

Company registration number: 10098742

Charity registration number: 1184073

SUNDERLAND CULTURE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Sunderland Culture Limited

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Sunderland Culture Limited

Reference and Administrative Details

Trustees	J D Mowbray (resigned 19 June 2023) A R Mackay G E Callaghan I B Wimpenny A Turpin (resigned 15 March 2023) G Thompson (resigned 3 May 2022) S C Knight (resigned 15 March 2023) F C Brown (resigned 25 July 2022) P M Callaghan (resigned 3 May 2022) J M Earl, Chair Cllr L Williams (resigned 19 May 2023) I Kershaw (appointed 25 July 2022) K Ramanathas (appointed 25 July 2022) P J McIntyre (appointed 25 July 2022) S I Rymer (appointed 25 July 2022) M Nixon (appointed 25 July 2022) Prof D R Sandbach (appointed 25 July 2022) Prof M W Young (appointed 15 March 2023) Cllr J Price (appointed 19 May 2023)
Secretary	R Ball
Key Management Personnel	R Ball, Chief Executive I High, Director of Finance and Administration T Austin, Venue Director S Davies, Head of Development H Connify, Head of Marketing and Communications
Registered Office	National Glass Centre Liberty Way Sunderland SR6 0GL The charity is incorporated in England and Wales.
Company Registration Number	10098742
Charity Registration Number	1184073
Bankers	Handelsbanken 43 Old Elvet Durham DH1 3HN
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Sunderland Culture Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Structure, governance and management

Nature of governing document

The company is a charitable company limited by guarantee and does not have share capital. The company is governed by its Articles of Association.

Sunderland Culture Limited ("the Charity") is a company limited by guarantee. It was incorporated on 2nd April 2016 and registered as a charity with the Charity Commission on 24th June 2019. Its Articles of Association were last amended on 6th June 2019.

On 24 September 2021, Sunderland Culture Trading Limited was incorporated and is a fully owned subsidiary of Sunderland Culture Limited. The company remained dormant throughout the period to 31 March 2022, however started trading during 2022/23 and hence consolidated accounts have been prepared.

Recruitment and appointment of trustees

In accordance with the Articles of Association, the trustees must be a minimum of three and shall not be subject to any maximum provided that each of the following bodies is entitled at any time to appoint directors up to the number specified opposite their name:

1. Sunderland City Council - up to 2 nominated directors
2. University of Sunderland - up to 2 nominated directors
3. Sunderland Music, Arts and Culture Trust - up to 2 nominated directors

The above bodies may remove and replace any of its nominated directors by giving notice in writing to the charity.

A director must be a person aged 16 years or older and not be disqualified from acting under the provisions of article 39.

A director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the directors.

A governance review was carried out in 2020 in relation to the appointment of trustees and their terms of service.

Arrangements for setting key management personnel remuneration

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity are. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Organisational structure

The charitable company is administered by a board of trustees which meets a minimum of four times a year. Day to day activities are controlled by a Chief Executive who is assisted by a Director of Finance and Administration.

Sunderland Culture Limited

Trustees' Report

Objectives and activities

Objects and aims

The charitable company's object and principal activity is to:

Advance the arts and culture and to advance education in the arts of performance, music, drama, poetry reading, sculpture, painting, photography, handicrafts, literature, glass-making, history, film and all other associated arts ("the Arts") in particular, but not exclusively by:

Encouraging public participation in the Arts and by the presentation of concerts, performances, exhibitions and festivals, provided that the promotion of such festivals and events is undertaken solely for the Public Benefit;

Developing new and innovative ways of delivering the Arts;

Participation in and, where appropriate, management and oversight of, cultural operations, venues and activities primarily in the City of Sunderland to ensure maximum benefit and return, provided that such participation and management is undertaken solely for Public Benefit.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Sunderland Culture's mission is to improve life for everyone in Sunderland through culture. We are a pioneering place-based partnership formed in 2016, by University of Sunderland, Sunderland City Council and Sunderland Music, Arts and Culture Trust, to take forward an ambitious cultural vision for the city.

Firmly place-focused in our creative and cultural ambition, we work across Sunderland to ensure the power of art, culture and creativity is harnessed for the benefit of the city and its people. We are an independent company limited by guarantee, a registered charity and have a trading subsidiary, Sunderland Culture Trading.

Through a Collaboration Agreement, we build on our founding partners' civic, educational and philanthropic commitment to Sunderland's communities and to realising the city's cultural potential. We bring together the assets, activities and resources from the three partners, alongside investment from Arts Council England, other charitable trusts and foundations and earned income.

To achieve our place-based mission, we are guided by five core aims:

- Building the city's profile and reputation
- Growing our creative economy
- Building confidence and aspiration in young people
- Improving health and wellbeing

Sunderland Culture Limited

Trustees' Report

- Creating connectivity amongst our communities

We achieve impact by enabling wide ranging and deep cultural engagement, strengthening the city's creative ecology and facilitating world-class cultural opportunities for people to experience. Key to achieving this is supporting other arts and community organisations in the city to increase the breadth of cultural activities and opportunities.

During 2022/23 we delivered a city-wide creative programme of visual and performing arts with communities across the city and in five cultural venues

- Arts Centre Washington
- National Glass Centre
- Northern Gallery for Contemporary Art
- Sunderland Museum & Winter Gardens
- The Fire Station.

We delivered a diverse cultural programme with 340 exhibitions, performances and events produced in the city and online. We welcomed 752,891 visitors, engaged 23,228 participants, hosted 11,895 students in school and college visits and saw 309,000 people use our digital services.

We worked with over 90 community, research and creative partners to achieve inclusion and reach across the city. This included regional, national and international creative and cultural organisations such as The Cultural Spring, Royal Northern Sinfonia, Future Arts Centres, Matt's Gallery, National Theatre, British Museum, V & A, Arts Council Collection, Glasmuseet Ebeltoft, Corning Museum of Glass. We are grateful to all of them for their support and partnership.

Programme highlights from 2022/23 include –

Building the profile and reputation of Sunderland

Glass Exchange - One of National Glass Centre's most ambitious projects to date, 'Glass Exchange' brought together four ground-breaking contemporary artists with some of the most highly skilled glass makers in the country to present four brand-new works across the North East. Over 24 months, artists Pascale Marthine Tayou, Katie Paterson, Monster Chetwynd and Ryan Gander worked with specialist teams at National Glass Centre to realise their ideas which were then displayed in sites ranging from Durham Cathedral to a disused shop in Sunderland's city centre.

Gathering Light - One of the most significant pieces of Bronze Age metalwork ever discovered in Britain, the Shropshire sun pendant came to Sunderland Museum & Winter Gardens this year as part of The British Museum's Spotlight Loan tour. The gold bulla is over 3000 years old and was part of the Museum's 'Gathering light: a Bronze Age golden sun' exhibition which also featured Bronze Age objects from across the North East.

The Fire Station – Opened in Dec 2021, The Fire Station saw remarkable growth during 2022/23 and won Cultural Venue of the Year at the Journal Culture Awards. As the pandemic's impact lessened, the venue established a strong presence in the city, delivering 153 public ticketed performances with audiences of 50,000 and ticket sales of over £1.1 million.

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Trustees' Report

Growing our creative economy

Investing in Sunderland's Creatives - Through our Unlock Programme, we gave 45 grants of £1000 to creative practitioners and organisations from across Sunderland via the CLLD Creative Industries grant programme to help support the growth of their business. Recipients included local musicians, sculptors and designers who used the money in a variety of ways, from buying new equipment to marketing and website design.

Developing Creative Talent - NGCA presented the first UK solo exhibitions of two emerging local artists. 'SENDING LOVE' by Lithuanian-born, Newcastle-based University of Sunderland graduate photographer Janina Sabaliauskaitė was a love letter to her transnational LGBTQ+ community, presenting new and existing images from her personal archive. Jhanee Wilkins, also a recent University of Sunderland MA graduate, showcased two powerful new series of work - 'Black Britain' which explored Black British heritage, and 'Likkle Paradise', a photographic celebration of the Windrush generation.

Building confidence and aspiration in young people

Bright Lights - Arts Centre Washington also held its second 'Bright Lights Youth Arts Festival' which celebrated all the creative young people who use the arts centre. Even bigger and better than before, the event showcased performances from Washington Youth Theatre and Right Track Young Musicians Project as well as visual artists, crafters, film makers and writers. The festival was also the launch of the 'Bright Lights Remixed' exhibition at Sunderland Museum & Winter Gardens which was co-curated by the Celebrate Different Collective, our Young Arts Leaders group (aged 13-25).

Art in Schools - At Fulwell Junior School, pupils selected and curated artworks from the Arts Council Collection to be displayed in their new 'Aspirations' art gallery at the school and two decommissioned aircraft engines by artist Roger Hiorns were installed in the school playground. The loaned art works provided inspiration for the children's own artwork, poetry and creative writing as well as a wonderful display.

Improving health and wellbeing

For young people, 'Creative You' offered a range of events and workshops to support mental health, build self-esteem and confidence. The project was funded by Washington Area Committee, based at Arts Centre Washington and led by Sunderland Culture in partnership with Washington Mind.

Arts Centre Washington and Sunderland Museum & Winter Gardens' Creative Age groups for adults living with dementia and their carers supported around 20 regular participants each week.

Creating connectivity amongst our communities

Open House - In February, The Fire Station became a centre for community arts as it staged its second 'Open House', a special showcase event celebrating the talent in our communities, and which gives a platform to performers of all ages and backgrounds. This year's event featured 19 community performance groups, comprised of over 230 participants, ranging from 5 to 85 years of age.

Community exhibitions 'Amra Shobai Aikhaney' (We Are Here) at Arts Centre Washington marked 20 years of Sangini, a BAME women-led organisation with a focus on encouraging women from different communities to create, share and build stronger voices. The exhibition featured work from members of Sunderland Women's Art Group (SWAG), a collective of diverse artists, who curated and interpreted Sangini's story in their own unique way. Art works created during community workshops were also added to the exhibition throughout its duration.

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Trustees' Report

Governance

The beginning of 2022/23 saw further work to strengthen the organisation's governance. We appointed 3 new independent trustees - Sheree Rymer, Faculty Director for Creative and Digital at Sunderland College; Kamaswaredas Ramanathas, Manager of Young Asian Voices; and Professor Roy Sandbach, previously Director of the National Innovation Centre for Ageing and ex Proctor and Gamble executive.

Our 3 founding partners each appointed new representatives to the board – Paul Callaghan MAC Trust, stood down and was replaced by Sunderland Empire Theatre Director Marie Nixon. Graeme Thompson, Pro Vice Chancellor and our former Chair, stood down and was replaced by Ian Kershaw, one of the University Governors. And Fiona Brown from Sunderland City Council left us to be replaced by Peter McIntyre, Executive Director of City Development.

We also welcomed three non-executive directors to our new Sunderland Culture Trading company: Neil Smith, partner in real estate at solicitors Ward Hadaway; Nick Reed, Chief Executive of music charity B:Music in Birmingham, and Michelle Daurat, General Manager at Oaklea Convent and previous Head of Business and Operations at National Glass Centre

In September 2022, Annabel Turpin of ARC stood down as an Independent Director and Chair of our Finance Committee. Annabel was replaced as Chair by John Mowbray. In March 2023, Steve Knight of the University left us on his retirement and was replaced by Prof Michael Young.

Financial review

The Sunderland Culture Finance Committee met bi-monthly during this financial year, supported by Rebecca Ball, CEO and Ian High, Director of Finance and Administration.

The Chair of the Finance Committee briefs the full charity board during the quarterly board meetings of the financial performance of the organisation.

The Sunderland Culture Trading Co board also met quarterly to discuss performance of the Fire Station venue, with the Chair of the Trading Co board updating the Charity board at its quarterly board meetings.

Improvements continued to be implemented within the organisations financial systems including.

- Payment approvals authorised by only the CEO and DOF.
- More stringent checking on new suppliers.
- Purchase order system continuing to strengthen internal controls.
- New card/expense system providing more control and flexibility managed by DOF.

The highest percentage of the organisation's expenditure consists of programme delivery, marketing and communications and staffing.

During 2022/23 the number of staff employed directly through Sunderland Culture increased from 43 to 68. Most of the staffing pool were either salaried or casual staff employed directly to deliver event management at the Fire Station venue.

We continue to focus to minimise back office and governance costs to allow us to invest our resources in projects and programme which deliver our mission.

Sunderland Culture continue to contribute to the salary costs of employees directly employed by our founding partners who support the delivery of programme across the five core venues.

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Trustees' Report

Sunderland Culture also committed to become a Real Living Wage employer and implemented this from 1 April 2023.

The investment through Arts Council England's NPO programme of £509,200 p/a continued to provide vital support for the organisation's core activities and operations.

In addition, we continue to be very grateful to our other funders who provide restricted funding to support our creative programme and projects.

We must also note the considerable support and ongoing investment of our founding partners with respect to the maintenance, operation, and management of the five core venues. This investment may be in-kind, but it remains crucial in enabling the delivery of cultural programme. We are indebted to our partners for their continued investment and support for culture in Sunderland, without which Sunderland Culture would not be able to continue to deliver its programmes.

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of three months of total income, which would equate to holding approximately £312,500 in free reserves. The board are committed to rebuilding the free reserves to this level over the next five years.

At the year end, free reserves were £65,186 (2022: £391,047) a decrease of £325,861 as a result of the deficit in the year.

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Principal funding sources

In addition, the charity recognises the principal funding sources in the year as follows:

Art Fund
Arts Council Collection
Arts Council England
British Museum
Community Foundation for Tyne & Wear and Northumberland– supported by the Tyne & Wear High Sheriff Award Fund and the #iWill Fund.
Durham Benevolence
Family Arts Network
Friends of Sunderland Museum – James Wilson Bequest
Henry Moore Foundation
Helix Arts
Lithuanian Cultural Institute
Museums Association – Esmée Fairbairn Collections Fund
National Trust – New Wave programme
National Theatre
NEXUS
Sunderland Local Cultural Education Partnership
Sir John Priestman Charity Trust
Sunderland City Council – Covid-19 Health Inequalities Fund, Strength & Balance Fund, Washington Area Committee, Coastal Communities Fund and Sunderland Community Led Local Development Fund, part funded by the European Regional Development Fund.
The Austin & Hope Pilkington Trust
The Joicey Trust
Thriving Communities Fund - funding from the National Academy for Social Prescribing, Arts Council England, Natural England and Historic England.
Touchstones Rochdale - the Football Art Prize was supported using public funding by the National Lottery through Arts Council England.
University of Sunderland – ERDF Graduate Internships, part funded by the European Regional Development Fund and Robson Trust Creative Internships.
Victoria and Albert Museum
Writers Guild of Great Britain

Thank you to Bernard Lloyd and Art Fund for their support in developing National Glass Centre's permanent collection in 2022/2023.

Sunderland Culture Limited

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

The beginning of 2023/24 marked the beginning of our new NPO award from Arts Council England. We were delighted that the strength of work in the past, and our plans for the future means that our funding has increased by 24% to £634,200 per annum. This funding is for 3 years from 1 April 2023. We are hugely grateful to Arts Council England for supporting the work of our core partners – Sunderland City Council, University of Sunderland and Sunderland MAC Trust.

The board have been working to review Sunderland Culture's delivery against Arts Council England's 4 Investment Principles – Ambition and Quality, Inclusivity and Relevance, Dynamism and Environmental Responsibility.

In January 2023, the University announced that it had made the decision that it would need to close the National Glass Centre building at some point in the future due to the costs of the repair and maintenance of the building required to make it sustainable for the long term. The University are actively looking at alternative locations for many of the facilities within the NGC. Sunderland Culture continues to work closely with the University and Sunderland City Council to ensure that the city's unique glass culture and heritage is safeguarded for the future.

In early 2023, the MAC Trust took the decision that it wanted to change the operating model for the Fire Station. It was agreed that the public events programme, corporate and commercial activity, hospitality & retail should be brought together into a single commercial company, Pub Culture. Sunderland Culture has worked closely with MAC Trust to ensure smooth transition and mitigate any impact on business continuity.

We are delighted that Sunderland City Council has been awarded funding from the National Lottery Heritage Fund, and the DCMS Museum Estate and Development Fund, administered by Arts Council England, to support the redevelopment of Sunderland Museum & Winter Gardens.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

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Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

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Trustees' Report

Statement of Trustees' Responsibilities

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

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

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

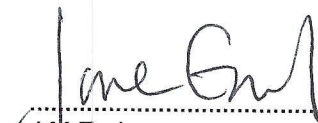
Disclosure of information to auditor

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on .../9/12/23 and signed on its behalf by:



J M Earl
Chair and Trustee

Sunderland Culture Limited

Independent Auditor's Report to the Members of Sunderland Culture Limited

Opinion

We have audited the financial statements of Sunderland Culture Limited (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Sunderland Culture Limited

Independent Auditor's Report to the Members of Sunderland Culture Limited

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 11), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

Sunderland Culture Limited

Independent Auditor's Report to the Members of Sunderland Culture Limited

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:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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

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

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

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



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

Date: 18/12/2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

Sunderland Culture Limited

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	49,818	363,370	413,188	206,985
Charitable activities	4	591,981	184,630	776,611	1,701,358
Other trading activities	5	1,166,484	-	1,166,484	-
Other income	6	129,426	-	129,426	268,550
Total Income		<u>1,937,709</u>	<u>548,000</u>	<u>2,485,709</u>	<u>2,176,893</u>
Expenditure on:					
Raising funds	7	(1,166,484)	-	(1,166,484)	-
Charitable activities	8	<u>(1,051,946)</u>	<u>(705,005)</u>	<u>(1,756,951)</u>	<u>(2,500,985)</u>
Total Expenditure		<u>(2,218,430)</u>	<u>(705,005)</u>	<u>(2,923,435)</u>	<u>(2,500,985)</u>
Net expenditure		(280,721)	(157,005)	(437,726)	(324,092)
Transfers between funds		<u>(68,402)</u>	<u>68,402</u>	<u>-</u>	<u>-</u>
Net movement in funds		(349,123)	(88,603)	(437,726)	(324,092)
Reconciliation of funds					
Total funds brought forward		<u>449,008</u>	<u>189,121</u>	<u>638,129</u>	<u>962,221</u>
Total funds carried forward	20	<u>99,885</u>	<u>100,518</u>	<u>200,403</u>	<u>638,129</u>

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

The funds breakdown for 2022 is shown in note 20.

Sunderland Culture Limited

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2022

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	50,287	156,698	206,985
Charitable activities	4	612,319	1,089,039	1,701,358
Other income	6	97,694	170,856	268,550
Total income		<u>760,300</u>	<u>1,416,593</u>	<u>2,176,893</u>
Expenditure on:				
Charitable activities	8	<u>(873,091)</u>	<u>(1,627,894)</u>	<u>(2,500,985)</u>
Total expenditure		<u>(873,091)</u>	<u>(1,627,894)</u>	<u>(2,500,985)</u>
Net expenditure		(112,791)	(211,301)	(324,092)
Transfers between funds		<u>353,237</u>	<u>(353,237)</u>	-
Net movement in funds		240,446	(564,538)	(324,092)
Reconciliation of funds				
Total funds brought forward		<u>208,562</u>	<u>753,659</u>	<u>962,221</u>
Total funds carried forward	20	<u><u>449,008</u></u>	<u><u>189,121</u></u>	<u><u>638,129</u></u>


Sunderland Culture Limited

(Registration number: 10098742)

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	34,699	57,961
Current assets			
Debtors	17	817,683	854,662
Cash at bank and in hand	18	<u>266,846</u>	<u>306,449</u>
		1,084,529	1,161,111
Creditors: Amounts falling due within one year	19	<u>(918,825)</u>	<u>(580,943)</u>
Net current assets		<u>165,704</u>	<u>580,168</u>
Net assets		<u>200,403</u>	<u>638,129</u>
Funds of the group:			
Restricted income funds			
Restricted funds	20	100,518	189,121
Unrestricted income funds			
Unrestricted funds		<u>99,885</u>	<u>449,008</u>
Total funds	20	<u>200,403</u>	<u>638,129</u>

The financial statements on pages 15 to 38 were approved by the trustees, and authorised for issue on 12/12/22 and signed on their behalf by:

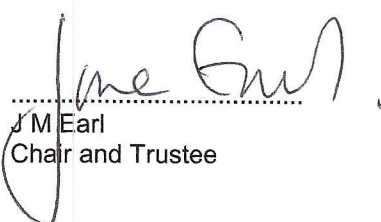

J M Earl
Chair and Trustee

Sunderland Culture Limited

(Registration number: 10098742)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	34,699	57,961
Current assets			
Debtors	17	660,257	864,662
Cash at bank and in hand	18	<u>230,394</u>	<u>296,449</u>
		890,651	1,161,111
Creditors: Amounts falling due within one year	19	<u>(724,947)</u>	<u>(580,943)</u>
Net current assets		<u>165,704</u>	<u>580,168</u>
Net assets		<u>200,403</u>	<u>638,129</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	20	100,518	189,121
Unrestricted income funds			
Unrestricted funds		<u>99,885</u>	<u>449,008</u>
Total funds	20	<u>200,403</u>	<u>638,129</u>

The financial statements on pages 15 to 38 were approved by the trustees, and authorised for issue on 15/12/23 and signed on their behalf by:


J M Earl
Chair and Trustee

Sunderland Culture Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash expenditure		(437,726)	(324,092)
Adjustments to cash flows from non-cash items			
Depreciation	7	<u>24,555</u>	<u>12,694</u>
		(413,171)	(311,398)
Working capital adjustments			
Decrease/(increase) in debtors	17	36,979	(390,981)
Increase in creditors	19	188,714	171,834
Increase in deferred income		<u>149,168</u>	<u>146,895</u>
Net cash flows from operating activities		(38,310)	(383,650)
Cash flows from investing activities			
Purchase of tangible fixed assets	15	<u>(1,293)</u>	<u>(62,481)</u>
Net decrease in cash and cash equivalents		(39,603)	(446,131)
Cash and cash equivalents at 1 April		<u>306,449</u>	<u>752,580</u>
Cash and cash equivalents at 31 March		<u><u>266,846</u></u>	<u><u>306,449</u></u>

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

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

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

The address of its registered office is: National Glass Centre, Liberty Way, Sunderland, SR6 0GL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit for the financial year of £437,726 (2022 - deficit of £324,092).

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

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

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

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

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

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

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Income and endowments

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

Income includes amounts received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned.

Donations and grant income included is recognised where there is entitlement, the receipt is probable and the amount can be measured with sufficient reliability.

In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Where a gift in kind is given to the charity and it can be reliably measured, the gift is shown in both voluntary income and charitable activities.

Investment income

Bank interest received is recognised once it has been received.

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Expenditure

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

Raising funds

These are costs incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £300.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
IT equipment	33.33% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price.

Cash and cash equivalents

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

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

Borrowings

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

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Funds managed on behalf of others

The charity manages (on behalf of the landlord) a property which is let to multiple parties. The charity records only the income in relation to those management tasks, for which it receives a management charge income from the landlord for doing so. All other transactions are held by the charity on the balance sheet as part of monies owed to the landlord.

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	29,818	12,584	42,402
Grants, including capital grants;			
Grants	-	350,786	350,786
Gifts in kind	20,000	-	20,000
	<u>49,818</u>	<u>363,370</u>	<u>413,188</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	18,177	300	18,477
Grants, including capital grants;			
Coronavirus Job Retention Scheme	-	13,064	13,064
Grants	12,110	143,334	155,444
Gifts in kind	20,000	-	20,000
	<u>50,287</u>	<u>156,698</u>	<u>206,985</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
National Portfolio Organisation	591,981	-	591,981
Venue Programme	-	70,431	70,431
National Partners Programme	-	39,699	39,699
Ambition for Excellence	-	74,500	74,500
	<u>591,981</u>	<u>184,630</u>	<u>776,611</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds General £	Restricted funds £	Total 2022 £
National Portfolio Organisation	612,319	298,000	910,319
Great Places	-	45,036	45,036
Venue Programme	-	492,625	492,625
Coastal Communities	-	123,490	123,490
National Partners Programme	-	122,353	122,353
Citywide	-	7,535	7,535
	<u>612,319</u>	<u>1,089,039</u>	<u>1,701,358</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2023 £
Trading income		
Events income	1,166,484	1,166,484
	<u>1,166,484</u>	<u>1,166,484</u>

6 Other income

	Unrestricted funds General £	Total 2023 £
Fees and supplies	129,426	129,426

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Fees and supplies	97,694	168,856	266,550
Rental income	-	2,000	2,000
	<u>97,694</u>	<u>170,856</u>	<u>268,550</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total funds £
Trading subsidiary costs	1,166,484	1,166,484
Total for 2023	1,166,484	1,166,484

8 Expenditure on charitable activities

	Unrestricted General £	Restricted £	Total 2023 £	Total 2022 £
Ambition for Excellence	-	162,307	162,307	284,238
Venue Programme	892,349	420,295	1,312,644	1,687,656
Great Places	-	-	-	61,654
Citywide Programme	-	22,092	22,092	-
National Partners Programme	-	98,749	98,749	243,369
Citywide	-	-	-	1,405
Coastal Communities	-	1,562	1,562	95,598
Governance costs (note 7)	159,597	-	159,597	127,065
	<u>1,051,946</u>	<u>705,005</u>	<u>1,756,951</u>	<u>2,500,985</u>

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Ambition for Excellence	-	284,238	284,238
Venue Programme	746,026	941,630	1,687,656
Great Places	-	61,654	61,654
National Partners Programme	-	243,369	243,369
Citywide	-	1,405	1,405
Coastal Communities	-	95,598	95,598
Governance costs (note 7)	127,065	-	127,065
	<u>873,091</u>	<u>1,627,894</u>	<u>2,500,985</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

In addition to the expenditure analysed above, there are also governance costs of £159,597 (2022 - £127,065) which relate directly to charitable activities. See note 9 for further details.

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Audit fees		
Audit of the financial statements	13,750	13,750
Marketing and publicity	48,549	48,549
Depreciation, amortisation and other similar costs	24,555	24,555
Other governance costs	72,743	72,743
Total for 2023	159,597	159,597
Total for 2022	127,065	127,065

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Audit fees	13,750	7,000
Depreciation of fixed assets	24,555	5,826

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

12 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	802,647	620,531
Social security costs	71,691	56,381
Pension costs	18,406	13,746
	<u>892,744</u>	<u>690,658</u>

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

	2023 No	2022 No
Managerial	5	4
Officers (including casual staff)	49	23
	<u>54</u>	<u>27</u>

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

	2023 No	2022 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

The total employee benefits of the key management personnel of the group were £246,685 (2022 - £175,215).

13 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>13,750</u>	<u>7,000</u>
Other fees to auditors		
All other non-audit services	<u>3,000</u>	<u>9,535</u>

14 Taxation

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

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Tangible fixed assets

Group

	IT equipment £	Total £
Cost		
At 1 April 2022	84,064	84,064
Additions	1,293	1,293
At 31 March 2023	85,357	85,357
Depreciation		
At 1 April 2022	26,103	26,103
Charge for the year	24,555	24,555
At 31 March 2023	50,658	50,658
Net book value		
At 31 March 2023	34,699	34,699
At 31 March 2022	57,961	57,961
Charity		
	IT equipment £	Total £
Cost		
At 1 April 2022	84,064	84,064
Additions	1,293	1,293
At 31 March 2023	85,357	85,357
Depreciation		
At 1 April 2022	26,103	26,103
Charge for the year	24,555	24,555
At 31 March 2023	50,658	50,658
Net book value		
At 31 March 2023	34,699	34,699
At 31 March 2022	57,961	57,961

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

16 Fixed asset investments

Charity

Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
Sunderland Culture Trading Limited	United Kingdom	By Guarantee	100%	100%	Support activities to performing arts

Subsidiaries

On 24 September 2021, Sunderland Culture Trading Limited was incorporated and is a fully owned subsidiary of Sunderland Culture Limited. The company remained dormant throughout the period to 31 March 2022, however started trading during 2022/23 and hence consolidated accounts have been prepared.

17 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	106,328	18,185	77,461	18,185
Due from group undertakings	-	-	-	10,000
Prepayments	23,062	24,738	11,426	24,738
Accrued income	639,846	784,282	494,633	784,282
VAT recoverable	12,687	9,169	40,977	9,169
Other debtors	35,760	18,288	35,760	18,288
	<u>817,683</u>	<u>854,662</u>	<u>660,257</u>	<u>864,662</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

18 Cash and cash equivalents

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash on hand	1,382	5,312	-	5,312
Cash at bank	265,464	301,137	230,394	291,137
	<u>266,846</u>	<u>306,449</u>	<u>230,394</u>	<u>296,449</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	489,708	219,592	445,719	219,592
Due to group undertakings	-	-	168,415	-
Other taxation and social security	18,782	18,968	18,782	18,968
VAT grant repayable	3,732	-	-	-
Accruals	110,540	195,488	57,676	195,488
Deferred income	296,063	146,895	34,355	146,895
	<u>918,825</u>	<u>580,943</u>	<u>724,947</u>	<u>580,943</u>

Deferred income

Group

	2023 £	2022 £
Deferred income at 1 April 2022	146,895	-
Resources deferred in the period	296,063	146,895
Amounts released from previous periods	<u>(146,895)</u>	<u>-</u>
Deferred income at year end	<u>296,063</u>	<u>146,895</u>

Charity

	2023 £	2022 £
Deferred income at 1 April 2022	146,895	-
Resources deferred in the period	34,355	146,895
Amounts released from previous periods	<u>(146,895)</u>	<u>-</u>
Deferred income at year end	<u>34,355</u>	<u>146,895</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

20 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General	449,008	771,225	(1,051,946)	(68,402)	99,885
Trading company	-	1,166,484	(1,166,484)	-	-
	<u>449,008</u>	<u>1,937,709</u>	<u>(2,218,430)</u>	<u>(68,402)</u>	<u>99,885</u>
Restricted funds					
Glass Exchange	45,000	74,500	(162,307)	42,807	-
Great Place Programme	-	(2,700)	-	2,700	-
Citywide Programme	-	77,275	(22,092)	-	55,183
Coastal Communities Programme	-	-	(1,562)	1,562	-
National Partners Programme	56,000	39,699	(98,749)	3,050	-
Venue Programme	<u>88,121</u>	<u>359,226</u>	<u>(420,295)</u>	<u>18,283</u>	<u>45,335</u>
Total restricted funds	<u>189,121</u>	<u>548,000</u>	<u>(705,005)</u>	<u>68,402</u>	<u>100,518</u>
Total funds	<u>638,129</u>	<u>2,485,709</u>	<u>(2,923,435)</u>	<u>-</u>	<u>200,403</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
General					
General	208,562	760,300	(873,091)	353,237	449,008
Restricted funds					
Glass Exchange	31,238	298,000	(284,238)	-	45,000
Great Place Programme	6,636	45,036	(61,654)	9,982	-
Citywide Programme	18,317	7,535	(1,405)	(24,447)	-
Coastal Communities Programme	9,643	123,490	(95,599)	(37,534)	-
National Partners Programme	129,547	122,353	(243,369)	47,469	56,000
Venue Programme	558,278	820,179	(941,629)	(348,707)	88,121
Total restricted funds	<u>753,659</u>	<u>1,416,593</u>	<u>(1,627,894)</u>	<u>(353,237)</u>	<u>189,121</u>
Total funds	<u>962,221</u>	<u>2,176,893</u>	<u>(2,500,985)</u>	<u>-</u>	<u>638,129</u>
Charity					
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General					
General	449,008	771,225	(1,051,946)	(68,402)	99,885
Restricted funds					
Glass Exchange	45,000	74,500	(162,307)	42,807	-
Great Place Programme	-	(2,700)	-	2,700	-
Citywide Programme	-	77,275	(22,092)	-	55,183
Coastal Communities Programme	-	-	(1,562)	1,562	-
National Partners Programme	56,000	39,699	(98,749)	3,050	-
Venue Programme	88,121	359,226	(420,295)	18,283	45,335
Total restricted funds	<u>189,121</u>	<u>548,000</u>	<u>(705,005)</u>	<u>68,402</u>	<u>100,518</u>
Total funds	<u>638,129</u>	<u>1,319,225</u>	<u>(1,756,951)</u>	<u>-</u>	<u>200,403</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General	208,562	760,300	(873,091)	353,237	449,008
Restricted funds					
Glass Exchange	31,238	298,000	(284,238)	-	45,000
Great Place Programme	6,636	45,036	(61,654)	9,982	-
Citywide Programme	18,317	7,535	(1,405)	(24,447)	-
Coastal Communities Programme	9,643	123,490	(95,599)	(37,534)	-
National Partners Programme	129,547	122,353	(243,369)	47,469	56,000
Venue Programme	558,278	820,179	(941,629)	(348,707)	88,121
Total restricted funds	<u>753,659</u>	<u>1,416,593</u>	<u>(1,627,894)</u>	<u>(353,237)</u>	<u>189,121</u>
Total funds	<u>962,221</u>	<u>2,176,893</u>	<u>(2,500,985)</u>	<u>-</u>	<u>638,129</u>

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

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

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the trustees, at their discretion, have created a fund for a specific purpose.

The transfer in the year represents the use of unrestricted funds to replenish the overspend of restricted funds. The transfer in the prior year from restricted funds represents re-allocation of expenditure against restricted funds which have ceased in the year.

The basis for calculating 'free reserves' are after allowing for all designated funds, fixed assets and other non-current assets and liabilities.

General funds

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of charitable objects.

Ambition for Excellence- Glass Exchange

This fund represents grants made by Arts Council England through the Ambition for Excellence Programme to the Glass Exchange project to enable Sunderland Culture to commission five contemporary artists to make new work in glass in partnership with Durham Cathedral.

Great Places

This fund represents a programme of work across the entire city working to increase opportunities for young people, support health and wellbeing, increase community cohesion and support artists and creative programme is received from National Lottery Heritage Fund, Arts Council England, Sunderland City Council, Sir James Knott Trust, Cultural Spring, Culture Bridge North East, Nexus, Sunderland Bid and Hays Travel.

Citywide Programme

This fund represents a programme of performances and events held in locations across the city and includes the artistic programme that accompanied the visit of the Tall Ships Races to Sunderland as well as commissions delivered as part of the commemoration events to mark the centenary of World War 1. Funds were received from Sunderland City Council and Imperial War Museum (14-18Now).

Coastal Communities

This fund represents grants secured in partnership with Sunderland City Council from the Ministry of Housing, Communities and Local Government for the delivery of activity which supports artists and creative businesses in Sunderland.

National Partners Programme

This fund represents a programme of exhibitions of work from the Arts Council Collection and associated learning, community engagement and digital projects. It is funded by grants from Arts Council England.

Governance costs- Venue Programme

These costs represent funds expended on the set up and development of Sunderland Culture funded by Arts Council England and National Lottery Heritage Fund.

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

21 Analysis of net assets between funds

Group

	Unrestricted General £	Restricted £	Total funds £
Tangible fixed assets	34,699	-	34,699
Net current assets/(liabilities)	65,186	100,518	165,704
Total net assets	99,885	100,518	200,403

	Unrestricted General £	Restricted £	Total funds at 31 March 2022 £
Tangible fixed assets	57,961	-	57,961
Net current assets/(liabilities)	391,047	189,121	580,168
Total net assets	449,008	189,121	638,129

Charity

	Unrestricted General £	Restricted £	Total funds £
Tangible fixed assets	34,699	-	34,699
Net current assets/(liabilities)	65,186	100,518	165,704
Total net assets	99,885	100,518	200,403

	Unrestricted General £	Restricted £	Total funds at 31 March 2022 £
Tangible fixed assets	57,961	-	57,961
Net current assets/(liabilities)	391,047	189,121	580,168
Total net assets	449,008	189,121	638,129

22 Analysis of net funds

Group

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	306,449	(39,603)	266,846
Net funds	306,449	(39,603)	266,846

Sunderland Culture Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	752,580	(446,131)	306,449
Net funds	<u>752,580</u>	<u>(446,131)</u>	<u>306,449</u>

23 Related party transactions

Charity

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

Sunderland Business Ltd

Sunderland Business Ltd is related to the charity via virtue of common officers. The charity has incurred costs from Sunderland Business Ltd of £600 (2022: £5,876). At the balance sheet date the amount due to/from Sunderland Business Ltd was £Nil (2022 - £Nil).

University of Sunderland

University of Sunderland is related to the charity via virtue of common officers. The charity has incurred costs from University of Sunderland of £440,756 (2022: £300,916). University of Sunderland has made contributions to incoming resources of £10,301 (2022: £8,235). The University of Sunderland also provide two office spaces for use by Sunderland Culture Limited which they do not charge for, this has been shown as a gift in kind of £20,000 (2022: £20,000) for the year. At the balance sheet date the amount due to University of Sunderland was £193,833 (2022 - £Nil).

Sunderland Music, Arts and Culture Trust

Sunderland Music, Arts and Culture Trust is related to the charity via virtue of common officers. Sunderland Music, Arts and Culture Trust made contributions to incoming resources of £45,000 (2022: £3,936) in the year for the management of the Fire Station. At the balance sheet date the amount due to/from Sunderland Music, Arts and Culture Trust was £Nil (2022 - £Nil).

Sunderland Culture Trading

(Subsidiary of Sunderland Culture.)

The charity has recharged payroll and other costs to SCT of £426,639 (2022:nil). Additionally, the charity has collected ticket sales on behalf of SCT of £560,919 (2022: £nil) which have been transferred to the company. During the period a loan of £10,000 was repaid to Sunderland Culture. At the balance sheet date the amount due from Sunderland Culture Trading was £168,415 (2022 - £Nil).