

Charity Registration No. 1053017

Company Registration No. 03153901 (England and Wales)

**ADVENTURE SUNDERLAND**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# ADVENTURE SUNDERLAND

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	M Hendy T Wills M Holmes Chair M Meling I Whitfield M Hunt J Ramsay G Taylor	(Appointed 25 May 2022) (Appointed 11 August 2022)
<b>Secretary</b>	T Wills	
<b>Charity number</b>	1053017	
<b>Company number</b>	03153901	
<b>Registered office</b>	Marine Activities Centre North Dock Roker Sunderland Tyne and Wear United Kingdom SR6 0PW	
<b>Auditor</b>	Azets Audit Services Bede House 3 Belmont Business Park Durham DH1 1TW	
<b>Solicitors</b>	Sintons The Cube Barrack Road Newcastle Upon Tyne Tyne And Wear United Kingdom NE4 6DB	

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# ADVENTURE SUNDERLAND

## CONTENTS

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	<b>Page</b>
Trustees' report	2 - 8
Independent auditor's report	9 - 11
Statement of financial activities	12
Consolidated Balance Sheet	13 - 14
Notes to the Consolidated financial statements	16 - 29

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# **ADVENTURE SUNDERLAND**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The trustees, who are also the directors of Adventure Sunderland for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ADVENTURE SUNDERLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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).

### Objectives and aims

Adventure Sunderland was established in 1996 as a registered charity with the objective of providing education recreational and leisure activities.

The charity's primary aim is to provide outdoor education opportunities for young people using adventurous activities contribute to their personal and social development.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit. The charity has carefully examined the Charity Commissioner's guidance on public benefit and has ensured that its business plan and long-term strategy encompass these requirements.

Beneficiaries of the charity's service include pupils in mainstream primary and secondary schools, colleges, youth groups, universities and a wide variety of social organisations. Most courses seek to achieve development of personal qualities such as self-confidence, awareness of others and responsibility, with the knowledge that such development has a lasting impact on individuals back in their everyday life. The gift aid from the trading subsidiary company allow these activities to be offered at a subsidised level to all sections of the community.

In furtherance of these objects, the charity has adopted the following Mission Statement:

"The Marine Activities Centre, Adventure Sunderland and Sunderland Marina will be nationally recognised as an outstanding example of community based Sports Development.

Through the efficient management of the Marine Activities Centre, Adventure Sunderland and Sunderland Marina, we will:

- Expand access to watersports for all sections of the community.
- Provide a safe, secure, high quality environment for customers, visitors and staff.
- Contribute to the social, cultural and economic regeneration of Wearside and the wider region.
- Work in partnership with other organisations that share common goals.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# ADVENTURE SUNDERLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### Charitable Activities

#### Adventure Sunderland

The Centre provides an excellent base for Outdoor Education and a wide range of courses at the Centre has been developed. The Centre has a licence from the Adventurous Activities Licensing Authority for all its activities with young people, it is a recognised Royal Yachting Association and British Canoeing Partner. Over the course of the last year more than 5,290 young people (4,612: 2021-22) have used the charity's facilities for a range of positive activities; organised groups, educational visits and private/family sessions. It has been very positive to return to pre-Covid levels of engagement.

The financial contribution made by Sunderland Marina Limited to the charity cannot be underestimated in allowing the charity to continue meeting its objectives, predominantly with the local community. The beginning of our 2023 season has a promising outlook with June/July fully booked with Primary and Secondary Schools, Academies and Pupil Referral Units. Similarly this reflects statistics to pre-Covid levels.

The charity delivers recreational course for youth and adults in a variety of activities including paddle boarding, canoeing and powerboating. These activities allow participants to access their immediate surroundings, the rivers and the sea, in a safe and responsible manner and furthermore benefit their health & wellbeing.

We continue to place importance on the training and development of our staff. Staff achieved further qualifications during the past year. Alongside external training courses, a significant amount of in-house training is carried out each year. We have further improved our commitment to our volunteers this year with an evaluation of their development, competence based training and access to industry standard qualifications. It is clear that the enthusiasm, dedication and professionalism of both staff and volunteers continue to inspire and give confidence to all those who use Adventure Sunderland.

#### Sunderland Marina Limited

Sunderland Marina Limited manages the Marine Activities Centre and the Marina. In the current year Sunderland Marina Limited provided £97,250 (2022: £152,905) in gift aid towards the running costs of the charity.

Sunderland Marina is based in the North Dock Sunderland, originally constructed by Brunel in 1837, and was renovated and extended by Tyne and Wear Development Corporation to provide a modern marina, following the 2014/15 expansion it now provides 132 pontoon berths, together with 95 chain moorings.

The Marina continues to provide a popular berth for boat owners from around the region. The Marina is also a popular destination for visitors from further afield.

#### The Marine Activities Centre

Adjoining and serving the Marina is the Marine Activities Centre, the building that provides the focus for users of the Marina, with reception and changing facilities together with workshop and internal storage space. The building itself is arranged into a series of commercial units which are rented out to a diverse range of organisations and companies.

Sunderland Marina Limited holds a lease on a peppercorn rent until 2122 for the land and associated buildings of the charity and Marina, the freeholder to the site being Sunderland City Council (SCC). In 2006 the charity identified that some land included within the lease was surplus to the requirements of both the trading company and the charity and was a potential development site. After prolonged marketing, an offer of £1.22M was received for the freehold of the site. Negotiations started with SCC to secure the freehold, unfortunately at this time SCC maintained that their interest in the site was 50% of the identified value, and a proposal that they should release their interest for £600k was ratified by full council. The charity's professional advisors could not agree with the suggestion that SCC financial interest in the land was 50% due to more than 114 years of the lease remaining, and consequently could not sanction a disposal with this level of cost to the charity. Any sale was delayed whilst protracted discussions with SCC continued.

# ADVENTURE SUNDERLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

These discussions finally came to fruition in 2011 when an agreement was reached with SCC, although their notional interest remained at £600,000 it was agreed that this could be discharged over a thirty-year period by discounting charges for courses and activities to Sunderland based participants. Regrettably, in the intervening period, the property market had collapsed and the site value had dropped to £675,000, the trustees took the view that access to these funds would be more beneficial than retaining the land and the freehold transfer was completed. At a time when financial cuts across the public sector have caused other providers to close and funding for youth groups and schools to be severely restricted this discount fund has been increasingly important to the increase in activity the charity has achieved. This mechanism allows us to set our fees at a level to ensure the financial viability of the charity and to be affordable to the end user.

### Financial Position

#### Overview

The charity's Report and Financial Statements for the year ended 31 March 2023 are attached. The operating surplus of £31,650 has increased by £393,642 from last year's deficit of (£361,992).

The two primary sources of funding continue to be income from charitable activities and the commercial operations of Sunderland Marina Limited. The income from these sources was:

Source	£	% of total income
Charitable activities	166,026	62.0%
Gift aid	97,250	36.3%
Other	4,723	1.7%
<b>Total</b>	<b>267,999</b>	<b>100.0%</b>

Adventure Sunderland is a charity, which seeks to benefit the public through the pursuit of its stated objectives. Our fees for charitable activities are set at a level to ensure accessibility for participants balanced with ensuring the financial viability of the charity. Our fee structure varies dependent on the time of year and demand and is heavily discounted through our trading operations, with an additional discount available for participants from within the Sunderland area as identified above.

Free reserves available for use by the charity are deemed to be those that are realisable, less funds whose uses are restricted or else designated for particular purposes. The calculation thus excludes funds invested in property and other fixed assets that will continue to be used in the day-to-day running of the charity. As a matter of policy, each year the trustees review the value of the reserves retained which are not held for restrictive purposes or designated projects.

The charity has a target of holding at least £173,000 in free reserves, which is equal to at least three months running costs of both the charity and its trading subsidiary. The charity currently has £863,976 (2022: £822,551) in free reserves, so the target has been achieved.

Free Reserves are calculated as follows:

	2023	2022
General unrestricted funds	902,894	867,010
Less:		
Loan commitments due within 1 year	(7,350)	(7,350)
Loan commitments due more than 1 year	(31,568)	(37,109)
<b>Free reserves</b>	<b>863,976</b>	<b>822,551</b>

# ADVENTURE SUNDERLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Principal risks and uncertainties**

The risks considered in this statement are classified as follows: Governance, Financial, Operational and External.

### **Governance risks**

The governance structure at the charity is in accordance with the following framework:

The charity is a limited liability company, with a maximum of eleven trustees, five appointed by member organisations and up to six independent trustees. Trustees meet four times a year with additional meetings if necessary, the Chief Executive attends and prepares papers for consideration by trustees. The agenda for each Board Meeting is structured with regular reports on budgets, performance, operational issues and health and safety. Any trustee with any concerns concerning the charity can request that the Board consider that issue. The Statutory Accounts and Annual Reports are presented to trustees on an annual basis and the year's performance is reviewed.

The charity has recently completed a comprehensive governance review and trustees are satisfied that the above governance structure is appropriate to the activities of the charity and that it operates satisfactorily.

### **Financial Risks**

The key staff include the Chief Executive, Marina Manager and AS Centre Manager who are jointly responsible for the day-to-day financial management of the charity. The Treasurer, who is a trustee is a qualified accountant and attends the office regularly to satisfy himself as to the record keeping and overall financial performance.

Financial control is exercised by detailed reporting to the Board and the monitoring of income and expenditure against budget. The trustees have examined the major strategic, business and operational risks, which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The Board considers the charity's exposure to major risks, in terms of their likely impact on its income sources and planned expenditure in the short to medium term, as well as assessing the best way to mitigate such risks. With income, the major risk is from a decline in mooring fees, rental income and to lesser extent course fees, particularly due to the continuing economic situation and other factors leading to reduced economic activity locally.

The charity has a long-term target of holding free reserves equal to at least three months' costs in addition to business interruption insurance. There is also buildings, third party and employer's liability insurance in place. The trustees are satisfied that the latter constitute appropriate protection against any insurable liability. The trustees believe that the level of free reserves in the present economic climate provide acceptable protection in respect of uninsurable losses. The charity does not place any significant reliance on income from investments.

# ADVENTURE SUNDERLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Operational Risk**

The charity believes that the health and safety of visitors is paramount.

The charity is inspected on a biennial basis by the Adventure Activities Licensing Service (AALS). AALS is part of the Health and Safety Executive (HSE). The inspection process covers the safety management of activities, which includes risk assessments, staff qualifications and the maintenance of equipment associated with the activities. The charity undertakes to perform to the requirements and guidance of AALS and is subject to spot inspections. AALS include in their inspection an assessment to establish whether a "culture of safety" exists within the organisation and has found that it does.

The charity has also been awarded recognised training centre status by the Royal Yachting Association and British Canoeing, all of which carry out annual inspections to ensure appropriate standards are maintained, in both safety and the standard of coaching provided. Additionally the charity holds the "Learning outside the Classroom Quality Badge" (LOtC) and "Adventuremark" status.

All staff leading activities at the charity hold the relevant National Governing Body qualification or have been assessed as competent by an appropriately experienced and qualified person as required by AALS.

The charity has a Health and Safety Policy and Operating Procedures that include generic risk and risk/benefit analysis supported by site-specific risk assessments. Great attention is paid to the need to attain the right balance between risk and benefit. Senior staff believe that this need has been fulfilled by careful consideration of procedures and analysis of incident statistics.

The charity has a compliant and wide ranging Child Protection Policy with annual staff training. Enhanced 'Disclosure & Barring Scheme' (DBS) checks are carried out on all charity staff including long term and regular volunteers, trainees and student placements.

The charity complies with current fire safety legislation. A former fire fighter, a permanent member of staff takes specific responsibility for this area.

### **External risk**

Potential external risks include damaged reputational risk, turbulent economic circumstances and changing government policy.

The charity seeks to mitigate against these external risks by remaining alert to changing policies through networking with professional bodies which are actively involved in contributing and to developing policy affecting both Outdoor Education and Marinas. With trustees that have a wide and diverse skills and knowledge base, including some from stakeholder organisations representing the education sector across the age range and sports development, the charity is as well informed as it can be with regard to policy changes that might impact the future progress of the charity.

The charity enjoys a good reputation for acting professionally with compassion and protects this reputation through the quality of its staff, staff training, good support by administrative staff and high quality facilities. Any effect on income due to damage to its reputation is likely to be sustainable using the free reserves.

The trustees believe that the charity has restored its pre-Covid performance, in a well-founded position and that the measures taken to protect and enhance its income from its trading subsidiary will enable it to face the challenges of the current economic downturn and ahead.

# ADVENTURE SUNDERLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Future Plans**

The charity will continue all of its current activities and develop new on-site activities and more offsite expeditions. The dedication of the staff and trustees, together with the financial support of its benefactors remains vital to Adventure Sunderland fulfilling its charitable objectives.

Sunderland Marina has begun the process of application to carry out dredging to maintain the depth required for its berth-holders to continue to have 24hr access to/from the Marina. This was last carried out in 2006. Permission from the Port of Sunderland is required followed by confirmation of a successful application to the Marine Management Organisation. Dredging is vital to protect our main income stream.

The charity has one site not yet utilised, an area of land adjacent to the slipway. Following several competitive offers from property developers, we are currently negotiating a contract for the sale of the site. The trustees remain confident that this site will be sold in the future and part of this potential windfall will be reinvested in the estate allowing the charity to continue to provide high quality facilities.

### **Structure, governance and management**

#### **Governing Document**

The charity is controlled by its governing document, a Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

#### **Overview**

Adventure Sunderland is a company limited by guarantee, and governed by a Board of trustees. It is governed in accordance with the Memorandum and Articles of Association. The Board is responsible for the management and control of the charity and the overall direction of its work. The Board is a non-executive body, and appoints a Chief Executive to conduct the business of the charity on its behalf, who is responsible for the staff and the day-to-day management. New Board members are briefed by the Chair and Chief Executive to familiarise themselves with the charity as well as their wider responsibilities as company directors and charity trustees. All members receive an induction pack providing information on their duties and responsibilities, key policy documents, and other background information.

As a charity, it cannot engage directly in trading activities. Accordingly, the commercial activities of the Marine Activities Centre and the Marina are routed through the wholly owned subsidiary, Sunderland Marina Limited. The Board of Directors of Sunderland Marina Limited are appointed by the Board of the charity, and currently consists of one of the members of the charity Board together with the Chief Executive.

The Board of trustees met four times (trustee attendance 2023-76%, 2022-70%) during the year to review the activities, consider the financial position and determine policy and procedure.

The Board of trustees, the Chief Executive Officer, Marina Manager and AS Centre Manager comprise the key management personnel. No remuneration was paid to trustees in the year. Details of trustee's expenses and related party transactions are disclosed in Notes to the accounts. The pay of the key staff is reviewed annually and normally increased in line with a general increase awarded to all staff within the company.

# ADVENTURE SUNDERLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R Atchison	(Resigned 30 May 2022)
M Hendy	
D Marrin	(Resigned 31 August 2022)
I Nixon	(Resigned 9 December 2022)
T Wills	
F Brown	(Resigned 8 June 2022)
M Holmes Chair	
M Meling	
I Whitfield	
M Hunt	
J Ramsay	(Appointed 25 May 2022)
G Taylor	(Appointed 11 August 2022)

#### Events Since The End Of The Year

Information relating to events since the end of the year is given in the notes to the financial statements.

#### Auditor

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

#### Qualified Opinion – Relating to revaluation of property

Adventure Sunderland engaged a professional surveyor in good faith to obtain a new valuation report for the three property sites. This lengthy process provided the resultant valuation documents which did not satisfy the audit team, specifically in relation to assumptions made with regard to interpretation of several potentially restrictive clauses in two of the leases.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

M Hendy  
Trustee

18 December 2023

# ADVENTURE SUNDERLAND

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF ADVENTURE SUNDERLAND

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#### Qualified opinion

We have audited the financial statements of Adventure Sunderland (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 qualified opinion

The freehold land and buildings in Adventure Sunderland and the leasehold property in Sunderland Marina Ltd were revalued in the period by an external valuer, as detailed in note 12, to £760,000 and £1.75m respectively, however we have not been able to place reliance on these as the valuations included certain assumptions that we do not consider justifiable in order to arrive at a fair valuation and as a result the value of the freehold land and buildings and the leasehold property are likely to be materially overstated.

#### 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

# ADVENTURE SUNDERLAND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ADVENTURE SUNDERLAND

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### **Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to freehold land and buildings described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the financial statements are not in agreement with the accounting records.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

# ADVENTURE SUNDERLAND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ADVENTURE SUNDERLAND

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### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Joanne Regan FCA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services**

19 December 2023

**Chartered Accountants  
Statutory Auditor**

Bede House  
Belmont Business Park  
DURHAM  
United Kingdom  
DH1 1TW

# ADVENTURE SUNDERLAND

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income from:</b>							
Donations and legacies	2	1,860	-	1,860	11,601	-	11,601
Charitable activities	5	166,026	-	166,026	128,894	-	128,894
Other trading activities	6	555,442	-	555,442	533,577	-	533,577
Investments	3	293	-	293	-	-	-
<b>Total income</b>		<b>723,621</b>	<b>-</b>	<b>723,621</b>	<b>674,072</b>	<b>-</b>	<b>674,072</b>
<b>Expenditure on:</b>							
Raising funds	7	627,996	-	627,996	566,904	-	566,904
Charitable activities	9	59,741	4,234	63,975	48,836	14,994	63,830
<b>Total resources expended</b>		<b>687,737</b>	<b>4,234</b>	<b>691,971</b>	<b>615,740</b>	<b>14,994</b>	<b>630,734</b>
<b>Net incoming/(outgoing) resources</b>		<b>35,884</b>	<b>(4,234)</b>	<b>31,650</b>	<b>58,332</b>	<b>(14,994)</b>	<b>43,338</b>
<b>Other recognised gains and losses</b>							
Revaluation of tangible fixed assets		-	-	-	(612,850)	207,520	(405,330)
<b>Net movement in funds</b>		<b>35,884</b>	<b>(4,234)</b>	<b>31,650</b>	<b>(554,518)</b>	<b>192,526</b>	<b>(361,992)</b>
Fund balances at 1 April 2022		2,317,674	717,528	3,035,202	2,872,192	525,002	3,397,194
<b>Fund balances at 31 March 2023</b>		<b>2,353,558</b>	<b>713,294</b>	<b>3,066,852</b>	<b>2,317,674</b>	<b>717,528</b>	<b>3,035,202</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# ADVENTURE SUNDERLAND

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
<b>Fixed assets</b>					
Tangible assets	14	3,186,494	3,178,344	788,521	792,374
Investments	13	-	-	1,842,169	1,733,161
		<u>3,186,494</u>	<u>3,178,344</u>	<u>2,630,690</u>	<u>2,525,535</u>
<b>Current assets</b>					
Stocks	15	3,109	2,668	-	-
Debtors	16	91,770	84,485	365,137	412,502
Cash at bank and in hand		292,674	318,675	177,610	120,761
		<u>387,553</u>	<u>405,828</u>	<u>542,747</u>	<u>533,263</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(213,254)</u>	<u>(235,231)</u>	<u>(22,226)</u>	<u>(30,946)</u>
Net current assets		<u>174,299</u>	<u>170,597</u>	<u>520,521</u>	<u>502,317</u>
<b>Total assets less current liabilities</b>		<u>3,360,793</u>	<u>3,348,941</u>	<u>3,151,211</u>	<u>3,027,852</u>
<b>Creditors: amounts falling due after more than one year</b>	20	<u>(293,941)</u>	<u>(313,739)</u>	<u>(31,568)</u>	<u>(37,109)</u>
<b>Net assets</b>		<u><u>3,066,852</u></u>	<u><u>3,035,202</u></u>	<u><u>3,119,643</u></u>	<u><u>2,990,743</u></u>
<b>Income funds</b>					
General restricted funds		468,574	472,808	468,574	472,808
Revaluation reserve		244,720	244,720	244,720	244,720
	19	<u>713,294</u>	<u>717,528</u>	<u>713,294</u>	<u>717,528</u>
<u>Unrestricted funds</u>					
General unrestricted funds		902,894	867,010	2,398,549	2,265,415
Revaluation reserve		1,450,664	1,450,664	7,800	7,800
	19	<u>2,353,558</u>	<u>2,317,674</u>	<u>2,406,349</u>	<u>2,273,215</u>
		<u><u>3,066,852</u></u>	<u><u>3,035,202</u></u>	<u><u>3,119,643</u></u>	<u><u>2,990,743</u></u>

# **ADVENTURE SUNDERLAND**

## **CONSOLIDATED BALANCE SHEET (CONTINUED)**

***AS AT 31 MARCH 2023***

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the Trustees on 18 December 2023

M Hendy  
**Trustee**

**Company Registration No. 03153901**

# ADVENTURE SUNDERLAND

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	Group 2023 £	Group 2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	34,203	161,318
Interest paid		(2,278)	(1,940)
Interest received		293	-
		<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>		32,218	159,378
		<hr/>	<hr/>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(58,219)	(9,213)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(58,219)	(9,213)
		<hr/>	<hr/>
Cash and cash equivalents at beginning of year		318,675	168,510
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>		292,674	318,675
		<hr/> <hr/>	<hr/> <hr/>
<b>Relating to:</b>			
Cash at bank and in hand		292,674	318,675
		<hr/> <hr/>	<hr/> <hr/>

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

#### **Charity information**

Adventure Sunderland is a charitable company limited by guarantee incorporated in England and Wales and the registered charity number is 1053017. The registered office is Marine Activities Centre, North Dock, Roker, Sunderland, Tyne and Wear, SR6 0PW, United Kingdom.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles and Association, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

In addition however, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies (Continued)

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from Government and other grants whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of furlough grants; all conditions, with respect to the eligible costs being claimed, need to be met.

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Land Nil depreciation Buildings 2% on cost
Leasehold land and buildings	2% on cost
Plant and equipment	5% - 33% on cost
Fixtures and fittings	5% - 33% on cost
Computers	5% - 33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Taxation

The charity is exempt from corporation tax on its charitable activities.

#### 1.12 Limited by guarantee

The charitable company is limited by guarantee in that every member undertakes to contribute to the charity in the event of the same being wound up during the time that he is a member or within one year afterwards in the payment of debts and liabilities and the costs of winding up, such amounts as may be required not exceeding £1.

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Government grants	1,860	11,601

### 3 Investments

	Unrestricted funds	Total
	2023	2022
	£	£
Interest receivable	293	-

### 4 Subsidiary Activities

The wholly owned subsidiary, Sunderland Mairna Limited which is incorporate in England and Wales, pay the majority of its taxable profits to charity via gift aid. Sunderland Marina Limited operates all commercial activities carried on at the Marine Activities Centre.

The charity owns the entire issued share capital of 100 ordinary shares of £1 each. A summary of the trading results its show below:

	2023	2022
	£	£
<b>Revenue</b>	<b>550,423</b>	527,538
Cost of sales	(33,236)	(17,283)
<b>Gross Profit</b>	<b>517,187</b>	510,255
Adminstrative expenses	(682,399)	(730,638)
Other operating income	189,132	172,178
<b>Operating Profit/(Loss)</b>	<b>23,920</b>	(48,205)
Interest receivable and similar income	22	-
Interest payable and similar expenses	(10,589)	(5,269)
<b>Profit/(Loss) before Taxation</b>	<b>13,353</b>	(53,474)
Taxation	(1,595)	-
<b>Profit/(Loss) for the Financial Year</b>	<b>11,758</b>	(53,474)

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 5 Charitable activities

	Providing educational recreational and leisure activities	Providing educational recreational and leisure activities
	2023 £	2022 £
Course fees	129,357	104,623
Course discounts	21,750	15,862
Charitable rental income	7,392	6,396
Other income	7,527	2,013
	<u>166,026</u>	<u>128,894</u>

### 6 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Commercial trading operations income Sunderland Marina Limited	<u>555,442</u>	<u>533,577</u>
Mooring and pontoon sales	349,768	362,917
Rental income	99,988	87,760
Service charges	46,265	37,844
Diesel	33,855	19,312
Slipway	2,160	4,940
Visitor sales	7,010	7,031
Other income	11,396	7,730
Employment allowance and JRS	5,000	4,000
Government Grants	-	2,043
	<u>555,442</u>	<u>533,577</u>

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 7 Raising funds

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2023</b>	2022
	£	£
<u>Trading costs</u>		
Commercial trading operations expenditure Sunderland Marina Limited	627,996	566,904
	<u>627,996</u>	<u>566,904</u>

### 8 Support costs

	<b>Support costs</b>	<b>Governance costs</b>	<b>2023</b>	<b>2022</b>
	£	£	£	£
Audit fees	-	7,640	7,640	3,840
Legal and professional	-	520	520	748
	<u>-</u>	<u>8,160</u>	<u>8,160</u>	<u>4,588</u>
Analysed between				
Charitable activities	<u>-</u>	<u>8,160</u>	<u>8,160</u>	<u>4,588</u>

Governance costs includes payments to the auditors of £7,640 (2022- £3,840) for audit fees.

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 9 Charitable activities

	Providing educational recreational and leisure activities	Providing educational recreational and leisure activities	Total 2023	Providing educational recreational and leisure activities	Providing educational recreational and leisure activities	Total 2022
	2023	2023		2022	2022	
	£	£	£	£	£	£
Depreciation and impairment	8,196	4,234	12,430	8,464	14,994	23,458
Course expenses	7,517	-	7,517	5,163	-	5,163
Training	1,108	-	1,108	1,362	-	1,362
Uniforms	150	-	150	-	-	-
Travelling	267	-	267	222	-	222
Rates and water	1,032	-	1,032	1,235	-	1,235
Heat and light	8,549	-	8,549	3,330	-	3,330
Insurance	12,227	-	12,227	10,703	-	10,703
Repairs and renewals	9,332	-	9,332	11,394	-	11,394
Cleaning	-	-	-	42	-	42
Telephone	405	-	405	-	-	-
Postage, stationery, software and advertising	422	-	422	419	-	419
Loan interest	2,278	-	2,278	1,844	-	1,844
Bank charges	98	-	98	70	-	70
	<u>51,581</u>	<u>4,234</u>	<u>55,815</u>	<u>44,248</u>	<u>14,994</u>	<u>59,242</u>
Share of governance costs (see note 8)	8,160	-	8,160	4,588	-	4,588
	<u>59,741</u>	<u>4,234</u>	<u>63,975</u>	<u>48,836</u>	<u>14,994</u>	<u>63,830</u>
<b>Analysis by fund</b>						
Unrestricted funds	59,741	-	59,741	48,836	-	48,836
Restricted funds	-	4,234	4,234	-	14,994	14,994
	<u>59,741</u>	<u>4,234</u>	<u>63,975</u>	<u>48,836</u>	<u>14,994</u>	<u>63,830</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 12 Staff Costs

#### Employees

The average monthly number of employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
	13	13
	<u>13</u>	<u>13</u>

#### Employment costs

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	334,421	321,123
Social security costs	32,192	29,148
Other pension costs	10,981	10,980
	<u>377,594</u>	<u>361,251</u>

#### Directors' remuneration

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration paid to directors	60,264	60,264
	<u>60,264</u>	<u>60,264</u>

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
	1	1
	<u>1</u>	<u>1</u>

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 13 Fixed Asset Investments - Charity

	Shares in group undertakings	Total
	£	£
<b>Cost or valuation</b>		
At 1 April 2022	2,012,420	2,012,420
Repayments	0	0
Revaluations	11,758	11,758
At 31 March 2023	<u>2,024,178</u>	<u>2,024,178</u>
<b>Impairment</b>		
At 1 April 2022	279,259	279,259
Impairment losses		
At 31 March 2023	<u>279,259</u>	<u>279,259</u>
<b>Net Book Value</b>		
At 31 March 2023	<u>1,744,919</u>	<u>1,744,919</u>
At 1 April 2022	<u>1,733,161</u>	<u>1,733,161</u>

There were no investment assets outside the UK. The company's investments at the balance sheet date in the share capital of companies include the following:

Sunderland Marina Limited:

Nature of business: Marine Activities Centre and Marina

Class of share: % holding

Ordinary 100

	2023	2022
	£	£
Aggregate capital and reserves	1,744,919	1,733,161
Profit/(Loss) for the year	11,758	(53,474)

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 14 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2022	1,060,000	1,750,000	1,236,136	21,056	23,792	4,090,984
Additions	-	-	31,919	25,600	700	58,219
At 31 March 2023	1,060,000	1,750,000	1,268,055	46,656	24,492	4,149,203
<b>Depreciation and impairment</b>						
At 1 April 2022	-	-	878,928	14,308	19,404	912,640
Depreciation charged in the year	-	-	44,125	4,281	1,663	50,069
At 31 March 2023	-	-	923,053	18,589	21,067	962,709
<b>Carrying amount</b>						
At 31 March 2023	1,060,000	1,750,000	345,002	28,067	3,425	3,186,494
At 31 March 2022	1,060,000	1,750,000	357,208	6,748	4,388	3,178,344

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 14 Tangible fixed assets

(Continued)

The carrying value of land included in land and buildings comprises:

	2023 £	2022 £
Freehold	1,060,000	1,060,000
Long leasehold	1,750,000	1,750,000
	<u>2,810,000</u>	<u>2,810,000</u>

At 31 March 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,148,857 (2022 - £1,140,707).

Included in the above group tangible fixed assets freehold property with an NBV of £300,000 (2022 £300,000), long leasehold with an NBV of £1,750,000 (2022: £1,750,000), plant and machinery with an NBV of £319,907 (2022: £329,222), and fixtures and fittings with a NBV of £28,067 (2022: £6,748) belongs to Sunderland Marina Limited.

Included in cost or valuation of land and buildings is freehold land of £350,000 (2022: £300,000) which is not depreciated.

On 24 March 2023, freehold land and buildings were revalued on an Existing Use Value basis by a qualified valuer David Johnson, MRICS of George F White LLP at £2,810,000 (including a value of land of £350,000).

### 15 Stocks

	2023 £ Group	2022 £ Group	2023 £ Charity	2022 £ Charity
Finished goods and goods for resale	3,109	2,668	-	-

### 16 Debtors

	2023 £ Group	2022 £ Group	2023 £ Charity	2022 £ Charity
<b>Amounts falling due within one year:</b>				
Trade debtors	85,576	79,746	-	-
Amounts owed by subsidiary undertakings	-	-	360,493	410,850
Other debtors	1,551	3,088	-	-
Prepayments and accrued income	4,643	1,651	4,644	1,652
	<u>91,770</u>	<u>84,485</u>	<u>365,137</u>	<u>412,502</u>

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 17 Loans and overdrafts

	2023 £ Group	2022 £ Group	2023 £ Charity	2022 £ Charity
Bank loans	38,918	44,459	38,918	44,459
Other loans	50,000	50,000	-	-
	<u>38,918</u>	<u>44,459</u>	<u>38,918</u>	<u>44,459</u>
Payable within one year	7,350	7,350	7,350	7,350
Payable after one year	81,568	87,109	31,568	37,109
	<u>81,568</u>	<u>87,109</u>	<u>31,568</u>	<u>37,109</u>

The following secured debts are included within creditors:

	2023 £ Group	2022 £ Group	2023 £ Charity	2022 £ Charity
Bank loans	38,918	44,459	38,918	44,459
City of Sunderland	276,630	290,033	-	-
	<u>315,548</u>	<u>334,492</u>	<u>38,918</u>	<u>44,459</u>

Bank loans are secured on Adventure Sunderland, Marine Walk, Roker, Sunderland, SR6 1PW

City of Sunderland loans and debt are secured on land and buildings at Marine Activities Centre, North Dock, R Sunderland and land lying to the south East of Dame Dorothy Street, Sunderland.

### 18 Creditors: amounts falling due within one year

	2023 £ Group	2022 £ Group	2023 £ Charity	2022 £ Charity
Bank loans	7,350	7,350	7,350	7,350
Corporation tax payable	1,595	-	-	-
Other taxation and social security	31,457	29,810	-	-
Trade creditors	4,796	3,567	4,643	3,548
Deferred consideration	12,598	12,598	-	-
Other creditors	7,088	5,361	-	-
Accruals and deferred income	148,370	176,545	10,233	20,048
	<u>213,254</u>	<u>235,231</u>	<u>22,226</u>	<u>30,946</u>

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021	Resources expended	Revaluations, gains and losses	Balance at 1 April 2022	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£
Watersports Activity Centre	512,094	(10,751)	207,520	708,863	-	708,863
Lions Club	33	(21)	-	12	(12)	-
Latitude Fifty	733	(275)	-	458	(275)	183
Sport England Humber Ocean	10,642	(3,647)	-	6,995	(3,647)	3,348
Lions Club Minibus	1,500	(300)	-	1,200	(300)	900
	<u>525,002</u>	<u>(14,994)</u>	<u>207,520</u>	<u>717,528</u>	<u>(4,234)</u>	<u>713,294</u>

### 20 Creditors: amounts falling due after more than one year

	2023 £	2022 £	2023 £	2022 £
	Group	Group	Charity	Charity
Bank loans	31,568	37,109	31,568	37,109
Other borrowings	50,000	50,000	-	-
Other creditors	212,373	226,630	-	-
	<u>293,941</u>	<u>313,739</u>	<u>31,568</u>	<u>37,109</u>

### 21 Related party transactions

During the year the charity paid a management fee of £184,132 (2022: £166,135) to its subsidiary Sunderland Marina Limited. At the year end Sunderland Marina Limited agreed to pay a donation via Gift Aid of £97,250 (2022: £152,905) to the charity. At the year end the balance due from the trading subsidiary was £360,494 (2022: £410,850).

The charity made loans totaling £210,000 to Sunderland Marina Limited, being part of the available loan facility of £215,000 obtained by the parent charity from Nat West bank. The loan from the parent company was made on commercial terms. During the year interest received on this loan was £2,863 (2022: £2,327). At 31 March 2023 £38,917 (2022: £44,459) remained outstanding.

# ADVENTURE SUNDERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	2,473,200	713,294	3,186,494	2,460,816	717,528	3,178,344
Current assets/(liabilities)	174,299	-	174,299	170,597	-	170,597
Long term liabilities	(293,941)	-	(293,941)	(313,739)	-	(313,739)
	<u>2,353,558</u>	<u>713,294</u>	<u>3,066,852</u>	<u>2,317,674</u>	<u>717,528</u>	<u>3,035,202</u>

### 23 Cash generated from operations

	Group 2023 £	Group 2022 £
Surplus/(deficit) for the year	31,650	43,338
Adjustments for:		
Transfer from revaluation reserve	-	(31,050)
Depreciation and impairment of tangible fixed assets	50,069	87,774
Interest received	(293)	-
Interest paid	2,278	1,940
Movements in working capital:		
Decrease in stocks	(441)	-
Decrease/(increase) in debtors	(7,285)	75,859
(Decrease)/increase in creditors	(41,775)	(16,543)
<b>Cash generated from operations</b>	<u>34,203</u>	<u>161,318</u>