7,670,628 was tied up in fixed assets with the deficit funded through loans. The trust will seek to accrue reserves once the development phase of the MACQ project is complete. It anticipates continuing to earn income from the Peacock and Dun Cow Public Houses and the Fire Station and in the future from the Auditorium in the 2020/21 financial year, albeit at reduced levels due to the Covid-19 pandemic. The trust will also continue to seek other grants from charitable trusts to support its work in the future.

- **Plans for the future**

The completion of the Auditorium will be the focus of much of the trust's work in the coming period.

Since March 2020, the trust has been working to support tenants of the Fire Station and will continue to work to secure the reopening as lockdown restrictions lift.

The success of Sunderland Culture is important for the city and the trust will continue to play a major role in helping deliver its cultural strategy for the next decade.

Structure, governance and management

- **Constitution**

The trust is registered as a charitable company limited by guarantee and was incorporated on 12 October 2012. It is a registered charity, number 1150733.

- **The board and its members**

The management of the company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. Induction is provided to new trustees if necessary.

The board has minimum number of five and maximum of 11 members. In the 2019/20 financial year the board had six members.

Articles provide for 'members' and 'directors' but in practice members of the board are both directors of the company and trustees of the trust. However, representatives of funding organisations (such as Sunderland City Council, the Heritage Lottery Fund and Arts Council England) may also attend as observers and participate in Board meetings.

Board composition and recruitment

Board membership reflects the diversity of the communities that the trust serves. In selecting its members, the board aims for a gender balance and encourages an appropriate age distribution. Furthermore, the board has a range of relevant skills, experience and abilities and has members who bring one or more of the following skills and experience:

- Arts and Entertainment Performance
- Finance/Accounting
- Business and business development
- Fundraising
- Networked within the business and/or wider community
- Marketing and communications
- Digital Social Media
- Education, training, skills development
- Human Resources Management
- Capital and premises development
- Legal
- Community Representation

Role of the board

Board members have corporate and individual responsibilities under company law and charity law. The board is responsible for the overall governance and strategic direction of the trust, developing its aims, objectives and goals in accordance with the governing document, as well as legal and regulatory guidelines. It is responsible overall for the future success of the trust and ensuring its long-term financial sustainability.

The board acts collectively and corporately, with care, diligence and skills, in the best interests of the trust.

Structure, governance and management (continued)

- **Diversity**

The trust values and celebrates the diversity of all its artists, participants, audience members and staff. It is committed to providing a cultural and work environment free from discrimination, bullying, harassment or victimisation, where all artists, participants, audience members and staff are treated with respect and dignity. It aims to create a culture of diversity and inclusivity within the trust and its activities, providing a dynamic working and cultural environment, where all members are valued for their contribution and individuality.

Through its policies and practices, it works to ensure that all artists, participants, audience members and staff are welcome and do not face discrimination with regard to any aspect of their identity, such as age, disability, gender (including gender reassignment, marital status, pregnancy and maternity), ethnicity (including race, colour or nationality), religion or belief (including non-belief) or sexual orientation.

- **Risk management**

The trustees have assessed the major risks to which the trust is exposed, in particular those related to the operations and finances of the trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Members' liability

The members of the trust guarantee to contribute an amount not exceeding £10 to the assets of the trust in the event of winding up.

Statement of trustees' responsibilities

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

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 trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

Approved by order of the members of the board of trustees on 27 July 2021 and signed on their behalf by:



Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust

Opinion

We have audited the financial statements of Sunderland Music, Arts and Culture Trust (the 'trust') for the year ended 31 October 2020 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Anne Hallowell

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

27 July 2021

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 October 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations	4	**15,000**	**3,723,981**	**3,738,981**	417,531
Other activities	5	**2,476**	**-**	**2,476**	119,902
Investments	6	**630**	**-**	**630**	89
Total income		**18,106**	**3,723,981**	**3,742,087**	537,522
Expenditure on:					
Charitable activities		**224,619**	**-**	**224,619**	239,835
Total expenditure		**224,619**	**-**	**224,619**	239,835
Net (expenditure)/income		**(206,513)**	**3,723,981**	**3,517,468**	297,687
Transfers between funds	13	**3,723,981**	**(3,723,981)**	**-**	-
Net movement in funds		**3,517,468**	**-**	**3,517,468**	297,687
Reconciliation of funds:					
Total funds brought forward		**2,791,905**	**-**	**2,791,905**	2,494,218
Net movement in funds		**3,517,468**	**-**	**3,517,468**	297,687
Total funds carried forward		**6,309,373**	**-**	**6,309,373**	2,791,905

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 16 to 26 form part of these financial statements.

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Balance sheet
At 31 October 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	8		**7,670,628**		4,389,269
Current assets					
Debtors	10	**223,185**		323,651	
Cash at bank and in hand		**452,640**		358,750	
		675,825		682,401	
Creditors: amounts falling due within one year	11	**(1,257,080)**		(1,249,765)	
Net current liabilities			**(581,255)**		(567,364)
Total assets less current liabilities			**7,089,373**		3,821,905
Creditors: amounts falling due after more than one year	12		**(780,000)**		(1,030,000)
Total net assets			**6,309,373**		2,791,905
Charity funds					
Restricted funds	13		**-**		-
Unrestricted funds	13		**6,309,373**		2,791,905
Total funds			**6,309,373**		2,791,905

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

The financial statements were approved and authorised for issue by the trustees on 27 July 2021 and signed on their behalf by:



Paul Michael Callaghan, CBE, DL, FRSA, Hon DBA
Chair of the board of trustees

Company registered number: 08251877

The notes on pages 16 to 26 form part of these financial statements.

Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

Statement of cash flows
Year ended 31 October 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	15	**3,644,853**	395,885
Cash flows from investing activities			
Purchase of tangible fixed assets		**(3,360,963)**	(252,622)
Net cash used in investing activities		**(3,360,963)**	**(252,622)**
Cash flows from financing activities			
Cash inflows from new borrowing		**472,000**	205,000
Repayments of borrowing		**(662,000)**	-
Net cash (used in)/provided by financing activities		**(190,000)**	**205,000**
Change in cash and cash equivalents in the year		**93,890**	**348,263**
Cash and cash equivalents at the beginning of the year		**358,750**	10,487
Cash and cash equivalents at the end of the year	16	**452,640**	358,750

The notes on pages 16 to 26 form part of these financial statements

Notes to the financial statements
Year ended 31 October 2020

1. General information

Sunderland Music, Arts and Culture Trust ('the trust') is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is disclosed in the reference and administrative details page on page 1 and the principal activity is disclosed in the trustees' report on page 2.

2. Accounting policies

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

2.1 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.

The trust has early adopted the Amendments to FRS 102: COVID-19 related rent concessions.

The 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 financial statements are prepared in sterling, which is the functional currency of the charity and are rounded to the nearest £1.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The ability of the trust to continue as a going concern is dependent on the continuing support of related parties, who have financed the initial work during this start up and project development phase. Trustees have confirmed that the outstanding loan balances will not be repaid until the trust is in a position to do so, and that they will inject sufficient additional funds should the need arise, thus enabling the trust to continue to operate as a going concern. Whilst the income streams of the trust generated from venues have been reduced through the Covid-19 pandemic, the trust is not yet wholly dependent upon them through the development phase of its vision and consequently the impact of Covid-19 has not been significant. On this basis, the trustees believe the going concern assumption is appropriate in the preparation of these financial statements.

2. Accounting policies (continued)

2.3 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income is recognised on an accruals basis.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity.

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

2.6 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.

2.7 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.

2. Accounting policies (continued)

2.8 Liabilities

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 trust 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.

2.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

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

The only estimate included within these financial statements is the depreciation charge. This is not considered to carry significant estimation uncertainty, not to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements, the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

4. Income from donations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	-	-	-
Grants	15,000	3,723,981	**3,738,981**
	15,000	3,723,981	**3,738,981**

4. Income from donations (continued)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations	6,122	-	6,122
Grants	56,934	354,475	411,409
	63,056	354,475	417,531

5. Income from other activities

	Unrestricted funds 2020 £	**Total funds 2020 £**	Total funds 2019 £
Rental income	2,476	**2,476**	119,902

6. Investment income

	Unrestricted funds 2020 £	**Total funds 2020 £**	Total funds 2019 £
Bank interest receivable	630	**630**	89

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	**Support costs 2020 £**	**Total funds 2020 £**
Charitable activities	66,808	157,811	**224,619**

7. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Charitable activities	139,770	100,065	239,835

Analysis of direct costs

	Charitable activities 2020 £	**Total funds 2020 £**	Total funds 2019 £
Delivery of capital projects	7,964	**7,964**	6,069
Summer Streets Festival	25,351	**25,351**	45,558
Building management costs	22,500	**22,500**	88,143
Cultural Spring	10,993	**10,993**	-
	66,808	**66,808**	139,770

Analysis of support costs

	Charitable activities 2020 £	**Total funds 2020 £**	Total funds 2019 £
Depreciation	79,604	**79,604**	79,018
Administration	73,018	**73,018**	12,022
Auditor's remuneration for the audit of these accounts	5,000	**5,000**	5,000
Auditor's remuneration for other services	189	**189**	4,025
	157,811	**157,811**	100,065

The trust has no employees. No trustees received any remuneration or benefits for their services to the trust, nor were any expenses reimbursed to trustees during the year (2019: £nil).

8. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2019	**623,503**	**3,905,064**	**13,444**	**125**	**4,542,136**
Additions	**3,360,963**	**-**	**-**	**-**	**3,360,963**
Transfers between classes	**2,229**	**(2,229)**	**-**	**-**	**-**
At 31 October 2020	**3,986,695**	**3,902,835**	**13,444**	**125**	**7,903,099**
Depreciation					
At 1 November 2019	**-**	**147,134**	**5,608**	**125**	**152,867**
Charge for the year	**-**	**76,257**	**3,347**	**-**	**79,604**
At 31 October 2020	**-**	**223,391**	**8,955**	**125**	**232,471**
Net book value					
At 31 October 2020	**3,986,695**	**3,679,444**	**4,489**	**-**	**7,670,628**
At 31 October 2019	623,503	3,757,930	7,836	-	4,389,269

Included in land and buildings is land with a cost of £90,000 (2019: £90,000) which is not depreciated.

9. Fixed asset investments

The trust is a 33.3% member of Sunderland Culture Limited, a partnership between the trust, Sunderland City Council and Sunderland University.

10. Debtors

	2020 £	2019 £
Trade debtors	**5,850**	25,997
Other debtors	**56,854**	11,194
Prepayments and accrued income	**160,481**	286,460
	223,185	323,651

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Loan	**729,000**	669,000
Trade creditors	**350,322**	53,697
Accruals and deferred income	**177,758**	527,068
	1,257,080	1,249,765

	2020 £	2019 £
Deferred income at 1 November	**350,000**	23,749
Resources deferred during the year	**-**	350,000
Amounts released from previous years	**(350,000)**	(23,749)
Deferred income at 31 October	**-**	350,000

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

	2020 £	2019 £
Loan	**780,000**	1,030,000

The loan is unsecured, accrues interest at 3.5% and is repayable in September 2032.

Leighton Management Limited waived interest charges of £31,954 (2019: £35,792) during the year.

Notes to the financial statements
Year ended 31 October 2020

13. Statement of funds

Statement of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2020 £
Unrestricted funds					
General funds	**2,791,905**	**18,106**	**(224,619)**	**3,723,981**	**6,309,373**
Restricted funds					
Restricted funds	**-**	**3,723,981**	**-**	**(3,723,981)**	**-**
Total of funds	**2,791,905**	**3,742,087**	**(224,619)**	**-**	**6,309,373**

Restricted funds represent grants received for specific capital projects, with funds transferred to unrestricted funds on defrayment.

Statement of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2019 £
Unrestricted funds					
General funds	2,494,218	183,047	(239,835)	354,475	2,791,905
Restricted funds					
Restricted funds	-	354,475	-	(354,475)	-
Total of funds	2,494,218	537,522	(239,835)	-	2,791,905

14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,670,628	**7,670,628**
Current assets	675,825	**675,825**
Creditors due within one year	(1,257,080)	**(1,257,080)**
Creditors due in more than one year	(780,000)	**(780,000)**
Total	6,309,373	**6,309,373**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	4,389,269	4,389,269
Current assets	682,401	682,401
Creditors due within one year	(1,249,765)	(1,249,765)
Creditors due in more than one year	(1,030,000)	(1,030,000)
Total	2,791,905	2,791,905

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

	2020 £	2019 £
Net income for the year (as per statement of financial activities)	**3,517,468**	297,687
Adjustments for:		
Depreciation charges	**79,604**	79,018
Decrease/(increase) in debtors	**100,466**	(304,795)
(Decrease)/increase in creditors	**(52,685)**	323,975
Net cash provided by operating activities	**3,644,853**	395,885

16. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	**452,640**	358,750

17. Analysis of changes in net debt

	At 1 November 2019 £	Cash flows £	At 31 October 2020 £
Cash at bank and in hand	**358,750**	**93,890**	**452,640**
Debt due within 1 year	**(669,000)**	**(60,000)**	**(729,000)**
Debt due after 1 year	**(1,030,000)**	**250,000**	**(780,000)**

18. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**3,485,088**	5,319,916

19. Operating lease

The trust owns land and buildings which are rented out to a third party. At 31 October 2020, the trust had future minimum lease receipts under a non-cancellable operating lease as follows:

	2020 £	2019 £
Not later than 1 year	**52,850**	52,850
Later than 1 year and not later than 5 years	**211,400**	211,400
Later than 5 years	**114,508**	167,358
	378,758	431,608

20. Related party transactions

Included within creditors are two loans from Leighton Management Limited, a company wholly owned by Paul Callaghan, trustee, totalling £1,509,000 (2019: £1,699,000). During the year, the trust incurred costs of £8,053 (2019: £6,971) from Leighton Management Limited and owed £1,103 (2019: £465) at the year end, included within creditors. The trust received income of £4,237 (2019: £75,625) from Leighton Management Limited and was owed £850 (2019: £24,334) at the year end, included within debtors.

During the year, the trust received income of £nil (2019: £25,712) from Sunderland Culture Limited, a company of which Paul Callaghan, John Mowbray and Graeme Thompson, trustees, are directors. During the year, the trust incurred costs of £48,250 (2019: £76,500) from Sunderland Culture Limited and owed £27,000 (2019: £31,500) at the year end, included within creditors.

During the year, Ross Millard, trustee, received payments of £11,151 (2019: £10,994) for his role as the artistic director of the Summer Streets Festival, a project supported by the trust.