

**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)

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# **Sunderland Music, Arts and Culture Trust**

(A company limited by guarantee)

## **Reference and administrative details**

**Year ended 31 October 2022**

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### **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

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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.



# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 October 2022

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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 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

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 October 2022

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### 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.

# **Sunderland Music, Arts and Culture Trust**

(A company limited by guarantee)

## **Trustees' report (continued) Year ended 31 October 2022**

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### **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.

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 October 2022

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### 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

# **Sunderland Music, Arts and Culture Trust**

(A company limited by guarantee)

## **Trustees' report (continued)** **Year ended 31 October 2022**

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### **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.

# **Sunderland Music, Arts and Culture Trust**

(A company limited by guarantee)

## **Trustees' report (continued)** **Year ended 31 October 2022**

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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 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.



# **Sunderland Music, Arts and Culture Trust**

(A company limited by guarantee)

## **Trustees' report (continued)** **Year ended 31 October 2022**

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### **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.

## **Sunderland Music, Arts and Culture Trust**

(A company limited by guarantee)

### **Trustees' report (continued)** **Year ended 31 October 2022**

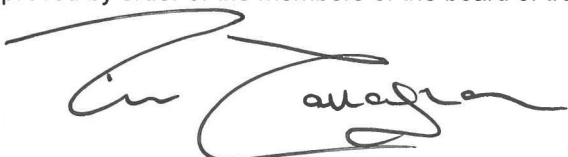
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#### **Disclosure of information to auditor**

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:

A handwritten signature in black ink, appearing to read 'Paul Michael Callaghan', written over a horizontal line.

**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**

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### **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.



## **Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust (continued)**

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### **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.



## **Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust (continued)**

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### **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.



## **Independent auditor's report to the members of Sunderland Music, Arts and Culture Trust (continued)**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the 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

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 £
<b>Income from:</b>					
Donations	4	340,588	947,073	1,287,661	4,087,077
Other activities	5	123,001	-	123,001	8,500
<b>Total income</b>		<b>463,589</b>	<b>947,073</b>	<b>1,410,662</b>	<b>4,095,577</b>
<b>Expenditure on:</b>					
Charitable activities	6	604,547	112,026	716,573	257,801
<b>Total expenditure</b>		<b>604,547</b>	<b>112,026</b>	<b>716,573</b>	<b>257,801</b>
<b>Net (expenditure)/income</b>		<b>(140,958)</b>	<b>835,047</b>	<b>694,089</b>	<b>3,837,776</b>
Transfers between funds	13	835,047	(835,047)	-	-
<b>Net movement in funds</b>		<b>694,089</b>	<b>-</b>	<b>694,089</b>	<b>3,837,776</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		10,147,149	-	10,147,149	6,309,373
Net movement in funds		694,089	-	694,089	3,837,776
<b>Total funds carried forward</b>		<b>10,841,238</b>	<b>-</b>	<b>10,841,238</b>	<b>10,147,149</b>

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 £
<b>Fixed assets</b>			
Tangible assets	8	13,399,744	12,007,924
<b>Current assets</b>			
Debtors	10	313,373	856,898
Cash at bank and in hand		5,644	47,639
		<u>319,017</u>	<u>904,537</u>
Creditors: amounts falling due within one year	11	(357,523)	(465,312)
<b>Net current (liabilities)/assets</b>		<u>(38,506)</u>	<u>439,225</u>
<b>Total assets less current liabilities</b>		<u>13,361,238</u>	<u>12,447,149</u>
Creditors: amounts falling due after more than one year	12	(2,520,000)	(2,300,000)
<b>Total net assets</b>		<u><u>10,841,238</u></u>	<u><u>10,147,149</u></u>
<b>Charity funds</b>			
Restricted funds	13	-	-
Unrestricted funds	13	10,841,238	10,147,149
<b>Total funds</b>		<u><u>10,841,238</u></u>	<u><u>10,147,149</u></u>

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 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	15	<b>1,234,931</b>	2,881,392
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(1,496,926)</b>	(4,077,393)
<b>Net cash used in investing activities</b>		<b>(1,496,926)</b>	(4,077,393)
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		<b>775,000</b>	1,195,000
Repayments of borrowing		<b>(555,000)</b>	(404,000)
<b>Net cash provided by financing activities</b>		<b>220,000</b>	791,000
<b>Change in cash and cash equivalents in the year</b>		<b>(41,995)</b>	(405,001)
Cash and cash equivalents at the beginning of the year		<b>47,639</b>	452,640
<b>Cash and cash equivalents at the end of the year</b>	16	<b>5,644</b>	47,639

The notes on pages 18 to 29 form part of these financial statements

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

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### 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.



# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

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### 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.

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 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
	<u>340,588</u>	<u>947,073</u>	<u>1,287,661</u>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Grants	4,513	4,082,564	4,087,077
	<u>4,513</u>	<u>4,082,564</u>	<u>4,087,077</u>

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 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

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 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	<b>1,940</b>	13,468
Summer Streets Festival	59,765	<b>59,765</b>	35,545
Building management costs	45,000	<b>45,000</b>	-
Cultural Spring	-	-	8,093
Sunderland Culture project delivery costs	112,025	<b>112,025</b>	37,342
Insurance	30,077	<b>30,077</b>	16,784
Utilities	32,990	<b>32,990</b>	12,526
Repairs and maintenance	30,402	<b>30,402</b>	9,476
Cleaning	42,933	<b>42,933</b>	14,333
	<b>355,132</b>	<b>355,132</b>	147,567

#### Analysis of support costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	23,078	<b>23,078</b>	-
Depreciation	284,549	<b>284,549</b>	81,753
Administration	38,433	<b>38,433</b>	22,668
Auditor's remuneration for the audit of these accounts	6,300	<b>6,300</b>	5,813
Auditor's remuneration for other assurance services	500	<b>500</b>	-
Auditor's remuneration for other financial services	8,581	<b>8,581</b>	-
	<b>361,441</b>	<b>361,441</b>	110,234

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

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### 7. Staff costs

	2022 £	2021 £
Wages and salaries	22,750	-
Contribution to defined contribution pension schemes	328	-
	<u>23,078</u>	<u>-</u>

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

	2022 No.	2021 No.
Employees	<u>1</u>	<u>-</u>

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.

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 8. Tangible fixed assets

	Assets under construction £	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
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	<u>72,698</u>	<u>13,695,823</u>	<u>213,236</u>	<u>16,761</u>	<u>13,998,518</u>
<b>Depreciation</b>					
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	<u>-</u>	<u>543,572</u>	<u>51,338</u>	<u>3,864</u>	<u>598,774</u>
<b>Net book value</b>					
At 31 October 2022	<u>72,698</u>	<u>13,152,251</u>	<u>161,898</u>	<u>12,897</u>	<u>13,399,744</u>
At 31 October 2021	<u>8,374,650</u>	<u>3,632,133</u>	<u>1,141</u>	<u>-</u>	<u>12,007,924</u>

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.

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 10. Debtors

	2022 £	2021 £
Trade debtors	30,078	-
Other debtors	45,508	28,727
Prepayments and accrued income	237,787	828,171
	<u>313,373</u>	<u>856,898</u>

### 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
	<u>357,523</u>	<u>465,312</u>

	2022 £	2021 £
Deferred income at 1 November	37,342	-
Resources deferred during the year	-	37,342
Amounts released from previous years	(37,342)	-
<b>Deferred income at 31 October</b>	<u>-</u>	<u>37,342</u>

### 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).

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 13. Statement of funds

#### Statement of funds - current year

	Balance at 1 November 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2022 £
<b>Unrestricted funds</b>					
General funds	10,147,149	463,589	(604,547)	835,047	10,841,238
<b>Restricted funds</b>					
Restricted funds	-	947,073	(112,026)	(835,047)	-
<b>Total funds</b>	<b>10,147,149</b>	<b>1,410,662</b>	<b>(716,573)</b>	<b>-</b>	<b>10,841,238</b>

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 £
<b>Unrestricted funds</b>					
General funds	6,309,373	13,013	(220,459)	4,045,222	10,147,149
<b>Restricted funds</b>					
Restricted funds	-	4,082,564	(37,342)	(4,045,222)	-
<b>Total funds</b>	<b>6,309,373</b>	<b>4,095,577</b>	<b>(257,801)</b>	<b>-</b>	<b>10,147,149</b>



# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 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	<b>13,399,744</b>
Current assets	319,017	<b>319,017</b>
Creditors due within one year	(357,523)	<b>(357,523)</b>
Creditors due in more than one year	(2,520,000)	<b>(2,520,000)</b>
<b>Total</b>	<b>10,841,238</b>	<b>10,841,238</b>

#### 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)
<b>Total</b>	<b>10,147,149</b>	<b>-</b>	<b>10,147,149</b>

### 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)	<b>694,089</b>	3,837,776
<b>Adjustments for:</b>		
Depreciation charges	<b>284,549</b>	81,754
Decrease/(increase) in debtors	<b>543,525</b>	(633,713)
Decrease in creditors	<b>(287,232)</b>	(404,425)
<b>Net cash provided by operating activities</b>	<b>1,234,931</b>	2,881,392

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 October 2022

### 16. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	<u>5,644</u>	<u>47,639</u>

### 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	<u>(2,300,000)</u>	<u>(220,000)</u>	<u>(2,520,000)</u>

### 18. Capital commitments

	2022 £	2021 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<u>-</u>	<u>1,332,657</u>

### 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
	<u>264,250</u>	<u>317,100</u>

# Sunderland Music, Arts and Culture Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 October 2022

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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 £2,520,000 (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.

