# TOWNER

England & Wales · Charity number 1156762

## Details

| | |
|---|---|
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 08803625 |
| **Registered** | 2014-04-22 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Towner Art Gallery<br>Devonshire Park<br>College Road<br>Eastbourne<br>BN21 4JJ |
| **Phone** | 01323 434670 |
| **Email** | towner@townereastbourne.org.uk |
| **Website** | www.townereastbourne.org.uk |

## Activities

**Objects:** THE COMPANY HAS BEEN ESTABLISHED FOR PUBLIC BENEFIT TO:- ADVANCE THE EDUCATION, ENJOYMENT AND APPRECIATION OF THE PUBLIC AT LARGE OF THE ARTS BY THE ESTABLISHMENT AND/OR MAINTENANCE OF A MUSEUM AND/OR ART GALLERY; AND/OR- WITHOUT PREJUDICE TO THE GENERALITY OF THE ABOVE, TO ADVANCE THE EDUCATION, ENJOYMENT AND APPRECIATION OF THE PUBLIC AT LARGE OF THE ARTS BY THE MAINTENANCE OF THE TOWNER IN EASTBOURNE; AND/OR- ADVANCE THE EDUCATION, ENJOYMENT AND APPRECIATION OF THE PUBLIC AT LARGE OF THE ARTS THROUGH TOWNER?S ART COLLECTION; AND/OR- PURSUE SUCH OTHER CHARITABLE PURPOSES ANALOGOUS TO ANY OF THE ABOVE AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION SHALL DETERMINE (TOGETHER THE ?OBJECTS?).

**Activities:** Towner is an award winning art gallery, showcasing artists of national and international significance and presenting works from their acclaimed collection. They place learning and a commitment to access at the very heart of everything they do, delivering a year long programme of exhibitions, learning and participation activities for all ages and all backgrounds.

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## Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Arts/culture/heritage/science
- **Who:** The General Public/mankind

## Geography

- Throughout England

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £3,554,485 | £2,641,316 | £6,220,662 | 54 |
| 2024-03-31 | £3,665,931 | £3,322,554 | £5,307,493 | 52 |
| 2023-03-31 | £3,548,751 | £2,379,122 | £4,964,117 | 53 |
| 2022-03-31 | £2,593,441 | £1,831,276 | £3,794,488 | 49 |
| 2021-03-31 | £1,864,298 | £1,335,732 | £3,032,322 | 46 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| Catherine Susan Wood | | 2022-06-06 |
| Dr Caroline Lucas | | 2024-12-02 |
| Flavia Cahn | | 2025-09-08 |
| GYR KING | | 2014-07-07 |
| Jane Elizabeth Lamb | | 2026-06-04 |
| Jonathan Paul Smales | | 2025-06-18 |
| Margaret Bannister | | 2023-09-11 |
| Maya Leach | | 2025-12-11 |
| Myfanwy Barrett | | 2025-09-08 |
| Stephen Welton CBE | | 2024-11-18 |

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**TOWNER**

England & Wales - Charity number 1156762

# Accounts

REGISTERED COMPANY NUMBER: 08803625 (England and Wales)
REGISTERED CHARITY NUMBER: 1156762

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

# FOR

# TOWNER

MONDAY
*AEHH1HAY*
A15 15/12/2025 #176
COMPANIES HOUSE

TOWNER

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FOR THE YEAR ENDED 31 MARCH 2025


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## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 MARCH

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of 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 ACTIVITIES

### Objectives

Founded as an art gallery for the people, Towner presents world-class exhibitions of national and international significance and works from our acclaimed collection. We work in collaboration with individuals, communities and organisations, especially those with least access to the arts, to ensure that we are relevant to all our audiences. An innovative cultural social asset for Eastbourne and the South East., Towner brings the most exciting developments in modern and contemporary art to local, national and international audiences, develops and supports artistic practice, and provides a place for experimenting, creating and talking about art and culture.

Towner has been established for public benefit to fulfil the following charitable objectives:

To advance the education, enjoyment and appreciation of the public at large of the arts by the establishment and/or maintenance of an art gallery
To advance the education, enjoyment and appreciation of the public at large of the arts by the maintenance of Towner in Eastbourne
To advance the education, enjoyment and appreciation of the public at large of the arts through Towner's art collection
To pursue such other charitable purposes analagous to any of the objects as the Trustees in their absolute discretion shall determine.

### Chair's Foreword

I was delighted to join Towner in November 2024 as Chair of the Board of Trustees leading one of the most dynamic and ambitious regional visual arts organisations in the country. I would like to formally thank David Dimbleby for his exceptional leadership as Chair over the previous decade, which saw Towner grow from a local gallery to a significant regional cultural institution.

I welcome David's continued involvement as President and look forward to our continued work together. His support and advice will be invaluable as Towner enters a new era of growth and diversification. Its ambitious strategy over the next four years will be a driving force for the sustainable cultural development of the Seven Sisters region through strategic initiatives including Towner Seven Sisters and the Newhaven Creative Opportunities Zone supporting the town's creative sector development.

At a time of significant economic and social change, organisations like Towner have an even more critical role to play as centres of leadership at the heart of local communities. Increasingly, we will have to adapt to the challenges of wider fundraising by broadening our support and thinking creatively how we build existing strategic relationships while forging new partnerships. Black Robin Farm, the new community and visitor destination, will be an integral part of this.

I would also like to take this opportunity to recognise the contribution of all trustees, in particular those who stepped down during the year; Dinah Casson for her commitment as Deputy Chair over ten years and Jenny Williams BEM for her expert contribution to improving diversity and inclusion across the organisation. We welcomed former Green MP Caroline Lucas to the Board bringing her expertise in environmental sustainability as a new trustee. We will continue to add additional experience as needed to reflect future opportunities for Towner and ensuring a good and diverse mix of skills, including younger trustees.

As an organisation we are only as impactful as the people who work for us, so we are very lucky to have such a strong Executive Team led by Chief Executive Joe Hill together with the wider Towner team of staff and volunteers. I would like to thank them all for their continued dedication and commitment.

Stephen Welton CBE

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH

### Trustees Report on Activities

This year we have prioritised building on the success of Towner's centenary programme and the Turner Prize exhibition in 2023 which brought record visitor numbers to the gallery and the town-wide Eastbourne ALIVE programme. We have undertaken a strategic review of current programme and operations and worked throughout the year on specific strategic initiatives to build financial resilience through task and finish groups and to identify priorities for the next strategy 2026-2030. This period will deliver significant organisational growth with the opening of a second visitor destination at Black Robin Farm on the South Downs which will catalyse Eastbourne's economic regeneration and a new cultural strategy for East Sussex's coastal region.

Considerable time has been invested by the Executive with the Senior Management Team improving systems and data capture to better understand audiences and identify opportunities to grow and broaden visitor numbers and income. With trustees and in consultation with the wider team, the new strategy from 2026 will deliver growth around three goals: increased national and international profile, Towner as a cultural changemaker and organisational sustainability and business innovation.

Alongside this period of reflection and planning, our programme has delivered a range of high-quality exhibitions and associated events, alongside fairs, film screenings and family and community activities for almost 172,000 visitors and participants.
We announced Stephen Welton CBE, Chair of the British Business Bank, as Towner's new Chair, and welcomed former Green MP Caroline Lucas to the Board of Trustees. Following ten years as Chair, David Dimbleby became the gallery's first President. Towner remains at the heart of the region's cultural development through its chairship of Culture East Sussex which advocates for the creative sector and the region's cultural landscape.

### Diversity & Inclusion

Delivery of the Youth Voice strategy continued to broaden the diversity of voices in Towner's decision-making processes. The Acquisitions and Collections Committee membership of 10 people under 30 years of age has focused on selecting an artwork for acquisition into the collection alongside training sessions from Towner team and gallerists and visiting artist studios supporting their professional development. Two trustee positions have been advertised for under 30 year olds with the process supported by Kids in Museums. University of Sussex undergraduate mentors are working with the Skills & Opportunities Producer to deliver the Year 9 project Future Makers.

### Commercial Enterprises

A new programme of maker fairs began with the Towner Jewellery Fair followed by a Christmas Fair and a Ceramics Fair in March supporting over 100 independent makers and attracting 7000 visitors and generating significant new income. The team has expanded with a new part-time coordinator starting in March who will support on venue hire and growing fairs, courses and cinema programme and a new strand of event and hospitality packages developing as part of the Towner Experiences brand. We installed a high-speed LAN line into the cinema in January 2025 enabling additional RBO event screenings. Limited edition prints of Robert Tavener prints generated significant income in partnership with Emma Mason Gallery. Preparatory work for the new print on demand service is in place for launch in summer 2025.

### Fundraising

Thanks to generous contributions from all our supporters, our contributed income reached £691,000 from grants, donations and membership. Alongside support for exhibitions, community programmes and collection acquisitions, there has been important investment in environmental sustainability thanks to the Rick Mather David Scrase Foundation. In March we switched on solar panels on the gallery roof, which with storage batteries, will reduce both energy usage and utility bills. Infrastructure investment thanks to Fidelity Foundation in a CRM system and roles means we can plan ahead with robust data and insight to grow audiences, supporters and financial sustainability. And finally, we are delighted to have been awarded a development phase grant by the National Lottery Heritage Fund thanks to national lottery players, to develop the next phase of the Black Robin Farm project including the detailed design of the oldest parts of site and testing a new heritage engagement programme.

**TOWNER**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 MARCH**

**The Year in Numbers**

- We welcomed **171,757** visitors to Towner
- In our cinema, we held **393** screenings of **81** titles with **19,766** people enjoying a film at Towner Cinema throughout the year
- We opened **8** new exhibitions
- **Almost 20,000** people attended our summer exhibition Emma Stibbon *Melting Ice | Rising Tides* and almost **12,000** visited the autumn exhibition *Drawing the Unspeakable,* not including members' visits.
- More than **1,500** people attended our public programme of talks, workshops and masterclasses
- Over **2,600** people of all ages participated in our Families Programme, including **946** under-5s and their adults who attended **34** Wriggle Room sessions at Towner and Willingdon Trees Community Centre.
- There were **1.1 million** page views on our website
- We saw our social media accounts grow by **6%** as we welcomed over **3.3k** new followers across our platforms
- We generated press coverage that received over **5 million** views
- We acquired **over a thousand** new pieces of artwork for our collection 7 of which were purchased, and the rest were gifted.

**Programme Report**

During the period 1 April 2024 to 31 March 2025, Towner delivered a vibrant exhibition and public programme, underpinned by strong learning and engagement activity for 171,757 visitors and participants. The highlights below demonstrate how the gallery has engaged audiences of all ages and backgrounds, supported by a year-round programme of exhibitions, events and community-oriented learning.

**Exhibitions**

***Turner Prize* 2023 (28 September 2023 – 14 April 2024)**
The prestigious exhibition featuring the four shortlisted artists Jesse Darling, Ghislaine Leung, Rory Pilgrim and Barbara Walker closed in April 2024. The exhibition and the Eastbourne ALIVE community programme welcomed more than 260,000 which featured over 385 events, exhibitions, performances, and workshops.

**Emma Stibbon: *Melting Ice | Rising Tides* (9 May – 15 September 2024)**
Emma Stibbon's first major UK institutional exhibition presented new and existing artworks including *Cliff Fall* (2023), a monumental wall-drawing/installation, evoking rock-falls increasingly common on the UK coast. Stibbon's work draws on field-research in the High Arctic, Antarctica and on the Sussex coastline, deploying drawing, printmaking and large-scale installation to trace the link between polar ice-sheet retreat and coastline change in the UK.
As part of the associated public programme of events, we launched Climate Eco Cafe partnering with Seaford and Lewes Climate Eco Cafés, a series of drop-in spaces for people to come together and share how the climate emergency and related biodiversity crisis are affecting them.

**Maria Amidu: *in the perpetual back and forth* (4 May – 8 September 2024)**
Presented as part of iniva's Future Collect Commission partnership, Maria Amidu's exhibition centred on *26,778,780 minutes* — a paper and text-based installation and accompanying sound piece, featuring over 1,000 sheets of laser-etched handmade abaca fibre paper. The artwork has now joined our Collection thanks to support from Art Fund.

**Florence Peake: *FACTUAL ACTUAL* performances (9 May – 16 June 2024)**
Complementing their exhibition at Towner, FACTUAL ACTUAL presented seven large-scale paintings suspended over a gloss dance floor. Six dancers used a rig and pulley system to hoist, lower, fold, and drag the works during live performances at the Welcome Building.

**Robert Tavener: *Shape Pattern Colour, The Art of Printmaking* (19 September – 3 November 2024)**
This exhibition celebrated the work of printmaker and illustrator Robert Tavener (1920-2004), whose long-standing career is rooted in Eastbourne and the Sussex coast. Lithographs, linocuts and illustrations from the Towner Collection and Emma Mason Gallery, presented Tavener's output ranging from children's book illustration, commissions (London Transport, Shell, BBC, Radio Times) and his print teaching practice via Eastbourne College of Art.

***Drawing the Unspeakable* (5 October 2024 – 27 April 2025)**
Curated by broadcaster David Dimbleby and his daughter, artist/writer Liza Dimbleby, this exhibition brought together approximately 300 works by more than 90 artists exploring drawing as a medium for expressing the inexpressible. The works addressed themes including war, disaster, displacement, mental and physical illness, loss, birth, memory and dream. Artworks ranged from Louise Bourgeois, Barbara Hepworth, David Bomberg to contemporary voices Tracey Emin, Kara Walker and Emma Talbot. A distinctive feature was the printed conversations between father and daughter reflecting on their different viewpoints (journalist and artist) and their curatorial logic.

Exhibition events & activities included 'Question Time – Flipped', a Q&A event featuring David Dimbleby, Liza Dimbleby and artist Naiza Khan; a collaborative drawing workshop, and an 'Ethical Taxidermy & Scenery Collage' workshop, a free event for all ages linking to this and the Byrne exhibitions.

**Nigel Hall RA: *Here and Now, There and Then* (16 November 2024– 2 March 2025)**
This mid-career retrospective of sculptor Nigel Hall RA (b.1943) brought together sculptures, drawings and prints spanning some 50 years of practice. The exhibition highlighted the centrality of drawing to Hall's practice: from early landscape sketches of the

Mojave Desert (late 1960s) through large-scale charcoal drawings to his most recent computer-modelled sculptural works. To coincide with the show, his five-metre-high magenta steel sculpture *Gravity/Levity* (2015) was installed on the Devonshire Quarter Plaza outside Towner.

**Gerard Byrne: *Jielemeguvvie guvvie sjisjnjeli – Film inside an image* (21 September 2024 – 21 April 2025)**
The first presentation of a newly acquired work whose title is drawn from the Southern Sámi language. Purchased through Art Fund's Moving Image Fund, this film work by Gerard Byrne (b.1969) explores the convergences of image, film, environment and memory. Byrne documents a 360-degree panoramic natural-history diorama at the Biologiska Museet in Stockholm (1893), employing field recordings of animal calls and birdsong, exploring relationships with nature, preservation, image-technology and the uncanny.

**Public Programme Events**
**Towner Centenary Commissions** saw the launch of two public artworks co-produced with community groups in Eastbourne's Seaside, Shinewater and Langney. Artist Navine G. Dossos worked with residents of Eastbourne's Devonshire Ward (Seaside) to create **Riviera**: a community-designed textile pattern made from stencils relating to the multi-cultural neighbourhood which was launched and exhibited at VOLT Gallery in Eastbourne from 28 July to 15 September 2024.

**The Findings** project created five artworks by artist Verity-Jane Keefe that were installed in Shinewater and Langney. Using the Bronze Age history of the area as a starting point, Verity-Jane worked with 60 local school children, Shinewater and Langney residents, and a local Eastbourne foundry to create the artworks from objects extracted during archaeological digs and at Eastbourne's recycling centre.

**Creative Newhaven**
Newhaven's Cultural Programme funded by Newhaven Enterprize Zone expanded this year delivering a mix of Towner produced and third-party exhibitions, events and activities in the Marina Workshops following its refurbishment. The Summer at Sidings programme during August delivered events including music, cabaret, dance and participatory art aimed at families attracting over 2000 people over three weekends. The Growth Fund awarded grants to Haven Young Creatives, Ignite Theatre, KP Projects, Play On Productions, and Edgeland Modern.

**Learning and Engagement**

The learning and engagement programme aligns with Towner Collection themes and the year's exhibitions providing artist-led creative sessions and workshops for all ages. Key strands during the year included artist-led activities for Early Years and families to develop imagination and creative confidence in young children and their caregivers, and creativity and skills in young people.

Regular activities include **Family Days**, gallery takeover days during the school holidays and weekly drop-in **Wriggle Room** sessions for under 5s and their caregivers. There were 1500 participants for Family Days and almost 1700 attendances for Wriggle Room during 2024/25. Funded by East Sussex County Council, the **Holiday Activities and Food Programme** delivered 10 sessions during the summer holidays for children eligible for free school meals, including those with special needs, and their families with over 180 participants. School/college group visits were either self-directed or guided with over 1700 during the year. 130 pupils from 10 secondary schools attended artist-led sessions at the gallery and in classrooms as part of the new **Future Makers** programme for Year 9 students deciding their GCSE subjects. Towner's youth collective, **Banana Sharks**, designed and led *Lots of Great Things*, an open studio event that saw the group take over the ground floor studios and present an installation inside our huge lift. **Arts in Mind** continued bi-weekly for the group of adults with mental health conditions, with a focus on building resilience and positive mental health.

**Skills & Training**
12 Year 12 students (17/18 year olds) undertook skills training with Towner exhibition technicians and Visitor Services, and ten Year 10 students undertook work experience placements at Towner and with the Creative Newhaven programme. There were additional Year 12 work experience opportunities in curatorial, events and marketing funded by Talent Accelerator.
50 East Sussex College students attended careers talks at Towner as part of the Wish You Were Here programme. 2 young people attended paid work experience as Events Assistants at film screenings and Towner maker fairs. Towner supported one year long work placement for an East Sussex College student.

**Financial position and reserves**

Total reserves at the end of the year were £6,220,662 (2024: £5,307,493). The Trustees have set a reserves policy which is a product of strategic planning, budgeting and risk management. The policy requires that the charity's core activity, funded through the unrestricted reserve, could continue for six months during a period of unforeseen difficulty, which is in line with Charity Commission recommendations. The unrestricted free reserves (excluding fixed assets) which totalled £1,115,703 as at 31 March 2025 (2024: £868,409) meet this requirement based on budgeted core cost for the year ended 31 March 2026 of £1,498,000. Maintaining a six-month operating reserve will support the organisation in trading through potential adversity, taking in to account future commitments and the possibility of lack of financial investment from key public funders. The level of reserves will be monitored and reviewed by the Trustees on a regular basis. Unrestricted reserves include £185,000 (2024:£205,000) designated to Emerging Artists' expenditure and new staff positions.

**Principal risks and uncertainties**

Going Concern

The principle financial risks facing the charity and its trading subsidiary are considered as part of the overall approach to risk management, but include variation to visitor forecasts, changes to income from Eastbourne Borough Council and Arts Council England, unplanned expenditure and a challenging economic environment. The Trustees have reviewed the cash position of the charity and are satisfied that the charity will remain able to meet all its financial commitments. The Trustees believe that the charity is able to manage its financial risks successfully and are confident that there are sufficient reserves for the operation to continue.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is a company, limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association.

### Recruitment and appointment of new trustees

The management of Towner is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The maximum number of Trustees was initially eleven but can be increased at the discretion of the Board. Of the total number of Trustees two are to be appointed by Eastbourne Borough Council. Trustees are required to retire by rotation whereby one third of the Trustees shall be required to retire each year but shall be eligible for reappointment. Trustees may be re-appointed by the Board at the end of each term of office.

### Organisational structure

There are currently twelve Trustees who have delegated powers to the Executive Director and Senior Management Team to make expenditure decisions within the framework of the approved annual budget.
A Finance and Resources Sub-Committee has been established. This committee monitors income and expenditure and performance against the approved budget and reports back to the Board. They also approve and monitor Health and Safety policies and the Risk Register.

The day-to-day activities are controlled by Joe Hill, Executive Director, and the Senior Management Team who lead departments and report to the Executive Director. Joe Hill was previously registered as a Director at Companies House but following professional advice that the Companies House Directors should only comprise the Trustees, he was removed from Companies House registration as a Director on 6 October 2025.

### Induction and training of new trustees

Trustees are recruited according to the Trustees' and Executive Director's ongoing assessment of the skills and experiences needed for the Board of an art gallery and museum. These include expertise in national and international arts and culture, fundraising, finance, HR and legal. Prospective new Trustees are recommended to the Chair and Executive Director, who assess the candidates and decide whether to proceed with the appointment.

The newly appointed Trustees received an induction from Towner's solicitor, advising them on their legal responsibilities. They were given thorough briefings by the Executive Director, Senior Management team and the Chairman.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

08803625 (England and Wales)

### Registered Charity number

1156762

### Registered office

Towner Devonshire Park
College Road
Eastbourne
East Sussex
BN21 4JJ

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 MARCH 2025

**Trustees**

| | |
|---|---|
| J Babarinde | |
| M Bannister | |
| M Barrett | (appointed 8 September 2025) |
| D Casson | (resigned 3 June 2024) |
| F Cahn | (appointed 8 September 2025) |
| F Dennis | |
| D Dimbleby (former Chair) | (resigned 18 November 2024) |
| J Jones | (resigned 27 November 2025) |
| G King | |
| M Leach | (appointed 11 December 2025) |
| C Lucas | (appointed 2 December 2024) |
| J Smales | (appointed 18 June 2025) |
| S Welton (Chair) | (appointed 18 November 2024) |
| J Williams | (resigned 2 December 2025) |
| C Wood | |

**Executive Director**
Joe Hill

**External Finance Committee Member**
Judith Barber

**Auditors**
Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

### COMMENCEMENT OF ACTIVITIES
Charitable Trust status was obtained on 1 July 2014, from which point the Trust commenced its charitable activities.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Towner for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 11 December 2025 and signed on the board's behalf by:



.....
S Welton - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

### Opinion

We have audited the financial statements of Towner (the 'charitable company') and its subsidiary for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the charity Balance Sheet, the Consolidated Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and its subsidiary's affairs as at 31 March 2025 and of their incoming resources and application of resources, including their 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The 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 Report of the Independent Auditors 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 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.

### Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its subsidiaries and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

**Our responsibilities for the audit of the financial statements**
We have been appointed as auditor under section 151 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

•We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the management team
•We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

•With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the management team.

•We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

•We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Report of the Independent Auditors.

**Use of our report**

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

Andrew Hill FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

Date: 12/12/2025

**TOWNER**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 31 MARCH 2025**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2025 Total funds £ | 2024 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM:** | | | | | |
| Donations and legacies | 2 | 117,135 | 186,548 | 303,683 | 477,844 |
| Works donated to collection | | 667,920 | - | 667,920 | 124,122 |
| **Charitable activities** | | | | | |
| Secured funding EBC | | 314,000 | - | 314,000 | 413,880 |
| Secured funding Arts Council England | | 537,962 | - | 537,962 | 537,962 |
| Newhaven Creative | | - | 190,513 | 190,513 | 151,703 |
| Learning activities and funding | 3 | - | 171,410 | 171,410 | 66,081 |
| Turner Prize Funding | 3 | 350 | - | 350 | 189,575 |
| Eastbourne Alive funding | 3 | - | 65,500 | 65,500 | 511,915 |
| Exhibition & collection activities and exhibition funding | 3 | 89,184 | 122,500 | 211,684 | 280,814 |
| Public Art Trail funding | | - | 120,781 | 120,781 | 65,587 |
| Memberships, Patrons and Director's circle | | 110,847 | - | 110,847 | 108,205 |
| Museums & Galleries Exhibitions Tax Relief | | 199,348 | - | 199,348 | 189,387 |
| Trading activities: retail, café, cinema, venue hire & events | 4 | 619,206 | 4,500 | 623,706 | 540,967 |
| Other income | 5 | 36,782 | - | 36,782 | 7,889 |
| **Total** | | **2,692,734** | **861,751** | **3,554,485** | **3,665,931** |
| **EXPENDITURE ON:** | 6 | | | | |
| **Charitable activities** | | | | | |
| Fundraising and supporters' costs | | 152,032 | 29,835 | 181,868 | 182,628 |
| Newhaven Creative | | - | 190,513 | 190,513 | 204,434 |
| Learning activities | | 267,036 | 156,007 | 423,042 | 355,581 |
| Turner Prize | | 26,001 | - | 26,001 | 593,732 |
| Eastbourne Alive | | - | 101,541 | 101,541 | 523,589 |
| Exhibition & collection activities | | 933,093 | 85,001 | 1,018,094 | 694,329 |
| Public Art Trail | | 2,006 | 120,781 | 122,787 | 65,805 |
| Heritage | | 6,322 | - | 6,322 | - |
| Travel and subsistence | | 28,724 | - | 28,724 | 17,402 |
| **Trading Activities** | | | | | |
| Shop, café, cinema, venue hire & commercial events | | 501,944 | 40,051 | 541,995 | 684,444 |
| Other trading activities | | 429 | - | 429 | 609 |
| **Total** | | **1,917,588** | **723,728** | **2,641,316** | **3,322,554** |
| **NET INCOME** | | **775,146** | **138,023** | **913,169** | **343,376** |
| Transfers between funds | 18 | 184,455 | (184,455) | - | - |
| **Net movement in funds** | | **959,601** | **(46,433)** | **913,169** | **343,376** |
| Total funds brought forward | | 5,058,515 | 248,978 | 5,307,493 | 4,964,117 |
| **TOTAL FUNDS CARRIED FORWARD** | | **6,018,116** | **202,545** | **6,220,662** | **5,307,493** |

**TOWNER**

**CONSOLIDATED BALANCE SHEET**
**31 MARCH 2025**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2025 Total funds £ | 2024 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | 3,069 | - | 3,069 | 6,138 |
| Tangible assets | 13 | 2,081,344 | 12,626 | 2,093,969 | 2,118,767 |
| Heritage assets | 14 | 2,818,001 | - | 2,818,001 | 2,065,201 |
| | | 4,902,414 | 12,626 | 4,915,039 | 4,190,106 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 266,970 | 75,599 | 342,569 | 370,909 |
| Stock | | 50,446 | - | 50,446 | 47,583 |
| Cash at bank | | 949,779 | 121,061 | 1,070,840 | 829,006 |
| | | 1,267,196 | 196,659 | 1,463,855 | 1,247,497 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (151,493) | (6,740) | (158,233) | (130,110) |
| **NET CURRENT ASSETS** | | 1,115,703 | 189,920 | 1,305,622 | 1,117,387 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 6,018,116 | 202,545 | 6,220,662 | 5,307,493 |
| **NET ASSETS** | | 6,018,116 | 202,545 | 6,220,662 | 5,307,493 |
| **FUNDS** | 18 | | | | |
| Unrestricted funds | | | | 6,018,116 | 5,058,515 |
| Restricted funds | | | | 202,545 | 248,978 |
| **TOTAL FUNDS** | | | | 6,220,662 | 5,307,493 |

The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2025 and were signed on its behalf by:



S Welton - Trustee

**TOWNER**

**BALANCE SHEET**
**31 MARCH 2025**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2025 Total funds £ | 2024 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | 3,069 | - | 3,069 | 6,138 |
| Tangible assets | 13 | 2,081,344 | 12,626 | 2,093,969 | 2,118,767 |
| Heritage assets | 14 | 2,818,001 | - | 2,818,001 | 2,065,201 |
| Investments | 15 | 1 | - | 1 | 1 |
| | | 4,902,415 | 12,626 | 4,915,040 | 4,190,107 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 251,755 | 75,599 | 327,353 | 491,739 |
| Cash at bank | | 914,513 | 121,061 | 1,035,574 | 704,150 |
| | | 1,166,268 | 196,659 | 1,362,927 | 1,195,889 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (218,587) | (6,740) | (225,327) | (91,732) |
| **NET CURRENT ASSETS** | | 947,681 | 189,920 | 1,137,600 | 1,104,157 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,850,095 | 202,545 | 6,052,640 | 5,294,264 |
| **NET ASSETS** | | 5,850,095 | 202,545 | 6,052,640 | 5,294,264 |
| **FUNDS** | 18 | | | | |
| Unrestricted funds | | | | 5,850,095 | 5,045,286 |
| Restricted funds | | | | 202,545 | 248,978 |
| **TOTAL FUNDS** | | | | 6,052,640 | 5,294,264 |

The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2025 and were signed on its behalf by:

S Welton - Trustee

**TOWNER**

**CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2025**

| | Notes | 2025 £ | 2024 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | 459,427 | 343,334 |
| Net cash provided by operating activities | | 459,427 | 343,334 |
| **Cash flows from investing activities** | | | |
| Purchase of intangible fixed assets | | - | - |
| Purchase of tangible fixed assets | | (133,735) | (211,244) |
| Irrecoverable VAT adjustment re improvements to property | | 1,023 | 10,109 |
| Purchase of heritage assets | | (84,880) | (81,017) |
| Net cash used in investing activities | | (217,592) | (282,152) |
| **Change in cash and cash equivalents in the reporting period** | | 241,834 | 61,182 |
| **Cash and cash equivalents at the beginning of the reporting period** | 2 | 829,006 | 767,824 |
| **Cash and cash equivalents at the end of the reporting period** | 2 | 1,070,840 | 829,006 |

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

### 1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2025 £ | 2024 £ |
|---|---|---|
| **Net income for the reporting period (as per the Statement of Financial Activities)** | 913,169 | 343,376 |
| **Adjustments for:** | | |
| Depreciation charges | 160,579 | 153,968 |
| Donated works included in income | (667,920) | (124,122) |
| (Increase)//decrease in debtors | 28,340 | 129,993 |
| (Increase)/decrease in stock | (2,863) | (8,207) |
| Increase/(decrease) in creditors | 28,123 | (151,674) |
| **Net cash provided by operations** | 459,247 | 343,334 |

### 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2025 £ | 2024 £ |
|---|---|---|
| Notice deposits (less than 3 months) | 1,070,840 | 829,006 |
| Total cash and cash equivalents | 1,070,840 | 829,006 |

### 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/24 £ | Cash flow £ | At 31/3/25 £ |
|---|---|---|---|
| **Net cash** | | | |
| Cash at bank and in hand | 829,006 | 241,834 | 1,070,840 |
| **Total** | 829,006 | 241,834 | 1,070,840 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**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 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.

**Governance costs**
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit fees, together with any legal advice relating to governance, and an apportionment of staff overhead.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Improvements to property – over remaining lease term. Fixtures and Fittings – 10% straight line, IT and electronic equipment – 20-25% straight line, Other equipment – 10% straight line. Website costs 20% straight line.

**Heritage assets: works of art - "the collection"**
The Trustees consider the works of art to be heritage assets as defined by the SORP and FRS 30. Works of Art consist of paintings, sculptures and prints acquired by purchase and or accepted to be accessioned into the Collection through donation and bequest.

Additions to the Collection acquired by purchase are recognised in the balance sheet at cost on an annual basis. All works accessioned into the Collection through donation or bequest are reported in the Balance Sheet at commercial value using recent transaction information form external sources as the basis of assessment.

In accordance with FRS 30 "Market Value" has been defined by the Trustees for this purpose as being the lower of the comparable assessed costs to acquire at auction, compared to that at an appropriate retail gallery. The artworks are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Going forward, all items purchased for the Collection will continue initially to be recorded in the Balance Sheet at cost and the Trustees will, if considered appropriate, have them re-valued at any point in the future. Collection items acquired by donation or bequest will be recorded at current market value.

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

## 1. ACCOUNTING POLICIES - continued

**Fund accounting**
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**Pension costs and other post-retirement benefits**
The charity operates a pension scheme for some staff providing defined benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex County Council Scheme. The most recent actuarial valuation carried out was in March 2023. The Admission Agreement entered into between East Sussex County Council and Eastbourne Borough Council and Towner dated 1 July 2014 are on the basis of a fully funded scheme. Eastbourne Borough Council also acts as a guarantor in relation to the scheme. The charity also operates a defined contribution scheme for the remaining staff.

**Donated goods and services**
The value of these is not currently included in the financial statements but would be if deemed material.

## 2. DONATIONS AND LEGACIES

| | Unrestricted | Restricted | Total 2025 | 2024 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations and grants towards capital projects | - | 99,575 | 99,575 | 203,125 |
| Donations and grants towards collection acquisitions | - | 83,647 | 83,647 | 77,000 |
| Donations and grants towards core costs | 117,135 | 3,326 | 120,461 | 197,719 |
| | 117,135 | 186,548 | 303,683 | 477,844 |

## 3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted | Restricted | 2025 | 2024 |
|---|---|---|---|---|
| **Learning activities and funding:** | £ | £ | £ | £ |
| Income from learning activities | - | - | - | - |
| Restricted grants and donations | - | 171,410 | 171,410 | 66,081 |
| | - | 171,410 | 171,410 | 66,081 |
| **Turner Prize Funding** | | | | |
| Sponsorship | - | - | - | 147,500 |
| Restricted grants and donations | - | - | - | 35,907 |
| Unrestricted donations | 192 | - | 192 | - |
| Event income and catalogue sales | 158 | - | 158 | 6,168 |
| | 350 | - | 350 | 189,575 |
| **Eastbourne Alive Funding** | | | | |
| Restricted grants and donations | - | 65,500 | 65,500 | 511,915 |
| **Exhibition and collection activities and exhibition funding** | | | | |
| Exhibition tickets | 66,777 | - | 66,777 | 166,345 |
| Other ticketed events | 13,393 | - | 13,393 | 9,491 |
| Image licensing and loans | 4,014 | - | 4,014 | 1,383 |
| Sponsorship | 5,000 | - | 5,000 | - |
| Restricted grants and donations | - | 122,500 | 122,500 | 103,595 |
| | 89,184 | 122,500 | 211,684 | 280,814 |

## 4. TRADING ACTIVITIES

| | Unrestricted £ | Restricted £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| Retail sales (shop and online) | 301,457 | - | 301,457 | 332,346 |
| Café and catering | - | - | - | 1,370 |
| Cinema tickets | 228,254 | - | 228,254 | 149,863 |
| Cinema funding | - | 4,500 | 4,500 | 600 |
| Rental income and recharged expenses | 26,836 | - | 26,836 | 21,786 |
| Venue hire (incl. cinema) | 24,499 | - | 24,499 | 21,163 |
| Commercial events | 38,160 | - | 38,160 | 11,838 |
| Other restricted funding of trading activities | - | - | - | 2,000 |
| | 619,206 | 4,500 | 623,706 | 540,967 |

## 5. OTHER INCOME

| | Unrestricted £ | Restricted £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| | | | - | - |
| Expenditure recharged to Eastbourne Borough Council | 10,691 | - | 10,691 | - |
| Other recharged expenditure | 258 | - | 258 | - |
| Sales of works in exhibitions | 6,325 | - | 6,325 | - |
| Sale of equipment | - | - | - | 363 |
| Sale of non-accessioned gifts | - | - | - | 482 |
| Book royalties | 374 | - | 374 | 531 |
| Miscellaneous | 978 | - | 978 | 436 |
| Interest received | 18,155 | - | 18,155 | 6,077 |
| | 36,782 | - | 36,782 | 7,889 |

## 6. ANALYSIS OF COSTS

| | Direct staff costs | Other direct costs | Allocated support costs (staff) | Allocated support costs (non staff) | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Fundraising and Supporters' Costs | 136,753 | 9,900 | - | 35,215 | 181,868 |
| Newhaven Creative | 71,703 | 116,309 | 2,500 | - | 190,513 |
| Learning | 129,995 | 74,820 | 103,542 | 114,685 | 423,042 |
| Turner Prize | 4,345 | 21,656 | - | - | 26,001 |
| Eastbourne Alive | 6,438 | 65,010 | 7,000 | 23,094 | 101,541 |
| Exhibition and collection activities | 421,042 | 256,466 | 103,542 | 237,044 | 1,018,094 |
| Public Art Trail | 30,826 | 73,338 | 18,623 | - | 122,787 |
| Heritage | - | 6,322 | - | - | 6,322 |
| Travel and subsistence | - | 28,724 | - | - | 28,724 |
| Shop, café, cinema and venue hire | 118,750 | 285,064 | 103,542 | 34,639 | 541,995 |
| Other | - | 429 | - | - | 429 |
| | 919,852 | 938,040 | 338,749 | 444,676 | 2,641,316 |

Newhaven Creative other direct costs includes £19,400 grants to grass roots organisations (2024:£52,252)

## 7. GOVERNANCE COSTS

| Governance costs comprise: | Total £ |
|---|---|
| Staff costs | 23,244 |
| Audit costs | 7,300 |
| Regulatory costs | 448 |
| Recruitment costs | 5,155 |
| Room hire | 686 |
| | 36,833 |

## 8. NET INCOME/(EXPENDITURE)

| Net income/(expenditure) is stated after charging/(crediting): | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 7,300 | 7,300 |
| Depreciation - owned assets | 62,423 | 60,986 |
| Other operating leases | 1,660 | 1,320 |

## 9. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid for the year ended 31 March 2025 or for the year ended 31 March 2024. Towner-related travel expense reimbursement was £nil (2024: £nil).

## 10. STAFF COSTS

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 1,118,406 | 1,108,720 |
| Social security costs | 90,161 | 88,166 |
| Pension costs | 50,034 | 48,954 |
| | 1,258,601 | 1,245,840 |

The average monthly number of employees during the year was 54 (2024: 52)

The number of staff whose employee benefits (excluding employer pension costs) exceeded £60,000 was 2 (2024:1) as follows:

| | 2025 | 2024 |
|---|---|---|
| £60,001 - £70,000 | 1 | - |
| £80,001 - £90,000 | 1 | 1 |

In addition to the trustees, key management personnel are considered to be the Director, Deputy Director, Director of Development, Head of Collections and Exhibitions, Head of Learning and Head of Marketing & Communications. The total amount paid to these key management personnel in the year (including employer's pension contributions) was £315,176 (2024: £323,359).

## 11. COMPARATIVES (PRIOR YEAR) FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 100,629 | 377,215 | 477,844 |
| Works donated to the collection | 124,122 | - | 124,122 |
| **Charitable activities** | | | |
| Secured funding EBC | 413,880 | - | 413,880 |
| Secured funding Arts Council England | 537,962 | - | 537,962 |
| Newhaven Creative | - | 151,703 | 151,703 |
| Learning activities and funding | - | 66,801 | 66,801 |
| Turner Prize funding | 153,668 | 35,907 | 189,575 |
| Eastbourne Alive funding | - | 511,915 | 511,915 |
| Exhibition & collection activities and exhibition funding | 177,219 | 103,595 | 280,814 |
| Public Art Trail funding | - | 65,587 | 65,587 |
| Memberships, Patrons and Director's Circle | 108,205 | - | 108,205 |
| Museums and Galleries Exhibitions Tax Relief | 189,387 | - | 189,387 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire & commercial events | 538,367 | 2,600 | 540,967 |
| Other income | 7,889 | - | 7,889 |
| **Total** | 2,351,328 | 1,314,603 | 3,665,931 |

| | Unrestricted funds £ | Restricted funds £ | Total Funds £ |
|---|---|---|---|
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Fundraising and Supporters' Costs | 170,645 | 11,983 | 182,628 |
| Newhaven Creative | - | 204,434 | 204,434 |
| Learning activities | 244,739 | 110,843 | 355,581 |
| Turner Prize | 517,234 | 76,498 | 593,732 |
| Eastbourne Alive | 17,569 | 506,020 | 523,589 |
| Exhibition and collection activities | 644,475 | 49,854 | 694,329 |
| Public Art Trail | 218 | 65,587 | 65,805 |
| Travel and subsistence | 17,402 | - | 17,402 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire & commercial events | 683,344 | 1,100 | 684,444 |
| Other trading activities | 609 | - | 609 |
| **Total Expenditure** | 2,296,235 | 1,026,319 | 3,322,554 |
| **NET INCOME** | 55,093 | 288,284 | 343,376 |
| Transfers between funds | 723,529 | (723,529) | - |
| **Net movement in funds** | 778,622 | (435,245) | 343,376 |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | 4,279,893 | 684,223 | 4,964,117 |
| **TOTAL FUNDS CARRIED FORWARD** | 5,058,515 | 248,978 | 5,307,493 |

## 12. INTANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Computer software £ |
|---|---|
| **COST** | |
| At 1 April 2024 and at 31 March 2025 | 15,345 |
| **DEPRECIATION** | |
| At 1 April 2024 | 9,207 |
| Charge for year | 3,069 |
| At 31 March 2025 | 12,276 |
| **NET BOOK VALUE** | |
| At 31 March 2025 | 3,069 |
| At 31 March 2024 | 6,138 |

## 13. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Improvements to property £ | Warren Hill Benches £ | Fixtures fittings and equipment £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 April 2024 | 1,977,011 | - | 458,468 | 17,725 | 2,453,204 |
| Additions | 20,318 | 12,626 | 100,791 | - | 133,735 |
| Irrecoverable VAT adjustment | (1,023) | - | - | - | (1,023) |
| At 31 March 2025 | 1,996,306 | 12,626 | 559,259 | 17,725 | 2,585,916 |
| **DEPRECIATION** | | | | | |
| At 1 April 2024 | 163,870 | - | 154,197 | 16,370 | 334,437 |
| Charge for year | 93,998 | - | 62,860 | 653 | 157,510 |
| At 31 March 2025 | 257,868 | - | 217,057 | 17,022 | 491,947 |
| **NET BOOK VALUE** | | | | | |
| At 31 March 2025 | 1,738,438 | 12,626 | 342,203 | 703 | 2,093,969 |
| At 31 March 2024 | 1,813,141 | - | 304,271 | 1,355 | 2,118,767 |

## 14. HERITAGE ASSETS

| | Total £ |
|---|---|
| At 1 April 2024 | 2,065,201 |
| Additions – donated (market value) | 667,920 |
| Additions – purchased (cost) | 84,880 |
| At 31 March 2025 | 2,818,001 |
| **NET BOOK VALUE** | |
| At 31 March 2025 | 2,818,001 |
| At 31 March 2024 | 2,065,201 |

## 15. FIXED ASSET INVESTMENTS

The charity controls Towner Enterprises Limited, which is incorporated in England, by virtue of holding 100% of its £1 equity share capital. The company undertakes ancillary trading activities at Towner with the aim of gifting its taxable profits to the charity.

| | 2025 £ | 2024 £ |
|---|---|---|
| Turnover | 617,040 | 535,287 |
| Expenditure | (462,247) | (457,493) |
| Profit(loss) for the year | 154,793 | 77,794 |
| Amount gift aided to the Charity in the year | 13,229 | - |
| The Assets and Liabilities of Towner Enterprises Ltd were: | | |
| Total assets | 214,335 | 189,651 |
| Total liabilities | (46,313) | (176,421) |
| Net assets | 168,022 | 13,230 |
| Represented by: | | |
| Share capital and reserves | 168,022 | 13,230 |

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 Group £ | 2025 Charity £ | 2024 Group £ | 2024 Charity £ |
|---|---|---|---|---|
| Trade debtors | 14,352 | 1,495 | 29,609 | 18,164 |
| Amounts owed from subsidiary | - | - | - | 138,043 |
| Other debtors | 209,518 | 208,214 | 285,043 | 281,999 |
| VAT recoverable | 7,410 | 7,410 | - | - |
| Restricted funding due | 75,599 | 75,599 | 32,587 | 32,587 |
| Prepayments and accrued income | 35,690 | 34,635 | 23,399 | 20,675 |
| Total | 342,569 | 327,353 | 370,909 | 491,739 |

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 Group £ | 2025 Charity £ | 2024 Group £ | 2024 Charity £ |
|---|---|---|---|---|
| Trade creditors | 61,978 | 49,546 | 29,125 | 18,542 |
| Amounts owing to subsidiary | - | 113,407 | - | - |
| Other creditors | 2,436 | 2,021 | 979 | - |
| Tax & social security | 15,879 | - | 28,600 | 12,730 |
| Accruals and deferred income | 77,939 | 60,353 | 71,405 | 60,460 |
| Total | 158,233 | 225,327 | 130,110 | 91,732 |

## 18. MOVEMENT IN FUNDS

| | At 1/4/24 | Net income | Transfers between funds | At 31/3/25 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 5,058,515 | 775,146 | 184,455 | 6,018,116 |
| **Restricted funds:** | | | | |
| Building development project (Phase 2 -cafe) | - | 10,575 | (10,575) | - |
| Solar panels installation | - | 89,000 | (89,000) | - |
| Collection acquisitions | 14,412 | 83,647 | (84,880) | 13,178 |
| Learning | 26,593 | 39,157 | - | 65,750 |
| Learning Appeals | - | - | - | - |
| Eastbourne Alive | 36,041 | (36,041) | - | - |
| Exhibitions | 11,279 | 62,566 | - | 73,844 |
| Warren Hill Benches | 15,650 | 2,850 | - | 18,500 |
| Public Art Trail | - | - | - | - |
| Iniva | 11,544 | (11,544) | - | - |
| Newhaven Creative | - | - | - | - |
| Fidelity (core costs) | 86,607 | (85,305) | - | 1,302 |
| Art Fund Reimagine | 40,853 | (10,882) | - | 29,971 |
| Funding of book production | 6,000 | (6,000) | - | - |
| Cinema funding | - | - | - | - |
| Total restricted | 248,979 | 138,023 | (184,455) | 202,546 |
| Total Funds | 5,307,494 | 913,169 | | - 6,220,662 |

The main transfer between funds represents funded solar panels being commissioned and put to general use, so leaving restricted funds. Collection acquisitions are also deemed to leave the restricted acquisition fund once they are purchased (using restricted funds) and enter the general collection. Unrestricted funds include £185,000 (2024:£205,000) designated to Emerging Artist's expenditure and new staff positions.

| 18 contd NET INCOME - DETAIL | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 2,692,734 | (1,917,588) | 775,146 |
| **Restricted funds:** | | | |
| Building development project (Phase 2 -cafe) | 10,575 | - | 10,575 |
| Solar panels installation | 89,000 | - | 89,000 |
| Collection acquisitions | 83,647 | - | 83,647 |
| Learning | 135,412 | (96,255) | 39,157 |
| Learning Appeals | 35,998 | (35,998) | - |
| Eastbourne Alive | 65,500 | (101,541) | (36,041) |
| Exhibitions | 122,500 | (59,934) | 62,566 |
| Public Art Trail; | 120,781 | (120,781) | - |
| Iniva | - | (11,544) | (11,544) |
| Newhaven Creative | 190,513 | (190,513) | - |
| Fidelity (core costs) | 3,326 | (88,630) | (85,305) |
| Art Fund Reimagine | - | (10,882) | (10,882) |
| Funding of book production | - | (6,000) | (6,000) |
| Cinema funding | 4,500 | (4,500) | - |
| Total restricted | 861,751 | (723,728) | 138,023 |
| Total Funds | 3,554,485 | (2,641,316) | 913,169 |

## 19. MOVEMENT IN FUNDS – PRIOR YEAR COMPARATIVE

| | At 1/4/23 | Net income | Transfers between funds | At 31/3/24 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 4,279,893 | 55,093 | 723,529 | 5,058,515 |
| **Restricted funds:** | | | | |
| Building development project (Phase 2 -cafe) | 439,387 | 203,125 | (642,512) | - |
| Collection acquisitions | 18,429 | 77,000 | (81,017) | 14,412 |
| Learning | 71,843 | (55,250) | 10,000 | 26,593 |
| Learning Appeals | - | - | - | - |
| Turner Prize | 50,591 | (40,591) | (10,000) | - |
| Eastbourne Alive | 30,147 | 5,895 | - | 36,041 |
| Exhibitions | 14,596 | 12,332 | - | 26,929 |
| Public Art Trail | - | - | - | - |
| Iniva | - | 11,544 | - | 11,544 |
| Newhaven Creative | 52,731 | (52,731) | - | - |
| Fundraising and Supporters' Costs | 2,500 | (2,500) | - | - |
| Fidelity (core costs) | - | 86,607 | - | 86,607 |
| Art Fund Reimagine | - | 40,853 | - | 40,853 |
| Funding of internships | - | - | - | - |
| Funding of book production | 4,000 | 2,000 | - | 6,000 |
| Cinema funding | - | - | - | - |
| Total restricted | 684,224 | 288,284 | (723,529) | 248,978 |
| Total Funds | 4,964,117 | 343,376 | | - 5,307,493 |

The main transfer between funds represents the second floor café development project being completed in 23/24, moving to general use and so leaving restricted funds. Collection acquisitions are also deemed to leave the restricted acquisition fund once they are purchased (using restricted funds) and enter the general collection.

**19 contd** NET INCOME - DETAIL

| | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 2,351,328 | (2,296,235) | 55,093 |
| **Restricted funds:** | | | |
| Building development project (Phase 2 - cafe) | 203,125 | - | 203,125 |
| Collection acquisitions | 77,000 | - | 77,000 |
| Learning | 38,750 | (94,000) | (55,250) |
| Learning Appeals | 16,331 | (16,331) | - |
| Turner Prize | 35,907 | (76,498) | (40,591) |
| Eastbourne Alive | 511,915 | (506,020) | 5,895 |
| Exhibitions | 42,345 | (30,013) | 12,332 |
| Public Art Trail | 65,587 | (65,587) | - |
| Iniva | 25,750 | (14,207) | 11,544 |
| Newhaven Creative | 151,703 | (204,434) | (52,731) |
| Fundraising and Supporters' Costs | - | (2,500) | (2,500) |
| Fidelity (core costs) | 97,090 | (10,483) | 86,607 |
| Art Fund Reimagine | 43,200 | (2,347) | 40,853 |
| Funding of internships | 3,300 | (3,300) | - |
| Funding of book production | 2,000 | - | 2,000 |
| Cinema funding | 600 | (600) | - |
| Total restricted | 1,314,603 | (1,026,319) | 288,284 |
| Total Funds | 3,665,931 | (3,322,554) | 343,376 |

## 20. EMPLOYEE BENEFIT OBLIGATIONS

For staff who transferred from the Eastbourne Borough Council in 2014, the charity operates a pension scheme providing defined benefits based on pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex Pension Fund. Pension contributions are determined by a qualified actuary on the basis of triennial valuations. The latest valuation was carried out as at 31 March 2023. Under an agreement with Eastbourne Borough Council, Towner's liability is limited to an employer contribution rate of 19.2% of pensionable pay. Other staff have the option of joining a defined contribution scheme under auto-enrolment provisions.

## 21. RELATED PARTY DISCLOSURES

Towner employed the services of King & McGaw Ltd, the value of the work carried out totalled £26,741 (2024 £23,120) and received commercial sponsorship of £nil (2024: £50,000). King and McGaw is a company owned by Mr G King, a Trustee of Towner. Trustee, Mrs M Barrett is also on the Board of the Nest Corporation which is the defined contribution pension scheme used by Towner under autoenrolment.

## 22. MEMBERS' LIABILITY

The charity is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

**TOWNER**

England & Wales - Charity number 1156762

# Accounts

REGISTERED COMPANY NUMBER: 08803625 (England and Wales)
REGISTERED CHARITY NUMBER: 1156762

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# FOR

# TOWNER

**TOWNER**

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**FOR THE YEAR ENDED 31 MARCH 2024**


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**TOWNER**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 MARCH 2024**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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 ACTIVITIES

### Objectives

Founded as an art gallery for the people, Towner presents world class exhibitions of national and international significance and works from our acclaimed collection. We work in collaboration with individuals, communities and organisations, especially those with least access to the arts, to ensure that we are relevant to all our audiences. An innovative cultural social asset for Eastbourne and the South East., Towner brings the most exciting developments in modern and contemporary art to local, national and international audiences, develops and supports artistic practice, and provides a place for experimenting, creating and talking about art and culture.

Towner has been established for public benefit to fulfil the following charitable objectives:

To advance the education, enjoyment and appreciation of the public at large of the arts by the establishment and/or maintenance of an art gallery
To advance the education, enjoyment and appreciation of the public at large of the arts by the maintenance of Towner in Eastbourne
To advance the education, enjoyment and appreciation of the public at large of the arts through Towner's art collection
To pursue such other charitable purposes analagous to any of the objects as the Trustees in their absolute discretion shall determine.

### Trustees Report on Activities

### Overview of 2023/24

2023/24 was Towner's most successful year garnering national profile and record audiences of 213,000 for its high-profile exhibitions which included a major retrospective on the sculptor Barbara Hepworth and the Turner Prize, the world's most prestigious art award. It was the largest scale project the gallery and team has undertaken which was generously supported by sponsors, grant funders and private donations. There was also generous in-kind support of goods and services from partners and suppliers.
Turner Prize was supported by Eastbourne ALIVE, an ambitious engagement programme across Eastbourne. It brought together local creative partner organisations, artists and communities which ran from March 2023 through till March 2024. It was aimed particularly at young people to raise aspirations of their hometown and change perceptions of the town among visitors and boost the visitor economy.

**The Year in Numbers**

We welcomed **212,722** visitors to Eastbourne as a result of the Turner Prize and Eastbourne ALIVE.
We opened **4 new exhibitions**
In our cinema we held **492 screenings of 145 titles** with **18,515 people** enjoying a film at Towner Cinema throughout the year
**18,360** visited our summer exhibition Barbara Hepworth: Art & Life
More than **7,500 people attended our public programme** of talks, workshops and masterclasses to accompany our exhibitions
Almost **6,000** people, mostly children and young people, participated in the Learning & Engagement Programme's free creative sessions, workshops and events. This includes **2,000** pupils participating in artist-led workshops in schools and **1,400** Year 9 pupil visits to Turner Prize. A further **5,000** participated in Eastbourne ALIVE's workshops and events around the Turner Prize.
There were **446K page views** on our website
We welcomed over **6,000 new followers** across our social media platforms
We generated **press coverage that received over 14 million views**
This included 453 articles on the Turner Prize 2023 with an estimated **13.6 million views.**

**Team numbers**
53 (including full & part time & zero hours contracted)
50 volunteers

**Enterprises**

Light Restaurant managed by Borough Restaurants opened in May 2023 following a refurbishment of the previous Towner café space. The 45 cover Scandinavian-inspired restaurant is open for lunch each day the gallery is open and for dinner Thursday – Sunday. As well as delivering a high-quality catering offer, the move to a third-party provider has protected the organisation from the risk of operational losses relating to catering whilst also delivering a consistent income line.
Overall, our commercial activities performed well throughout the year, supported by high visitor figures and a popular exhibition programme. Retail and Cinema sales came in over budget, with cinema becoming an increasingly important strand in our commercial strategy.
During the year we continued to develop a range of commercial events, including our first Ceramics Fair, a two-day event that celebrated the versatile artform in honour of Barbara Hepworth and her exhibition at Towner.

**Environment sustainability**
We have researched the options for installing solar panels on our roof, as a major project to support our environmental sustainability commitments as well as reducing our spend on energy. Plans were developed and costed during the year and we hope to proceed with installation in 24/25.

**Diversity and Inclusion**
Hosting the Turner Prize provided an excellent opportunity to extend our existing access resources to support disabled and neuro-diverse visitors. This included the provision of sensory bags and quiet sessions to support neurodiverse visitors, live BSL for artist events, an audio guide developed by VocalEyes and a visual guide and sensory map commissioned from autistic artist Anna Farley. These resources were commended in a review by disabled artist Jamilia Prowse who commented that Towner's exhibition spaces showed "a real consideration not only of how art can be accessed, but also who the art is for."
In our cinema programme we offered regular captioned screenings, dementia friendly screenings, family films and special screenings for carers. Alongside our regular programme of free events and exhibitions, we also offered free entrance across our ticketed programmes for carers and under 18s and discounts for those in receipt of benefits.
We continued our partnership with iniva (Institute of International Visual Arts) including the commission of artist Maria Amidu and curatorial training programme aimed at broadening representation in our exhibitions and collection acquisitions.

We continued to offer team training on diversity and inclusion topics including a session with the organisation Gendered Intelligence on Trans Inclusion, which culminated with the development of a new Trans Inclusion policy for the organisation.

**Youth Voice / Skills & Training**

We are delivering a new Youth Voice Strategy to improve structural inclusivity by involving young people in Towner's decision-making processes and improving representation in our organisation from the local community. A new Collection & Acquisitions Committee funded by Art Fund Reimagine is providing opportunities for young adults from diverse backgrounds to take part in selecting artworks for the collection and receive training and professional development opportunities. The Towner team will also gain experience of working with young people and a Coordinator role is supporting an early-career curator.
We are offering work placements for FE students in partnership with East Sussex College & Talent Accelerator providing skills and training for young adults to enter the culture sector or wider creative industries and tourism.

**Creative Newhaven**

Newhaven's Cultural Action Plan continued to catalyse Newhaven Enterprise Zone's 25-year investment programme with *Following Ravilious – Newhaven Views*, a free public art trail of 8 large-scale artworks in 4 Newhaven locations during August, September and October 2023.
The giant billboard artworks included four paintings by Eric Ravilious alongside a new work by contemporary artists; Emily Allchurch, Jo Lamb, Charlie Prodger and Mark Titchner, their responses inspired by Ravilious and the modern Newhaven landscape.
Following Ravilious was accompanied by a summer programme of events & activities and an illuminated sculptural installation by Hanna Benihoud in Newhaven Library window. Over the whole year, audiences reached 150,000 and Instagram followers increased to 1,600.

**Black Robin Farm**

Planning permission was granted by South Downs National Park Authority in February 2024 to develop the dairy farm into a new cultural destination. The application was led by Eastbourne Borough Council in partnership with Towner and other key stakeholders. With funding from the previous government's Levelling Up fund, the landscape-led project will include exhibitions, learning activities, cultural events and a visitor offer providing an Eastern gateway to the national park and the unique Downland landscape for communities and visitors. We are continuing to fundraise for the capital development of a new gallery building and of the Flint Barns into a Landscape Heritage Visitor Centre. It is expected that work will begin on the centre in spring 2025.

**Programme Report**
**Towner 100 Exhibitions**

***Unseen*: 11 February to 14 May 2023**
**and *The Living Collection*: 17 December 2022 to 28 August 2023**

In Towner's one-hundredth year, we held two exhibitions focussed on Towner's Collection – one looking forward and one looking back at Towner's 100 hundred years of collecting. *Unseen* displayed a selection of new acquisitions that have joined the collection recently and had not yet been unseen. Through these works, audiences were asked to engage with questions such as which artists and artworks get acquired for a gallery collection and which get displayed? How are these decisions made and who is making them? What does a town's collection say about its communities?
Alongside TOWNER 100: The Living Collection told some of the stories about gifts, bequests and purchases that have contributed to making the collection what it is today and looking at how it might develop into the future. The exhibition considered Towner's broad and varied history of collecting and exhibiting over the past one hundred years through a selection of paintings, prints and artefacts.

***Barbara Hepworth Art & Life*: 27 May to 3 September 2023**
This exhibition displayed some of Hepworth's most celebrated sculptures including the modern abstract carving that launched her career in the 1920s and 1930s, her iconic strung sculptures of the 1940s and 1950s, and large-scale bronze and carved sculptures from later in her career. Key loans from national public collections were shown alongside works from private collections that had not been on public display since the 1970s, and rarely seen drawings, paintings and fabric designs. The exhibition was themed around Hepworth's broader cultural interests in music, dance, theatre, politics and literature, exploring these and encouraging new interpretations and presentations of her work.

***Turner Prize*: 28 September 2023 – 14 April 2024**
Towner Eastbourne played host to the Turner Prize 2023, the world's leading prize for contemporary art. One of the best-known prizes for the visual arts in the world, the Turner Prize aims to promote public debate around new developments in contemporary British art. Established in 1984, the Prize is awarded to a British artist for an outstanding exhibition or other presentation of their work in the previous twelve months.
The four nominated artists were Jesse Darling, Ghislaine Leung, Rory Pilgrim. Artist Jesse Darling was announced as the winner of the Turner Prize on 5 December 2023 at an exclusive televised ceremony and dinner for 400 guests in Eastbourne's Winter Gardens. The artist was awarded £25,000 with £10,000 awarded to the other shortlisted artists.
With sponsorship from King & McGaw, support from Eastbourne Borough Council, East Sussex County Council, the University of Sussex, the Chalk Cliff Trust and private donors as well as a host of in-kind supporters including Identity, the Turner Prize brought transformative cultural and social experiences to Eastbourne for visitors and residents.
Visitor feedback

- *All relatable this year: Motherhood vs art making; Celebration vs oppression; Despair and recovery and hope; the de-legitimizing of citizens. Powerful! Well done to Towner!*

- *Barbara Walker's work brought me to tears. Sharing the stories with my kids was very powerful.*

- *Rory Pilgrim made me feel like I belonged in an Art gallery. Thank you for drawing me in with your thoughtful creativity.*

- *This is a beautiful building. Made for sharing beautiful things. We saw a water soundscape, we listened to animated music, we read life stories and we puzzled at hammers on walls. Thank you, Towner* ♥♥.

**Eastbourne ALIVE**

Eastbourne ALIVE, the celebratory community partnership programme around Turner Prize funded by Arts Council England's first Place Partnership was aimed at young people to foster pride in their hometown through creative engagement.

We delivered 20 public artworks/interventions, opportunities for 50 artists, 100 workshops, performances & events, 121 participant placements for 50 young people with 23 organisations, over 1400 Year 9 student visits to Turner Prize. 30 businesses participated in dressing the town in Eastbourne ALIVE brand and colours.
At the heart of the project was an ambitious schools project to bring Year 9 pupils to visit the exhibition and attend artist-led workshops in school. The aim was to grow confidence in engaging with contemporary art and develop creative skills ahead of making their GCSE choices. We ran 88 sessions for 2054 students (across all years) in 15 schools including 1 college, 1 special school and 1 Pupil Referral Unit. 57 children visited who are educated outside of a mainstream classroom. 10 artists delivered 90 workshops in classrooms.
Students and teachers were provided with a printed guide to contemporary art titled, ***Give it Some Oomph!*** designed by a group of Year 9 students at Turing School who worked with artist Richard Phoenix and Towner to design an accessible guide and activity book for their peers.
Towner provided work experience for **35 students** (26 from University of Sussex, 9 additional recruited through Talent Accelerator) who received training to support the pupils and digital badges.

**Susanne (University of Sussex):** *It [has been] a really good opportunity to start to talk about art in a public setting and with young people - to be able to hear yourself articulate ideas out loud... This is something I've not done before, so that was an invaluable experience.*

**Key Turner Prize Statistics**

**130,000 people visited Turner Prize 2023** (September 2023 – April 2024) which was free to enter. This figure represents **a 40% increase on the same period last year** (figures for this period in 2022-23 total 80,400).
Participants in gallery based public programme: **6,466.**
**5,000** people took part in Eastbourne ALIVE workshops.
At least **12,500,000 views of public artwork** in the town either online or in person.
**£16.1 million in additional economic impact** arose from Turner Prize and Eastbourne ALIVE activities.
**80% of residents** felt positive about the town.
**85% visitors** felt positive about the town.

**Public Programme**

We delivered a new public programme of imaginative, multi-disciplinary events and engagement activities. During 23/24 we delivered 50 events and activities that reached 7,567 people and involved 84 artists and facilitators. Most activities were free, but 10 events were ticketed or pay-what-you-can generating a new income stream.
Events included Towner's 100th birthday celebration in May 2023 attracting 2000 people, breaking the record for visitors in one day. Free events throughout the day included a family workshop, 4 brass band performances of a work inspired by Barbara Hepworth, subject of the major retrospective exhibition. There were also films, art store tours, the performance of a new acquisition of work by 2019 Turner Prize winner Helen Cammock and accompanying panel discussion, a cake cutting ceremony and DJs.
The Turner Prize events explored new perspectives to bring greater understanding of the four shortlisted artists' work. 20 events included coversations with the shortlisted artists, music, poetry and vocal performances, fiction readings, meditation, and tours for BSL and audio description users. 920 people physically attended Turner Prize events and several thousand digitally attended event live streams and watched recordings.

**Learning & Engagement**

The Making Together programme continued offering artist and participants opportunities to work together in the gallery and community settings. Our projects focus on the process of making and creative practice to support creative development, build skills and confidence and contribute to wellbeing. Our priority groups are Early Years, Schools and adults, especially young adults, to support positive mental health.

**Early Years**

Free weekly Wriggle Room sessions alternating between the gallery and Willingdon Trees Community Centre in Hampden Park (IMD lowest 10% for education and training) providing free artist-led creative sessions for under-5s and their caregivers. During 2023-24 there were **898 attendees** (549 at Towner/Beacon Centre & 349 at The Trees).

**Holiday programme**

Artist-led holiday activities and takeover days for families run during half terms and the Easter holidays (1296 participants in 2023/24).

**Supporting mental health**

Banana Sharks for 12-18 year olds meets at Willingdon Trees Community Centre in Hampden Park on Friday evenings. Working with two artists, participants use photography, modelling, music and food to learn how beneficial creative activities can be for positive mental health & resilience.

Arts in Mind is a regular group for adults with mental health conditions to create new work together helping to reduce isolation and anxiety while helping them to learn to self-manage their conditions and aid recovery.

**Community public artworks**

Since summer 2023 we have worked with communities in two of Eastbourne's most disadvantaged areas, Seaside and Shinewater/Langney, both in the IMD lowest 20% for education and training.

*RIVIERIA* is taking place over 8 sites in the local area of Seaside. The artist Navine G Dossos worked with over 50 Seaside residents creating stencils of local motifs reflective of the neighbourhood's character and history. From these stencils a bespoke designed textile has been produced for clothes making, furnishings and shop awnings. The project and design will be exhibited at local arts organisation Devonshire Collective's VOLT gallery in summer 2024.

*THE FINDINGS* project took place outdoors and in 8 workshops in an empty shop unit in Langney shopping centre. Local community groups such as Langney Men's Shed and Shinewater Primary School participated in creative workshops and two 'archaeological' digs around Shinewater Park revealing found items and fragments which have been cast into 3D objects to be installed at 5 sites around the area. The bronze age history of the local marshes and how this might be relevant to the community that lives here today was the project's inspiration.

Both commissions, which were funded by the previous Government's Levelling Up fund as part of Towner's centenary, complete in summer 2024.

**Financial position and reserves**

Total reserves at the end of the year were £5,307,493 (2023: £4,964,117). The Trustees have set a reserves policy which is a product of strategic planning, budgeting and risk management. The policy requires that the charity's core activity, funded through the unrestricted reserve, could continue for six months during a period of unforeseen difficulty, which is in line with Charity Commission recommendations. The unrestricted free reserves (excluding fixed assets) which totalled £868,409 as at 31 March 2024 (2023: £781,481) meet this requirement. Maintaining a six-month operating reserve will support the organisation in trading through potential adversity, taking in to account future commitments and the possibility of lack of financial investment from key public funders. The level of reserves will be monitored and reviewed by the Trustees on a regular basis. Unrestricted reserves include £205,000 designated to Emerging Artists' expenditure and new staff positions.

**Principal risks and uncertainties**

Going Concern

The principle financial risks facing the charity and its trading subsidiary are considered as part of the overall approach to risk management, but include variation to visitor forecasts, changes to income from Eastbourne Borough Council and Arts Council England, unplanned expenditure and a challenging economic environment. Prior to signing off this report Eastbourne Borough Council have announced their intention to reduce their funding within this financial year, as disclosed in Note 23. Taking this into account, the Trustees have reviewed the cash position of the charity and are satisfied that the charity will remain able to meet all its financial commitments. The Trustees believe that the charity is able to manage its financial risks successfully and are confident that there are sufficient reserves for the operation to continue. This position will force the charity to review all its free-to-access exhibitions and could result in an increase in ticketed activity. This will be in conjunction with an accelerated programme of income diversification.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is a company, limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association.

### Recruitment and appointment of new trustees

The management of Towner is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The maximum number of Trustees was initially eleven but can be increased at the discretion of the Board. Of the total number of Trustees two are to be appointed by Eastbourne Borough Council. Trustees are required to retire by rotation whereby one third of the Trustees shall be required to retire each year but shall be eligible for reappointment. Trustees may be re-appointed by the Board at the end of each term of office.

### Organisational structure

There are currently eight Trustees who have delegated powers to the Executive Director and Senior Management Team to make expenditure decisions within the framework of the approved annual budget.
A Finance and Resources Sub-Committee has been established. This committee monitors income and expenditure and performance against the approved budget and reports back to the Board. They also approve and monitor Health and Safety policies and the Risk Register.

The day-to-day activities are controlled by Joe Hill, Executive Director, and the Senior Management Team who lead departments and report to the Executive Director.

### Induction and training of new trustees

Trustees are recruited according to the Trustees' and Executive Director's ongoing assessment of the skills and experiences needed for the Board of an art gallery and museum. These include expertise in national and international arts and culture, fundraising, finance, HR and legal. Prospective new Trustees are recommended to the Chair and Executive Director, who assess the candidates and decide whether to proceed with the appointment.

The newly appointed Trustees received an induction from Towner's solicitor, advising them on their legal responsibilities. They were given thorough briefings by the Executive Director, Senior Management team and the Chairman.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

08803625 (England and Wales)

### Registered Charity number

1156762

### Registered office

Towner Devonshire Park
College Road
Eastbourne
East Sussex
BN21 4JJ

**Trustees**

| | |
|---|---|
| J Babarinde | Member of Parliament, Community Campaigner and Social Entrepreneur |
| Mrs ME Bannister | Councillor (appointed 11 September 2023) |
| Ms D V Casson | Designer (resigned 3 June 2024) |
| Dr F M Dennis | Senior Lecturer |
| D Dimbleby | Broadcaster |
| J Jones | Artist and Lecturer |
| G F H King | Publisher |
| C F McKenzie | Freelance Arts Consultant (resigned 11 December 2023) |
| C R Swansborough | Accountant (resigned 11 September 2023) |
| J Williams | Arts Manager and Councillor |
| C Wood | Curator, Writer and Art Historian |

**Director**
Joe Hill

**External Finance Committee Member**
Judith Barber

**Auditors**
Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

**COMMENCEMENT OF ACTIVITIES**
Charitable Trust status was obtained on 1 July 2014, from which point the Trust commenced its charitable activities.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**
The trustees (who are also the directors of Towner for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## AUDITORS

The auditors, Xeinadin Audit Limited were reappointed at the Meeting of Trustees on 16 September 2024

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 16 September 2024 and signed on the board's behalf by:

.....
D Dimbleby - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

### Opinion

We have audited the financial statements of Towner (the 'charitable company') and its subsidiary for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the charity Balance Sheet, the Consolidated Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and its subsidiary's affairs as at 31 March 2024 and of their incoming resources and application of resources, including their 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The 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 Report of the Independent Auditors 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 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.

### Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its subsidiaries and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

**Our responsibilities for the audit of the financial statements**
We have been appointed as auditor under section 151 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

•We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the management team
•We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

•With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the management team.

•We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

•We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Report of the Independent Auditors.

**Use of our report**

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

Andrew Hill FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

Date: 16/09/2024

**TOWNER**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 31 MARCH 2024**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM:** | | | | | |
| Donations and legacies | 2 | 224,751 | 377,215 | 601,966 | 1,500,009 |
| **Charitable activities** | | | | | |
| Secured funding EBC | | 413,880 | - | 413,880 | 413,880 |
| Secured funding Arts Council England | | 537,962 | - | 537,962 | 365,962 |
| Newhaven Creative | | - | 151,703 | 151,703 | 174,404 |
| Learning activities and funding | 3 | - | 66,081 | 66,081 | 146,349 |
| Turner Prize Funding | 3 | 153,668 | 35,907 | 189,575 | 40,000 |
| Eastbourne Alive funding | 3 | - | 511,915 | 511,915 | 50,000 |
| Exhibition & collection activities and exhibition funding | 3 | 177,219 | 103,595 | 280,814 | 99,573 |
| Public art trail funding | | - | 65,587 | 65,587 | - |
| Memberships, Patrons and Director's circle | | 108,205 | - | 108,205 | 96,003 |
| Art Fund Museum of the Year Prize | | - | - | - | - |
| Museums & Galleries Exhibitions Tax Relief | | 189,387 | - | 189,387 | 76,068 |
| Trading activities: retail, café, cinema, venue hire & events | 4 | 538,367 | 2,600 | 540,967 | 515,399 |
| Other income | 5 | 7,889 | - | 7,889 | 71,104 |
| **Total** | | **2,351,328** | **1,314,603** | **3,665,931** | **3,548,751** |
| **EXPENDITURE ON:** | 6 | | | | |
| **Charitable activities** | | | | | |
| Fundraising and supporters' costs | | 170,645 | 11,983 | 182,628 | 173,524 |
| Newhaven Creative | | - | 204,434 | 204,434 | 134,456 |
| Learning activities | | 244,739 | 110,843 | 355,581 | 335,195 |
| Turner Prize | | 517,234 | 76,498 | 593,732 | 94,058 |
| Eastbourne Alive | | 17,569 | 506,020 | 523,589 | 42,514 |
| Exhibition & collection activities | | 644,475 | 49,854 | 694,329 | 883,956 |
| Public art trail | | 218 | 65,587 | 65,805 | - |
| Travel and subsistence | | 17,402 | - | 17,402 | 7,446 |
| **Trading Activities** | | | | | |
| Shop, café, cinema, venue hire & commercial events | | 683,344 | 1,100 | 684,444 | 706,648 |
| Other trading activities | | 609 | - | 609 | 1,325 |
| **Total** | | **2,296,235** | **1,026,319** | **3,322,554** | **2,379,122** |
| **NET INCOME** | | **55,093** | **288,284** | **343,376** | **1,169,629** |
| Transfers between funds | 18 | 723,529 | (723,529) | - | - |
| **Net movement in funds** | | **778,622** | **(435,245)** | **343,376** | **1,169,629** |
| Total funds brought forward | | 4,279,893 | 684,223 | 4,964,117 | 3,794,488 |
| **TOTAL FUNDS CARRIED FORWARD** | | **5,058,515** | **248,978** | **5,307,493** | **4,964,117** |

**TOWNER**

**CONSOLIDATED BALANCE SHEET**
**31 MARCH 2024**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | 6,138 | - | 6,138 | 9,207 |
| Tangible assets | 13 | 2,118,767 | - | 2,118,767 | 2,068,531 |
| Heritage assets | 14 | 2,065,201 | - | 2,065,201 | 1,860,062 |
| | | 4,190,106 | - | 4,190,106 | 3,937,800 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 334,541 | 36,368 | 370,909 | 500,901 |
| Stock | | 47,583 | - | 47,583 | 39,376 |
| Cash at bank | | 625,992 | 203,014 | 829,006 | 767,824 |
| | | 1,008,115 | 239,382 | 1,247,497 | 1,308,101 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (139,706) | 9,596 | (130,110) | (281,785) |
| **NET CURRENT ASSETS** | | 868,409 | 248,978 | 1,117,387 | 1,026,317 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,058,515 | 248,978 | 5,307,493 | 4,964,117 |
| **NET ASSETS** | | 5,058,515 | 248,978 | 5,307,493 | 4,964,117 |
| **FUNDS** | 18 | | | | |
| Unrestricted funds | | | | 5,058,515 | 4,279,893 |
| Restricted funds | | | | 248,978 | 684,223 |
| **TOTAL FUNDS** | | | | 5,307,493 | 4,964,117 |

The financial statements were approved by the Board of Trustees and authorised for issue on 16 September 2024 and were signed on its behalf by:

.....
D Dimbleby - Trustee

**TOWNER**

**BALANCE SHEET**
**31 MARCH 2024**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | 6,138 | - | 6,138 | 9,207 |
| Tangible assets | 13 | 2,118,767 | - | 2,118,767 | 2,068,531 |
| Heritage assets | 14 | 2,065,201 | - | 2,065,201 | 1,860,062 |
| Investments | 15 | 1 | - | 1 | 1 |
| | | 4,190,107 | - | 4,190,107 | 3,937,801 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 455,371 | 36,368 | 491,739 | 726,105 |
| Cash at bank | | 501,137 | 203,014 | 704,150 | 610,031 |
| | | 956,507 | 239,382 | 1,195,889 | 1,336,136 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (101,328) | 9,596 | (91,732) | (245,255) |
| **NET CURRENT ASSETS** | | 855,179 | 248,978 | 1,104,157 | 1,090,881 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,045,286 | 248,978 | 5,294,264 | 5,028,682 |
| **NET ASSETS** | | 5,045,286 | 248,978 | 5,294,264 | 5,028,682 |
| **FUNDS** | 18 | | | | |
| Unrestricted funds | | | | 5,045,286 | 4,344,458 |
| Restricted funds | | | | 248,978 | 684,223 |
| **TOTAL FUNDS** | | | | 5,294,264 | 5,028,682 |

The financial statements were approved by the Board of Trustees and authorised for issue on 16 September 2024 and were signed on its behalf by:

.....
D Dimbleby - Trustee

**TOWNER**

**CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2024**

| | Notes | 2024 £ | 2023 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | 343,334 | 988,110 |
| Net cash provided by operating activities | | 343,334 | 988,110 |
| **Cash flows from investing activities** | | | |
| Purchase of intangible fixed assets | | - | - |
| Purchase of tangible fixed assets | | (211,244) | (997,041) |
| Irrecoverable VAT adjustment re improvements to property | | 10,109 | - |
| Purchase of heritage assets | | (81,017) | (43,000) |
| Net cash used in investing activities | | (282,152) | (1,040,041) |
| **Change in cash and cash equivalents in the reporting period** | | 61,182 | (51,931) |
| **Cash and cash equivalents at the beginning of the reporting period** | 2 | 767,824 | 819,755 |
| **Cash and cash equivalents at the end of the reporting period** | 2 | 829,006 | 767,824 |

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

### 1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Net income for the reporting period (as per the Statement of Financial Activities)** | 343,376 | 1,169,629 |
| **Adjustments for:** | | |
| Depreciation charges | 153,968 | 111,441 |
| Donated works included in income | (124,122) | (230,750) |
| (Increase)//decrease in debtors | 129,993 | (253,493) |
| (Increase)/decrease in stock | (8,207) | (6,200) |
| Increase/(decrease) in creditors | (151,674) | 197,484 |
| **Net cash provided by operations** | 343,334 | 988,110 |

### 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Notice deposits (less than 3 months) | 829,006 | 767,824 |
| Total cash and cash equivalents | 829,006 | 767,824 |

### 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/23 | Cash flow | At 31/3/24 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 767,824 | 61,182 | 829,006 |
| **Total** | 767,824 | 61,182 | 829,006 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**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 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.

**Governance costs**
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit fees, together with any legal advice relating to governance, and an apportionment of staff overhead.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Improvements to property – over remaining lease term. Fixtures and Fittings – 10% straight line, IT and electronic equipment – 20-25% straight line, Other equipment – 10% straight line. Website costs 20% straight line.

**Heritage assets: works of art - "the collection"**
The Trustees consider the works of art to be heritage assets as defined by the SORP and FRS 30. Works of Art consist of paintings, sculptures and prints acquired by purchase and or accepted to be accessioned into the Collection through donation and bequest.

Additions to the Collection acquired by purchase are recognised in the balance sheet at cost on an annual basis. All works accessioned into the Collection through donation or bequest are reported in the Balance Sheet at commercial value using recent transaction information form external sources as the basis of assessment.

In accordance with FRS 30 "Market Value" has been defined by the Trustees for this purpose as being the lower of the comparable assessed costs to acquire at auction, compared to that at an appropriate retail gallery. The artworks are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Going forward, all items purchased for the Collection will continue initially to be recorded in the Balance Sheet at cost and the Trustees will, if considered appropriate, have them re-valued at any point in the future. Collection items acquired by donation or bequest will be recorded at current market value.

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

## 1. ACCOUNTING POLICIES - continued

**Fund accounting**
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**Pension costs and other post-retirement benefits**
The charity operates a pension scheme for some staff providing defined benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex County Council Scheme. The most recent actuarial valuation carried out was in March 2023. The Admission Agreement entered into between East Sussex County Council and Eastbourne Borough Council and Towner dated 1 July 2014 are on the basis of a fully funded scheme. Eastbourne Borough Council also acts as a guarantor in relation to the scheme. The charity also operates a defined contribution scheme for the remaining staff.

**Donated goods and services**
The value of these is not currently included in the financial statements but would be if deemed material.

## 2. DONATIONS AND LEGACIES

| | Unrestricted £ | Restricted £ | Total 2024 £ | 2023 £ |
|---|---|---|---|---|
| Works donated to collection | 124,122 | - | 124,122 | 230,750 |
| Donations and grants towards capital projects | - | 203,125 | 203,125 | 882,850 |
| Donations and grants towards collection acquisitions | - | 77,000 | 77,000 | 17,000 |
| Donations and grants towards core costs | 100,629 | 97,090 | 197,719 | 356,414 |
| Legacies | - | - | - | 12,995 |
| | 224,751 | 377,215 | 601,966 | 1,500,009 |

## 3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted | Restricted | 2024 | 2023 |
|---|---|---|---|---|
| **Learning activities and funding:** | £ | £ | £ | £ |
| Income from learning activities | - | - | - | 111 |
| Restricted grants and donations | - | 66,081 | 66,081 | 146,238 |
| | - | 66,081 | 66,081 | 146,349 |
| **Turner Prize Funding** | | | | |
| Sponsorship | 147,500 | - | 147,500 | - |
| Restricted grants and donations | - | 35,907 | 35,907 | 40,000 |
| Event income and catalogue sales | 6,168 | - | 6,168 | - |
| | 153,668 | 35,907 | 189,575 | 40,000 |
| **Eastbourne Alive Funding** | | | | |
| Restricted grants and donations | - | 511,915 | 511,915 | 50,000 |
| **Exhibition and collection activities and exhibition funding** | | | | |
| Exhibition tickets | 166,345 | - | 166,345 | 44,936 |
| Other ticketed events | 9,491 | - | 9,491 | 9,814 |
| Image licensing and loans | 1,383 | - | 1,383 | 3,345 |
| Touring income | - | - | - | 4,041 |
| Sponsorship | - | - | - | 15,000 |
| Restricted grants and donations | - | 103,595 | 103,595 | 22,437 |
| | 177,219 | 103,595 | 280,814 | 99,573 |

## 4. TRADING ACTIVITIES

| | Unrestricted | Restricted | 2024 | 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Retail sales (shop and online) | 332,346 | - | 332,346 | 221,484 |
| Café and catering | 1,370 | - | 1,370 | 142,343 |
| Cinema tickets | 149,863 | - | 149,863 | 114,970 |
| Cinema funding | - | 600 | 600 | 980 |
| Rental income and recharged expenses | 21,786 | - | 21,786 | - |
| Venue hire (incl. cinema) | 21,163 | - | 21,163 | 20,098 |
| Commercial events | 11,838 | - | 11,838 | 11,523 |
| Other restricted funding of trading activities | - | 2,000 | 2,000 | 4,000 |
| | 538,367 | 2,600 | 540,967 | 515,399 |

## 5. OTHER INCOME

| | Unrestricted | Restricted | 2024 | 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Insurance claims received | - | - | - | 500 |
| Sussex Modern income | - | - | - | 33,333 |
| Sale of equipment | 363 | - | 363 | 2,360 |
| Sale of non-accessioned gifts | 482 | - | 482 | 31,458 |
| Book royalties | 531 | - | 531 | 405 |
| Miscellaneous | 436 | - | 436 | 204 |
| Interest received | 6,077 | - | 6,077 | 2,844 |
| | 7,889 | - | 7,889 | 71,104 |

## 6. ANALYSIS OF COSTS

| | Direct staff costs | Other direct costs | Allocated support costs (staff) | Allocated support costs (non staff) | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Fundraising and Supporters' Costs | 134,408 | 15,457 | - | 32,763 | 182,628 |
| Newhaven Creative | 69,531 | 132,403 | 2,500 | - | 204,434 |
| Learning | 94,932 | 88,991 | 65,222 | 106,437 | 355,581 |
| Turner Prize | 177,446 | 276,753 | 65,222 | 74,312 | 593,732 |
| Eastbourne Alive | 61,461 | 462,128 | - | - | 523,589 |
| Exhibition and collection activities | 279,614 | 115,747 | 65,222 | 233,746 | 694,329 |
| Public Art Trail | 12,500 | 53,305 | - | - | 65,805 |
| Travel and subsistence | - | 17,402 | - | - | 17,402 |
| Shop, café, cinema and venue hire | 152,562 | 275,736 | 65,222 | 190,925 | 684,444 |
| Other | - | 609 | - | - | 609 |
| | 982,453 | 1,438,532 | 263,386 | 638,182 | 3,322,554 |

Newhaven Creative other direct costs includes £52,252 grants to grass roots organisations (2023:£14,900 organisations)

## 7. GOVERNANCE COSTS

| Governance costs comprise: | Total £ |
|---|---|
| Staff costs | 22,875 |
| Audit costs | 7,300 |
| Regulatory costs | 26 |
| Recruitment costs | 16,169 |
| Room hire | 706 |
| Other | 468 |
| | 47,544 |

## 8. NET INCOME/(EXPENDITURE)

| Net income/(expenditure) is stated after charging/(crediting): | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 7,300 | 6,650 |
| Depreciation - owned assets | 60,986 | 34,564 |
| Other operating leases | 1,320 | 2,460 |

## 9. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid for the year ended 31 March 2024 or for the year ended 31 March 2023. Towner-related travel expense reimbursement was £nil (2023: £16).

## 10. STAFF COSTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 1,108,720 | 981,481 |
| Social security costs | 88,166 | 77,337 |
| Pension costs | 48,954 | 34,071 |
| | 1,245,840 | 1,093,248 |

The average monthly number of employees during the year was 52 (2023: 53)

The number of staff whose employee benefits (excluding employer pension costs) exceeded £60,000 was 1 (2023:1) as follows:

| | 2024 | 2023 |
|---|---|---|
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | 1 | - |

In addition to the trustees, key management personnel are considered to be the Director, Deputy Director, Director of Development, Head of Collections and Exhibitions, Head of Learning and Head of Marketing & Communications. The total amount paid to these key management personnel in the year (including employer's pension contributions) was £323,359 (2023: £307,839).

## 11. COMPARATIVES (PRIOR YEAR) FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 751,980 | 748,029 | 1,500,009 |
| **Charitable activities** | | | |
| Secured funding EBC | 413,880 | - | 413,880 |
| Secured funding Arts Council England | 365,962 | - | 365,962 |
| Newhaven Creative | - | 174,404 | 174,404 |
| Learning activities and funding | 111 | 146,238 | 146,349 |
| Turner Prize funding | - | 40,000 | 40,000 |
| Eastbourne Alive funding | - | 50,000 | 50,000 |
| Exhibition & collection activities and exhibition funding | 77,136 | 22,437 | 99,573 |
| Memberships, Patrons and Director's Circle | 96,003 | - | 96,003 |
| Museums and Galleries Exhibitions Tax Relief | 76,068 | | 76,068 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire & commercial events | 510,419 | 4,980 | 515,399 |
| Other income | 71,104 | - | 71,104 |
| **Total** | 2,362,663 | 1,186,087 | 3,548,751 |

| | Unrestricted funds £ | Restricted funds £ | Total Funds £ |
|---|---|---|---|
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Fundraising and Supporters' Costs | 173,524 | - | 173,524 |
| Newhaven Creative | - | 134,456 | 134,456 |
| Learning activities | 226,689 | 108,506 | 335,195 |
| Turner Prize | 44,648 | 49,409 | 94,058 |
| Eastbourne Alive | 22,661 | 19,853 | 42,514 |
| Exhibition and collection activities | 832,703 | 51,253 | 883,956 |
| Travel and subsistence | 7,446 | - | 7,446 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire & commercial events | 705,170 | 1,478 | 706,648 |
| Other trading activities | 1,325 | - | 1,325 |
| **Total Expenditure** | 2,014,166 | 364,956 | 2,379,122 |
| **NET INCOME** | 348,497 | 821,132 | 1,169,629 |
| Transfers between funds | 958,457 | (958,457) | - |
| **Net movement in funds** | 1,306,954 | (137,325) | 1,169,629 |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | 2,972,940 | 821,548 | 3,794,488 |
| **TOTAL FUNDS CARRIED FORWARD** | 4,279,893 | 684,223 | 4,964,117 |

## 12. INTANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Computer software £ |
|---|---|
| **COST** | |
| At 1 April 2023 and at 31 March 2024 | 15,345 |
| **DEPRECIATION** | |
| At 1 April 2023 | 6,138 |
| Charge for year | 3,069 |
| At 31 March 2024 | 9,207 |
| **NET BOOK VALUE** | |
| At 31 March 2024 | 6,138 |
| At 31 March 2023 | 9,207 |

## 13. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Improvements to property £ | Assets under construction £ | Fixtures fittings and equipment £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 April 2023 | 1,457,727 | 439,387 | 338,634 | 16,320 | 2,252,069 |
| Additions | - | 194,691 | 15,148 | 1,405 | 211,244 |
| Irrecoverable VAT adjustment | (10,109) | - | - | - | (10,109) |
| Transfers | 529,393 | (634,079) | 104,686 | - | - |
| At 31 March 2024 | 1,977,011 | - | 458,468 | 17,725 | 2,453,204 |
| **DEPRECIATION** | | | | | |
| At 1 April 2023 | 70,888 | - | 97,275 | 15,375 | 183,537 |
| Charge for year | 66,513 | 43,468 | 39,924 | 995 | 150,899 |
| Transfers | 26,470 | (43,468) | 16,998 | - | - |
| At 31 March 2024 | 163,870 | - | 154,197 | 16,370 | 334,437 |
| **NET BOOK VALUE** | | | | | |
| At 31 March 2024 | 1,813,141 | - | 304,271 | 1,355 | 2,118,767 |
| At 31 March 2023 | 1,386,840 | 439,387 | 241,359 | 945 | 2,068,531 |

Improvements to property comprise the construction of Towner's cinema in 2017, the cost of the ground floor development project completed in early 22/23 and the cost of the café redevelopment completed in early 23/24, the latter transferred from assets in construction this year (the FFE element being transferred from assets in construction to that heading).

## 14. HERITAGE ASSETS

| | Total<br>£ |
|---|---|
| At 1 April 2023 | 1,860,062 |
| Additions – donated (market value) | 124,122 |
| Additions – purchased (cost) | 81,017 |
| At 31 March 2024 | 2,065,201 |
| **NET BOOK VALUE** | |
| At 31 March 2024 | 2,065,201 |
| At 31 March 2023 | 1,860,062 |

## 15. FIXED ASSET INVESTMENTS

The charity controls Towner Enterprises Limited, which is incorporated in England, by virtue of holding 100% of its £1 equity share capital. The company undertakes ancillary trading activities at Towner with the aim of gifting its taxable profits to the charity.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Turnover | 535,287 | 513,699 |
| Expenditure | (457,493) | (522,594) |
| Profit(loss) for the year | 77,794 | (8,895) |
| Amount gift aided to the Charity in the year | - | - |
| The Assets and Liabilities of Towner Enterprises Ltd were: | | |
| Total assets | 189,651 | 199,210 |
| Total liabilities | (176,421) | (263,774) |
| Net assets | 13,230 | (64,564) |
| Represented by: | | |
| Share capital and reserves | 13,230 | (64,564) |

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 Group £ | 2024 Charity £ | 2023 Group £ | 2023 Charity £ |
|---|---|---|---|---|
| Trade debtors | 29,609 | 18,164 | 92,081 | 90,917 |
| Amounts owed from subsidiary | - | 138,043 | - | 227,244 |
| Other debtors | 285,043 | 281,999 | 198,391 | 197,841 |
| VAT recoverable | - | - | 24,602 | 24,602 |
| Restricted funding due | 32,857 | 32,857 | - | - |
| Prepayments and accrued income | 23,399 | 20,675 | 185,828 | 185,502 |
| Total | 370,909 | 491,739 | 500,901 | 726,105 |

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 Group £ | 2024 Charity £ | 2023 Group £ | 2023 Charity £ |
|---|---|---|---|---|
| Trade creditors | 29,125 | 18,542 | 151,267 | 135,322 |
| Other creditors | 979 | - | 117 | - |
| Tax & social security | 28,600 | 12,730 | 14,912 | - |
| Accruals and deferred income | 71,405 | 60,460 | 115,488 | 109,933 |
| Total | 130,110 | 91,732 | 281,785 | 245,255 |

## 18. MOVEMENT IN FUNDS

| | At 1/4/23 | Net income | Transfers between funds | At 31/3/24 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 4,279,893 | 55,093 | 723,529 | 5,058,515 |
| **Restricted funds:** | | | | |
| Building development project (Phase 2 -cafe) | 439,387 | 203,125 | (642,512) | - |
| Collection acquisitions | 18,429 | 77,000 | (81,017) | 14,412 |
| Learning | 71,843 | (55,250) | 10,000 | 26,593 |
| Learning Appeals | - | - | - | - |
| Turner Prize | 50,591 | (40,591) | (10,000) | - |
| Eastbourne Alive | 30,147 | 5,895 | - | 36,041 |
| Exhibitions | 14,596 | 12,332 | - | 26,929 |
| Public Art Trail | - | - | - | - |
| Iniva | - | 11,544 | - | 11,544 |
| Newhaven Creative | 52,731 | (52,731) | - | - |
| Fundraising and Supporters' Costs | 2,500 | (2,500) | - | - |
| Fidelity (core costs) | - | 86,607 | - | 86,607 |
| Art Fund Reimagine | - | 40,853 | - | 40,853 |
| Funding of internships | - | - | - | - |
| Funding of book production | 4,000 | 2,000 | - | 6,000 |
| Cinema funding | - | - | - | - |
| Total restricted | 684,224 | 288,284 | (723,529) | 248,978 |
| Total Funds | 4,964,117 | 343,376 | | - 5,307,493 |

The main transfer between funds represents the second floor café development project being completed in 23/24, moving to general use and so leaving restricted funds. Collection acquisitions are also deemed to leave the restricted acquisition fund once they are purchased (using restricted funds) and enter the general collection.

| 18 contd | NET INCOME - DETAIL | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|---|
| | **Unrestricted funds:** | | | |
| | General fund | 2,351,328 | (2,296,235) | 55,093 |
| | **Restricted funds:** | | | |
| | Building development project (Phase 2 -cafe) | 203,125 | - | 203,125 |
| | Collection acquisitions | 77,000 | - | 77,000 |
| | Learning | 38,750 | (94,000) | (55,250) |
| | Learning Appeals | 16,331 | (16,331) | - |
| | Turner Prize | 35,907 | (76,498) | (40,591) |
| | Eastbourne Alive | 511,915 | (506,020) | 5,895 |
| | Exhibitions | 42,345 | (30,013) | 12,332 |
| | Public Art Trail; | 65,587 | (65,587) | - |
| | Iniva | 25,750 | (14,207) | 11,544 |
| | Newhaven Creative | 151,703 | (204,434) | (52,731) |
| | Fundraising and Supporters' Costs | - | (2,500) | (2,500) |
| | Fidelity (core costs) | 97,090 | (10,483) | 86,607 |
| | Art Fund Reimagine | 43,200 | (2,347) | 40,853 |
| | Funding of internships | 3,300 | (3,300) | - |
| | Funding of book production | 2,000 | - | 2,000 |
| | Cinema funding | 600 | (600) | - |
| | Total restricted | 1,314,603 | (1,026,319) | 288,284 |
| | Total Funds | 3,665,931 | (3,322,554) | 343,376 |

## 19. MOVEMENT IN FUNDS – PRIOR YEAR COMPARATIVE

| | At 1/4/22 | Net income | Transfers between funds | At 31/3/23 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 2,972,940 | 348,497 | 958,457 | 4,279,893 |
| **Restricted funds:** | | | | |
| Building development project (Phase 1 -ground floor) | 628,928 | 426,748 | (1,055,676) | - |
| Building development project (Phase 2 -cafe) | 2,000 | 283,573 | 153,814 | 439,387 |
| Building development project (office upgrade) | - | 16,715 | (16,715) | - |
| Collection acquisitions | 41,309 | 17,000 | (39,880) | 18,429 |
| Learning | 43,614 | 28,229 | - | 71,843 |
| Turner Prize | - | 591 | 50,000 | 50,591 |
| Eastbourne Alive | - | 30,147 | - | 30,147 |
| Exhibitions | 92,915 | (28,319) | (50,000) | 14,596 |
| Collection Curation – Kickstart | - | - | - | - |
| Iniva | - | - | - | - |
| Newhaven Creative | 12,783 | 39,948 | - | 52,731 |
| Fundraising and Supporters' Costs | - | 2,500 | - | 2,500 |
| Kickstart (core costs) | - | - | - | - |
| Other | - | 4,000 | - | 4,000 |
| Total restricted | 821,548 | 821,132 | (958,457) | 684,223 |
| Total Funds | 3,794,488 | 1,169,629 | | - 4,964,117 |

The main transfer between funds represents the Ground Floor Development project being completed in 22/23, moving to general use and so leaving restricted funds. The top floor café project was funded in arrears against invoices paid and so shows temporary funding from unrestricted funds as at the year end. The top floor cafe project was completed in 23/24. £50,000 funding received in advance for the Turner Prize in 21/22 has been reallocated from Exhibitions as the Turner Prize is now shown separately. Unrestricted reserves include £215,000 designated to Emerging Artists' expenditure and new staff positions.

| 19 contd | NET INCOME - DETAIL | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|---|
| | **Unrestricted funds:** | | | |
| | General fund | 2,362,663 | (2,014,166) | 348,497 |
| | **Restricted funds:** | | | |
| | Building development project (Phase 1 - ground floor) | 426,748 | - | 426,748 |
| | Building development project (Phase 2 -cafe) | 283,753 | - | 283,753 |
| | Building development project (office upgrade) | 16,715 | - | 16,715 |
| | Collection acquisitions | 17,000 | - | 17,000 |
| | Learning | 136,238 | (108,008) | 28,229 |
| | Turner Prize | 50,000 | (49,409) | 591 |
| | Eastbourne Alive | 50,000 | (19,853) | 30,147 |
| | Exhibitions | 4,250 | (32,569) | (28,319) |
| | Collection Curation – Kickstart | 6,437 | (6,437) | - |
| | Iniva | 11,750 | (11,750) | - |
| | Newhaven Creative | 174,404 | (134,456) | 39,948 |
| | Fundraising and Supporters' Costs | 2,500 | - | 2,500 |
| | Kickstart (core costs) | 1,493 | (1,493) | - |
| | Other | 4,980 | (980) | 4,000 |
| | Total restricted | 1,186,087 | (364,956) | 821,132 |
| | Total Funds | 3,548,751 | (2,379,122) | 1,169,629 |

## 20. EMPLOYEE BENEFIT OBLIGATIONS

For staff who transferred from the Eastbourne Borough Council in 2014, the charity operates a pension scheme providing defined benefits based on pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex Pension Fund. Pension contributions are determined by a qualified actuary on the basis of triennial valuations. The latest valuation was carried out as at 31 March 2023. Under an agreement with Eastbourne Borough Council, Towner's liability is limited to an employer contribution rate of 19.2% of pensionable pay. Other staff have the option of joining a defined contribution scheme under auto-enrolment provisions.

## 21. RELATED PARTY DISCLOSURES

Towner employed the services of King & McGaw Ltd, the value of the work carried out totalled £23,120 (2023 £18,160) and received commercial sponsorship of £50,000 (2023: £25,000). King and McGaw is a company owned by Mr G King, a Trustee of Towner.

## 22. MEMBERS' LIABILITY

The charity is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

## 23. POST BALANCE SHEET EVENTS

In late August 2024, the senior team were informed that Eastbourne Borough Council will be applying a £100,000 cut to their funding of Towner in the current financial year (24/25) with immediate effect, along with a possible further cut coming in the next financial year. This is a result of the growing homeless crisis in the town and the pressure this is putting on the Council's budget. There is currently no decision on the future funding level, so the current income diversification programme will be accelerated, and a full review of free (unticketed) activity will take place, alongside a full review of all expenditure. In addition, we will be accelerating the installation of solar panels to reduce energy costs.

**TOWNER**

England & Wales - Charity number 1156762

# Accounts

**REGISTERED COMPANY NUMBER: 08803625 (England and Wales)**
**REGISTERED CHARITY NUMBER: 1156762**

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

# FOR

# TOWNER

Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

**TOWNER**

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**FOR THE YEAR ENDED 31 MARCH 2023**


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**TOWNER**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 MARCH 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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 ACTIVITIES

### Objectives

Founded as an art gallery for the people, Towner presents world class exhibitions of national and international significance and works from our acclaimed collection. We work in collaboration with individuals, communities and organisations, especially those with least access to the arts, to ensure that we are relevant to all our audiences. An innovative cultural social asset for Eastbourne and the South East., Towner brings the most exciting developments in modern and contemporary art to local, national and international audiences, develops and supports artistic practice, and provides a place for experimenting, creating and talking about art and culture.

Towner has been established for public benefit to fulfil the following charitable objectives:

To advance the education, enjoyment and appreciation of the public at large of the arts by the establishment and/or maintenance of an art gallery
To advance the education, enjoyment and appreciation of the public at large of the arts by the maintenance of Towner in Eastbourne
To advance the education, enjoyment and appreciation of the public at large of the arts through Towner's art collection
To pursue such other charitable purposes analagous to any of the objects as the Trustees in their absolute discretion shall determine.

### Trustees Report on Activities

**Overview of 2022/23**
2022/23 saw visitor numbers making a significant step towards reaching levels not seen since before the Covid pandemic. After a slow start during the spring and summer, we finished the financial year on 130,000 visitors, slightly down on 160,000 in 2019, but well up on the previous year indicating rising audience confidence in returning to public spaces.

The year focused on further preparations of the gallery building for hosting the Turner Prize exhibition from September 2023. We completed the ground floor capital redevelopment in April 2022 and started the top floor refurbishment in November 2022 in order that the building can accommodate anticipated visitor numbers of up to 200,000 during 2023/24.

A Turner Prize project team was set up to manage delivery of the gallery's largest project to date encompassing fundraising and marketing, curatorial and learning, event management and visitor services. Our ambition was to ensure we delivered the highest quality and most accessible Turner Prize exhibition. Partnerships were secured early with Eastbourne Borough Council, East Sussex County Council and Sussex Modern, the consortium organisations of arts and tourism organisations. With these partners, we would be able to maximise opportunities to grow the visitor economy and to understand the wellbeing benefits to young people of participating in Turner Prize through a project evaluation with East Sussex Public Health. Sponsors and donors were also secured early including King & McGaw as principal sponsor with University of Sussex as the education partner. Our thanks to all the funders and donors who supported the project financially or through in-kind provision of goods and services, and to all the other supporters who have funded the organisation through the year.

Other priorities during the year included growing commercial income and minimising our risks around catering which had been particularly challenging during and following the pandemic with income well below budget. The trustees made the decision with the Executive Team to offer the catering contract to a third party, following a tender process, to Borough Restaurants which runs the Eight Bells in Jevington, and which would take over the top floor and cinema cafés once the top floor redevelopment was complete in Spring 2023.

The redeveloped ground floor enabled a new mixed venue hire offer aimed at commercial, private hires and not for profits/charities maximised use of the studio spaces when free of programme. New commercial events, such as Makers Fairs, have brought in new income. The first Festive Makers Market in Studio 1 on 12/13 November doubled both visitor numbers to the building and retail /café income.

The Executive Team has spent considerable time working with Eastbourne Borough Council's Property and Development team and architects Feilden Fowles developing the Design and Access Statement for Black Robin Farm and preparing the planning application to South Downs National Park Authority. Funded by Levelling Up, the proposed art and cultural centre on the South Downs is due to be submitted for planning consent in summer 2023.

**The Year in Numbers**

We welcomed over **130000 visitors** as the sector continued to recover post-pandemic

We opened **10 new exhibitions**

In our cinema we held **395 screenings of 111 titles** with **14592 people** enjoying a film at Towner Cinema throughout the year

We **sold 4,941 tickets** to our Lucy Wertheim summer exhibition

More than **3500 people attended our public programme** of talks, workshops and masterclasses to accompany our exhibitions

**Over 2500 people of all ages** participated in one of our Learning events or workshops, including **1115 children** who attended our 33 Wriggle Room sessions for under 5s and parents/carers and **965 young people who** participated in our 13 school holiday workshops throughout the year. **68 artists** were involved in the delivery of this programme.

In addition to this, more than **1000 school or college students** attended the gallery as part of an organised school trip in 2022/23

There were **327,253 unique page views** on our website

We welcomed nearly **4000 new followers** across our social media platforms

We generated **press coverage worth £11.8 million**

This included 34 articles on the Lucy Wertheim show with an estimated **1.2 million views** and 108 pieces of coverage with an estimated **3.6 million views** for our Towner 100 programme

**Governance**

We welcomed two new trustees in May 2022 bringing knowledge and experience of the art sector and increased representation of our local communities. Catherine Wood, Director of Programme at Tate Modern brings expertise in contemporary practice, especially of performance and live art, and Josh Babarinde OBE who was born and brought up in Eastbourne, became the town's first elected Black councillor and is now the Parliamentary candidate for the Liberal Democrats.

**Developing our team**

In Spring 2022, the Front of House team was restructured creating two teams, one focused on visitor engagement within our exhibitions and events and the other focused on visitor services including the welcome desk and shop. The aim is to provide more consistency in standards, improve communication and allow staff to develop in areas they are most suited to.

Due to the closure of Towner's upstairs café during the redevelopment project, the café team was reduced down to two contracted staff, one of whom found employment elsewhere and the other joined the third party Borough through the TUPE process.

In October, a trainee curator joined the Programme Team on a fixed term role for two years to deliver the iniva Future Collect partnership. A new role of Young People's Skills and Opportunities Producer also joined the Programme Team in early March 2023 to deliver the Turner Prize Schools programme and lead on developing opportunities for young people around skills development, career support and work placements.

Team numbers:
53 staff (including full & part time & zero hours contracted)
50 volunteers

**Diversity and Inclusion**

The Diversity Task Group, a cross departmental group of staff and trustees, continued to meet bi-monthly to review progress against D&I action plans and to provide a strategic framework for our work in this area. Two major projects in 22/23 that supported our D&I commitments were our partnership with iniva (Institute of International Visual Arts), which supported our aim to increase representation of global majority artists in our exhibition and collection, as well as workforce diversity through the associated curatorial traineeship. The second project was the *Collectively* exhibition (and associated events) which was curated by members of the local LGBTQ+ community.

A priority in 22/23 was to review and extend the resources we offer to support disabled visitors and participants. An all-team disability inclusion session presented by Possability People took place in January 2023 and a Turner Prize Access Working Group was established to ensure accessibility was considered at the very outset of our planning for the Turner Prize. An access rider was developed by the programme team to support artists with access needs, and adaptations were made to our main recruitment processes to support disabled candidates and remove unnecessary barriers, to support our Disability Confident Committed accreditation.

Our cinema re-opened, following capital works, in May 2022 with a regular Dementia Friendly slot and increased numbers of captioned screenings.

**Capital Developments**

The newly developed ground floor opened in May 2022 providing two Studios for new programme including music and performance, creative engagement activities and commercial hire. The newly designed open and accessible welcome area and foyer has encouraged new visitors into the building and into the new enlarged shop space and cinema bar and café increasing commercial income.

The final phase of the building's refurbishment began in November 2022 to redevelop the gallery's top floor creating a new 60 seat restaurant with a full catering kitchen, a new office and meeting room and an enlarged staff room.

In the summer, we installed LED lighting in all the galleries reducing our energy consumption and completing the switchover throughout the building to low energy lighting.

**Stakeholder Engagement and Fundraising**

Fundraising activity concentrated on securing sponsorship and donations for the Turner Prize exhibition in 2023/24 as well as raising funding for core budget. As the largest project ever undertaken by Towner, presentation of the Turner Prize required significant additional budget which was secured from sponsors, donors, grant funders and in-kind supporters.

A new Emerging Artist Fund was established thanks to a gift which will help support career development opportunities for emerging artists through projects such as Open Plan and Brewers Towner International. Membership and donor recruitment was reasonably strong through the year with total numbers of supporters growing to 1200 in March 2023 from 1043 in March 2022.

**Enterprises**

Trading income was affected at the very start of the year due to the final stages of capital works on the ground floor, which impacted on shop, cinema and venue hire performance, as spaces for these activities were not available and visitor footfall was low. However, from May onwards trading activities benefitted from the improved visitor facilities on the ground floor, most notably a new shop area with a dedicated member of staff. The contribution of retail, after costs, was £72,000. The cinema continued to be a very popular destination, supporting audience development priorities as well as bringing in £113,000 in ticket income and contributing £48,000 in profit.

Catering operations have struggled since lockdown, with significantly increased supplier costs and challenges around recruitment and retention of staff. The disappointing financial performance of Enterprises this year was primarily due to the underperformance of the café. In September it was agreed with Trustees that Towner would seek to move catering operations to a third-party provider arrangement, to remove the financial risk to Towner and bring budget stability. An EOI was published in November and a provider was engaged in January 2022, ready to take over the catering operations of the newly developed top floor café when the capital works concluded in April 2023. The provider for the new operation is a very respected and experienced catering operation, best known locally for the Eight Bells, Jevington.

**Newhaven Cultural Action Plan**
We have continued to deliver Newhaven's Cultural Action Plan to catalyse the Enterprise Zone's 25-year investment programme. Towner hosts the Creative Producer and Marketing Assistant roles as part of its team and chairs the Creative Newhaven Group. Activity includes supporting the Newhaven Art Space, a contemporary art gallery in a formerly disused high street rental unit and the town's first permanent gallery space for artists, plus supporting multiple local small arts organisations and practitioners to develop their offer including the Newhaven Festival and the Haven Young Creatives.

**Programme highlights 2022-2023**

**Exhibitions**
From February to May 2022, Jananne Al-Ani, a London-based Iraqi born artist presented ***Timelines***, a new moving image work of a micro landscape in the surface of a highly decorated brass tray depicting events on Armistice Day, 1918. A soundtrack drew on the artist's interviews with her mother recalling personal experiences of growing up in Britain and Iraq through intense social and political change. The commission was presented alongside ***Bringing to Light: Jananne Al-Ani curates the Towner Collection*** with a display of works from collection and the artist.

We continued the female artist pairing with ***Eileen Mayo: A Natural History*** from February to July 2022, the first UK survey of the multi-skilled painter, printmaker, illustrator and tapestry designer. A media partnership with ArtReview magazine provided magazine editorial and an online talk on the artist's work and career in June 2022.
The companion summer exhibitions **A Life in Art: Lucy Wertheim, Patron, Collector, Gallerist** and **Reuniting the Twenties Group: From Barbara Hepworth to Victor Pasmore** ran from June to September 2022. The two exhibitions showcased pioneering female gallerist Lucy Wertheim's vast contribution to 20th century modern art and told the story of the emerging artists of the time that she fervently championed. Over 150 works from 57 artists were shown across both exhibitions. Paintings, drawings, and sculptures from her dispersed collection were reunited for the first time in 50 years alongside works exhibited in the Wertheim Gallery. The exhibition also marked half a century since Wertheim's bequest of over 50 works to Towner. Her 1947 memoir, *Adventure in Art*, was republished with commissioned essays from Frances Spalding, Ariane Banks and exhibition curator Karen Taylor.

The exhibitions achieved critical acclaim from newspapers, art sector press and others including featuring as the Exhibition of the Week in the Guardian. There was an extensive public programme of 14 events including curator-led tours, masterclasses, book groups, residency with artist duo Obscure Secure and a discussion day with artists, curators, art historians and others exploring gender imbalance in public collections and archives.

*On the beach in Eastbourne after seeing the revelatory exhibition at @TownerGallery of 30s art collected by #LucyWertheim Wonderful work by artists including #SuzanneCooper #30sArt. Lucy Hughes-Hallet, Twitter*
*Always nice to 'discover' artists I'd never previously heard of, and George Branson is one of those. Another top notch show from Towner. Thank you! David Bauckham, Facebook*

***Cruising the Collection*** explored stories about forgotten or neglected queer histories of collection artists between July and December 2022 selected by LGBTQIA+ participants who had previously come together to voice the 2021 podcast series Collectively, of personal responses to collection artworks.

The second iteration of ***Brewers Towner International***, the biennial exhibition of contemporary visual arts, featured 23 local, national and international artists with works on the theme of Sanctuary from October 2022 to January 2023. London-based artist Harold Smykla was awarded the £10,000 Brewers Award sponsored by Brewers Decorator Centres. Ayo Akingbade, winner of the Brewers Towner Award in 2020, presented Duette, a duo of films ***55 Days*** (2022) and ***Red Soleil*** (2021) also from October 2022 to January 2023.

2023 marked the start of Towner's centenary year which was launched early in the year under the banner ***Towner 100*** with a mixed programme of exhibitions, events and cultural activities across Eastbourne and Sussex. The pinnacle of the Towner 100 programme will be Towner's hosting of the world's leading visual arts prize, the Turner Prize 2023 exhibition of the four shortlisted artists artworks.

Towner 100 began with two exhibitions celebrating the collection. ***The Living Collection*** from December 2022 through to August 2023 showcased the varied history of collecting over the past one hundred years including its gifts, bequests and purchases, while ***Unseen*** highlighted a selection of recently acquired artworks not yet displayed.
Between February and March 2023, ***Play, Interact, Explore*** presented a series of interactive artworks by artists Leap Then Look. Devised through workshops with four community groups in Eastbourne and Brighton – West Rise Junior School, Arts in Mind, Downs View Link college for young people with educational needs and disabilities, and the Brighton and Hove Foster Service, visitors of all ages were encouraged to take part in playful exploration and critical thought through art making.

**Interventions, performances & residencies**
To mark the 102nd anniversary of the 1st Dada International Exhibition in Berlin, d/Deaf, Disabled and Neurodivergent artists staged Dada inspired interventions in 30 museums and galleries across Britain and Northern Ireland on 2 July 2022. At Towner, Andrea Mindel carried out their intervention: **WAR?! WHAT WAR? - How does one achieve eternal bliss?** embroidering a memorial for those affected by the COVID-19 pandemic, using their own hair.
Rita Evans' new work ***Tuning in a Vacuum*** was performed on 16 and 17 July 2022. This performance was Evans' first major solo presentation of work in a UK institution presented as a series of collaborations between performers around three sonic sculptures and instruments. David Blandy's residency in October featured new video works ***The Edge of Forever*** (2022) and ***Soil, Sinew and Bone*** (2022) premiered for two weeks as part of an installation created in collaboration with Fine Art students from East Sussex College Lewes who created an outsized children's fantasy reimagined from the films.

**Partnerships**
Tower is partnering with iniva (Institute of International Visual Arts) for the third and final year of its Future Collect programme to diversify gallery collections and workforces to better reflect the breadth of contemporary British society in public collections. The partnership includes a curatorial traineeship and an artist commission for a major new work for Towner's Collection, both of whom are of African and/or Asian descent, born or based in Britain.

**Commissions**
Jananne Al-Ani, *Timelines*, 2022. Co-commissioned by Film and Video Umbrella and Towner with Art Fund support through the Moving Image Fund for Museums.
Maria Amidu, *26,778,780 minutes*, 2023. Co-commissioned by iniva and Towner Eastbourne.

Verity-Jane Keefe, *The Findings*, 2023. Commissioned by Towner Eastbourne. Funded by UK Government Levelling Up Fund.
Navine G. Dossos, *Rivera*, 2023. Commissioned by Towner Eastbourne. Funded by UK Government Levelling Up Fund.

**Acquisitions**
Elizabeth Price, *Sunlight*, 2013
Eric Ravilious, *Fifty-Four Conceits*. Published by Martin Secker, 1933
Lothar Gotz, *Dance Diagonal* (print), 2022
Jananne Al-Ani, *Timelines*, 2022 and *Aerial I, Production still from the film Shadow Sites II*, 2011
Michael Rakowitz, *April is the cruellest month*, 2021
Alvaro Barrington, *1944-1977*, 2018 and *Lamb of God*, 2020
Helen Cammock, *The Long Note*, 2018
Betty Swanick RA, *The Pleasures Proved*, 1982 and *The Pleasure Proved*, 1983
Donald Chisholm Towner, *Snow on Hampstead Heath*, 1971
Mariana Castillo Deball, *Walking through the town I followed a pattern on the pavement that became the magnified silhouette of a woman's profile*, 2021

**Learning & Engagement**
The Making Together learning and engagement strategy has been rolling out during this year delivering new projects for children and young people, families and adults to support their health and well-being. The refurbished ground floor enabled all activities to take place in the two new studios from May 2022. Both have far greater capacity than the previous upstairs classroom, with improved accessibility from the gallery entrance which has enabled us to welcome greater numbers to family activities in school holidays which have grown hugely in popularity. Up to 300 participants attend free creative making workshops each holiday led by artists with varied activities enabling children and their parents/carers to explore and experiment with different materials. We work in partnership with De La Warr Pavilion in Bexhill-on-Sea to recruit artists to deliver holiday activities on both sites enabling all four artists to share ideas, approaches and what they learn through delivering sessions.

Regular programme also includes a new Early Years project Wriggle Room which was launched in May 2022. Termtime creative sessions for under 5s and their parents/carers led by artists alternate between the gallery and Willingdon Trees Community Centre in the Hampden Park area of Eastbourne. There are also occasional trips to Cuckmere Haven and Friston Forest for outdoor activities in nature.

The Arts in Mind group for people with mental health diagnoses was relaunched in September 2022 with the aim of bringing in new participants to the established group. Two artists work with the group, one with a strong materials-based practice and the other with many years' experience curating and supporting patients and staff at Bethlem Gallery in South London. The bi-weekly sessions enable participants to create new work together helping to reduce isolation and anxiety while helping them to learn to self-manage their conditions and aid recovery.

In August 2022, Towner delivered the government's Holiday and Food programme which offers activities and lunch to children who are in receipt of free school meals throughout the school holidays. Partnering with GROW Eastbourne to deliver 8 sessions outdoors in an allotment, artist Katie Spragg worked with participants to make sculptures and drawings with natural materials. Over the programme 160 children aged 5 to 16 including children with Special Educational Needs and Ukrainian refugees took part.

An artist residency based at Turning School in Langney produced an imaginative guide for young people engaging with galleries and contemporary art which will be being given to all Year 9 students visiting Turner Prize during 2023/24. Artist and musician Richard Phoenix worked with a group of Year 9 students over 8 months exploring contemporary arts practice through music, textiles, performance, mark-making and poetry to boost their confidence in engaging with contemporary art. Their collaboration led to the design of the guide '*Give It Some Oomph*'.

**Artist Development Programme**
***Open Plan*** in August 2022 offered 48 artists based in Sussex and Kent the opportunity to come together over four weeks to share space, ideas and processes and support each other in generating new work. This initiative is part of our artist development programme and part funded by the new Emerging Artist Fund.

***Acts of Transfer*** held a workshop in May for artists, students and practitioners as part of an ongoing collaborative project with artists and Brighton CCA to share creative practices of socially engaged practice and document their work.

**The Year Ahead**
2023 is an exciting milestone for Towner as it celebrates 100 years since the founding of the gallery in 1923. The Turner Prize will be the highlight of Towner 100, a year-long programme of exhibitions and events. The Turner Prize exhibition which will run from September 2023 to April 2024, will deliver a step change in audiences. We will maximise every opportunity presented by the most prestigious visual arts prize being in Eastbourne. It will raise Towner's profile nationally and internationally and will change perceptions about Eastbourne as a visitor destination and a place to see high quality contemporary art practice. We also plan to step up our engagement with disadvantaged communities by delivering new projects in community settings to broaden inclusive participation in art and creativity. This moment is also an opportunity to rethink what a museum can be for its communities by considering the question 'how will arts, culture and creativity shape a better future for Eastbourne?'

**Financial position and reserves**

Total reserves at the end of the year were £4,964,117 (2022: £3,794,488). The Trustees have set a reserves policy which is a product of strategic planning, budgeting and risk management. The policy requires that the charity's core activity, funded through the unrestricted reserve, could continue for six months during a period of unforeseen difficulty, which is in line with Charity Commission recommendations. The unrestricted free reserves (excluding fixed assets) which totalled £781,481 as at 31 March 2023 (2022: £825,418) meet this requirement. Maintaining a six-month operating reserve will support the organisation in trading through potential adversity, taking in to account future commitments and the possibility of lack of financial investment from key public funders. The level of reserves will be monitored and reviewed by the Trustees on a regular basis. Unrestricted reserves include £215,000 designated to Emerging Artists' expenditure and new staff positions.

**Principal risks and uncertainties**

Going Concern

The principle financial risks facing the charity and its trading subsidiary are considered as part of the overall approach to risk management, but include variation to visitor forecasts, changes to income from Eastbourne Borough Council and Arts Council England, unplanned expenditure and a challenging economic environment. The Trustees have reviewed the cash position of the charity and are satisfied that the charity will be able to meet all its financial commitments. The Trustees believe that the charity is well placed to manage its financial risks successfully and are confident that there are sufficient reserves for the operation to continue. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

**Governing document**

The charity is a company, limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association.

**Recruitment and appointment of new trustees**

The management of Towner is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The maximum number of Trustees was initially eleven but can be increased at the discretion of the Board. Of the total number of Trustees two are to be appointed by Eastbourne Borough Council. Trustees are required to retire by rotation whereby one third of the Trustees shall be required to retire each year but shall be eligible for reappointment. Trustees may be re-appointed by the Board at the end of each term of office.

**Organisational structure**

There are currently twelve Trustees who have delegated powers to the Executive Director and Senior Management Team to make expenditure decisions within the framework of the approved annual budget.
A Finance and Resources Sub-Committee has been established, consisting of five Trustees. This committee monitors income and expenditure and performance against the approved budget and reports back to the Board. They also approve and monitor Health and Safety policies and the Risk Register.

The day-to-day activities are controlled by Joe Hill, Executive Director, and the Senior Management Team who lead departments and report to the Executive Director.

**Induction and training of new trustees**

Trustees are recruited according to the Trustees' and Executive Director's ongoing assessment of the skills and experiences needed for the Board of an art gallery and museum. These include expertise in national and international arts and culture, fundraising, finance, HR and legal. Prospective new Trustees are recommended to the Chair and Executive Director, who assess the candidates and decide whether to proceed with the appointment.

The newly appointed Trustees received an induction from Towner's solicitor, advising them on their legal responsibilities. They were given thorough briefings by the Executive Director, Senior Management team and the Chairman.

## REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**

08803625 (England and Wales)

**Registered Charity number**

1156762

**Registered office**

Towner Devonshire Park
College Road
Eastbourne
East Sussex
BN21 4JJ

**Trustees**

| | |
|---|---|
| Mrs ME Bannister | Councillor (appointed 11 September 2023) |
| Ms H Bauer | Heritage Museums & Funding Adviser (resigned 6 March 2023) |
| Ms D V Casson | Designer |
| D Dimbleby | Broadcaster |
| G F H King | Publisher |
| Ms K Cadell | Presentation and Media Consultant (resigned 6 June 2022) |
| C F McKenzie | Freelance Arts Consultant |
| C R Swansborough | Accountant (resigned 11 September 2023) |
| Dr F M Dennis | Senior Lecturer |
| J Williams | Arts Manager and Councillor |
| J Jones | Artist and Lecturer |
| J Babarinde | Community Campaigner and Social Entrepreneur (appointed 6 June 2022) |
| C Wood | Curator, Writer and Art Historian (appointed 6 June 2022) |

**Director**
Joe Hill

**Auditors**
Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

**COMMENCEMENT OF ACTIVITIES**
Charitable Trust status was obtained on 1 July 2014, from which point the Trust commenced its charitable activities.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**
The trustees (who are also the directors of Towner for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

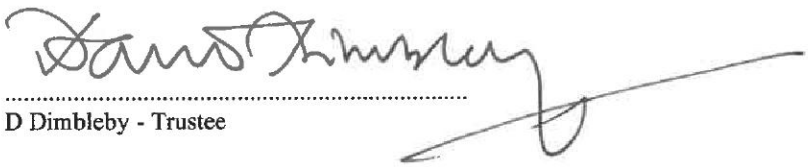
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## AUDITORS

The auditors, Xeinadin Audit Limited (formerly Xynamo 5 Ltd), were reappointed at the Meeting of Trustees on 11 December 2023

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 11 December 2023 and signed on the board's behalf by:



.....
D Dimbleby - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

### Opinion

We have audited the financial statements of Towner (the 'charitable company') and its subsidiary for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the charity Balance Sheet, the Consolidated Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and its subsidiary's affairs as at 31 March 2023 and of their incoming resources and application of resources, including their 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The 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 Report of the Independent Auditors 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 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.

### Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its subsidiaries and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

**Our responsibilities for the audit of the financial statements**
We have been appointed as auditor under section 151 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

•We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the management team
•We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

•With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the management team.

•We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

•We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Report of the Independent Auditors.

**Use of our report**

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

Andrew Hill FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

Date: 11/12/2023

**TOWNER**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 31 MARCH 2023**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM:** | | | | | |
| Donations and legacies | 2 | 751,980 | 748,029 | 1,500,009 | 855,542 |
| **Charitable activities** | | | | | |
| Secured funding EBC | | 413,880 | - | 413,880 | 413,880 |
| Secured funding Arts Council England | | 365,962 | - | 365,962 | 365,962 |
| South East Cultural and Creative Digital | | - | - | - | 15,185 |
| Newhaven Creative | | - | 174,404 | 174,404 | 36,250 |
| Learning activities and funding | 3 | 111 | 146,238 | 146,349 | 62,459 |
| Turner Prize Funding | 3 | - | 40,000 | 40,000 | - |
| Eastbourne Alive funding | 3 | - | 50,000 | 50,000 | - |
| Exhibition & collection activities and exhibition funding | 3 | 77,136 | 22,437 | 99,573 | 320,292 |
| Memberships, Patrons and Director's circle | | 96,003 | - | 96,003 | 69,868 |
| Art Fund Museum of the Year Prize | | - | - | - | - |
| Museums & Galleries Exhibitions Tax Relief | | 76,068 | - | 76,068 | 62,958 |
| Trading activities: retail, café, cinema, venue hire & events | 4 | 510,419 | 4,980 | 515,399 | 374,716 |
| Other income | 5 | 71,104 | - | 71,104 | 16,328 |
| **Total** | | **2,362,663** | **1,186,087** | **3,548,751** | **2,593,441** |
| **EXPENDITURE ON:** | 6 | | | | |
| **Charitable activities** | | | | | |
| Fundraising and supporters' costs | | 173,524 | - | 173,524 | 161,682 |
| South East Cultural and Creative Digital | | - | - | - | 15,185 |
| Newhaven Creative | | - | 134,456 | 134,456 | 23,467 |
| Learning activities | | 226,689 | 108,506 | 335,195 | 261,231 |
| Turner Prize | | 44,648 | 49,409 | 94,058 | - |
| Eastbourne Alive | | 22,661 | 19,853 | 42,514 | - |
| Exhibition & collection activities | | 832,703 | 51,253 | 883,956 | 827,497 |
| Travel and subsistence | | 7,446 | - | 7,446 | 6,867 |
| **Trading Activities** | | | | | |
| Shop, café, cinema, venue hire & commercial events | | 705,170 | 1,478 | 706,648 | 506,484 |
| Other trading activities | | 1,325 | - | 1,325 | 28,863 |
| **Total** | | **2,014,166** | **364,956** | **2,379,122** | **1,831,276** |
| **NET INCOME** | | **348,497** | **821,132** | **1,169,629** | **762,165** |
| Transfers between funds | 18 | 958,457 | (958,457) | - | - |
| **Net movement in funds** | | **1,306,954** | **(137,325)** | **1,169,629** | **762,165** |
| Total funds brought forward | | 2,972,940 | 821,548 | 3,794,488 | 3,032,323 |
| **TOTAL FUNDS CARRIED FORWARD** | | **4,279,893** | **684,223** | **4,964,117** | **3,794,488** |

**TOWNER**

**CONSOLIDATED BALANCE SHEET**
**31 MARCH 2023**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | 9,207 | - | 9,207 | 12,276 |
| Tangible assets | 13 | 1,629,144 | 439,387 | 2,068,531 | 1,179,862 |
| Heritage assets | 14 | 1,860,062 | - | 1,860,062 | 1,586,312 |
| | | 3,498,413 | 439,387 | 3,937,800 | 2,778,450 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 464,478 | 36,424 | 500,901 | 247,408 |
| Stock | | 39,376 | - | 39,376 | 33,176 |
| Cash at bank | | 472,669 | 295,155 | 767,824 | 819,755 |
| | | 976,523 | 331,579 | 1,308,101 | 1,100,339 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (195,042) | (86,742) | (281,785) | (84,301) |
| **NET CURRENT ASSETS** | | 781,481 | 244,836 | 1,026,317 | 1,016,038 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 4,279,893 | 684,223 | 4,964,117 | 3,794,488 |
| **NET ASSETS** | | 4,279,893 | 684,223 | 4,964,117 | 3,794,488 |
| **FUNDS** | 18 | | | | |
| Unrestricted funds | | | | 4,279,893 | 2,972,940 |
| Restricted funds | | | | 684,223 | 821,548 |
| **TOTAL FUNDS** | | | | 4,964,117 | 3,794,488 |

The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2023 and were signed on its behalf by:

.....
D Dimbleby - Trustee

**TOWNER**

**BALANCE SHEET**
**31 MARCH 2023**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | 9,207 | - | 9,207 | 12,276 |
| Tangible assets | 13 | 1,629,144 | 439,387 | 2,068,531 | 1,179,862 |
| Heritage assets | 14 | 1,860,062 | - | 1,860,062 | 1,586,312 |
| Investments | 15 | 1 | - | 1 | 1 |
| | | 3,498,414 | 439,387 | 3,937,801 | 2,778,451 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 689,681 | 36,424 | 726,105 | 471,222 |
| Cash at bank | | 314,876 | 295,155 | 610,031 | 671,415 |
| | | 1,004,557 | 331,579 | 1,336,136 | 1,142,637 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (158,512) | (86,742) | (245,255) | (70,930) |
| **NET CURRENT ASSETS** | | 846,045 | 244,836 | 1,090,881 | 1,071,707 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 4,344,458 | 684,223 | 5,028,682 | 3,850,157 |
| **NET ASSETS** | | 4,344,458 | 684,223 | 5,028,682 | 3,850,157 |
| **FUNDS** | 18 | | | | |
| Unrestricted funds | | | | 4,344,458 | 3,028,609 |
| Restricted funds | | | | 684,223 | 821,548 |
| **TOTAL FUNDS** | | | | 5,028,682 | 3,850,157 |

The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2023 and were signed on its behalf by:

.....
D Dimbleby - Trustee

**TOWNER**

**CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2023**

| | Notes | 2023<br>£ | 2022<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | 988,110 | 615,927 |
| Net cash provided by operating activities | | 988,110 | 615,927 |
| **Cash flows from investing activities** | | | |
| Purchase of intangible fixed assets | | - | (5,345) |
| Purchase of tangible fixed assets | | (997,041) | (578,281) |
| Purchase of heritage assets | | (43,000) | (58,400) |
| Net cash used in investing activities | | (1,040,041) | (642,026) |
| **Change in cash and cash equivalents in the reporting period** | | (51,931) | (26,098) |
| **Cash and cash equivalents at the beginning of the reporting period** | 2 | 819,755 | 845,853 |
| **Cash and cash equivalents at the end of the reporting period** | 2 | 767,824 | 819,755 |

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

### 1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2023 £ | 2022 £ |
|---|---|---|
| **Net income for the reporting period (as per the Statement of Financial Activities)** | 1,169,629 | 762,165 |
| **Adjustments for:** | | |
| Depreciation charges | 111,441 | 24,153 |
| Donated works included in income | (230,750) | (33,300) |
| (Increase)//decrease in debtors | (253,493) | (123,197) |
| (Increase)/decrease in stock | (6,200) | (7,313) |
| Increase/(decrease) in creditors | 197,484 | (6,581) |
| **Net cash provided by operations** | 988,110 | 615,927 |

### 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2023 £ | 2022 £ |
|---|---|---|
| Notice deposits (less than 3 months) | 767,824 | 819,755 |
| Total cash and cash equivalents | 767,824 | 819,755 |

### 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/22 £ | Cash flow £ | At 31/3/23 £ |
|---|---|---|---|
| **Net cash** | | | |
| Cash at bank and in hand | 819,755 | (51,931) | 767,824 |
| **Total** | 819,755 | (51,931) | 767,824 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**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 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.

**Governance costs**
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit fees, together with any legal advice relating to governance, and an apportionment of staff overhead.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Improvements to property – over remaining lease term. Fixtures and Fittings – 10% straight line, IT and electronic equipment – 20-25% straight line, Other equipment – 10% straight line. Website costs 20% straight line.

**Heritage assets: works of art - "the collection"**
The Trustees consider the works of art to be heritage assets as defined by the SORP and FRS 30. Works of Art consist of paintings, sculptures and prints acquired by purchase and or accepted to be accessioned into the Collection through donation and bequest.

Additions to the Collection acquired by purchase are recognised in the balance sheet at cost on an annual basis. All works accessioned into the Collection through donation or bequest are reported in the Balance Sheet at commercial value using recent transaction information form external sources as the basis of assessment.

In accordance with FRS 30 "Market Value" has been defined by the Trustees for this purpose as being the lower of the comparable assessed costs to acquire at auction, compared to that at an appropriate retail gallery. The artworks are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Going forward, all items purchased for the Collection will continue initially to be recorded in the Balance Sheet at cost and the Trustees will, if considered appropriate, have them re-valued at any point in the future. Collection items acquired by donation or bequest will be recorded at current market value.

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

## 1. ACCOUNTING POLICIES - continued

**Fund accounting**
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**Pension costs and other post-retirement benefits**
The charity operates a pension scheme for some staff providing defined benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex County Council Scheme. The most recent actuarial valuation carried out was in March 2023. The Admission Agreement entered into between East Sussex County Council and Eastbourne Borough Council and Towner dated 1 July 2014 are on the basis of a fully funded scheme. Eastbourne Borough Council also acts as a guarantor in relation to the scheme. The charity also operates a defined contribution scheme for the remaining staff.

## 2. DONATIONS AND LEGACIES

| | Unrestricted | Restricted | Total 2023 | 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Works donated to collection | 230,750 | - | 230,750 | 33,300 |
| Donations and grants towards capital projects | 155,814 | 727,036 | 882,850 | 538,897 |
| Donations and grants towards collection acquisitions | - | 17,000 | 17,000 | 69,298 |
| Donations and grants towards core costs | 352,421 | 3,993 | 356,414 | 153,110 |
| Legacies | 12,995 | - | 12,995 | 60,938 |
| | 751,980 | 748,029 | 1,500,009 | 855,542 |

## 3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|
| **Learning activities and funding:** | £ | £ | £ | £ |
| Income from learning activities | 111 | - | 111 | 4,000 |
| Restricted grants and donations | - | 146,238 | 146,238 | 58,459 |
| | 111 | 146,238 | 146,349 | 62,459 |
| **Turner Prize Funding** | | | | |
| Restricted grants and donations | - | 40,000 | 40,000 | - |
| **Eastbourne Alive Funding** | | | | |
| Restricted grants and donations | - | 50,000 | 50,000 | - |
| **Exhibition and collection activities and exhibition funding** | | | | |
| Exhibition tickets | 44,936 | - | 44,936 | 170,614 |
| Other ticketed events | 9,814 | - | 9,814 | 22,479 |
| Image licensing and loans | 3,345 | - | 3,345 | 3,556 |
| Touring income | 4,041 | - | 4,041 | 10,595 |
| Sponsorship | 15,000 | - | 15,000 | - |
| Conservation | - | - | - | 183 |
| Restricted grants and donations | - | 22,437 | 22,437 | 112,865 |
| | 77,136 | 22,437 | 99,573 | 320,292 |

## 4. TRADING ACTIVITIES

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Retail sales (shop and online) | 221,484 | - | 221,484 | 222,286 |
| Café and catering | 142,343 | - | 142,343 | 120,083 |
| Cinema tickets | 114,970 | - | 114,970 | 14,225 |
| Cinema funding | - | 980 | 980 | 300 |
| Venue hire (incl. cinema) | 20,098 | - | 20,098 | 11,757 |
| Commercial events | 11,523 | - | 11,523 | - |
| Other restricted funding of trading activities | - | 4,000 | 6,065 | 6,065 |
| | 510,419 | 4,980 | 515,399 | 374,716 |

## 5. OTHER INCOME

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Insurance claims received | 500 | - | 500 | 14,518 |
| Sussex Modern income | 33,333 | - | 33,333 | - |
| Sale of equipment | 2,360 | - | 2,360 | - |
| Sale of non-accessioned gifts | 31,458 | - | 31,458 | - |
| Book royalties | 405 | - | 405 | 1,440 |
| Miscellaneous | 204 | - | 204 | 370 |
| Interest received | 2,844 | - | 2,844 | - |
| | 71,104 | - | 71,104 | 16,328 |

## 6. ANALYSIS OF COSTS

| | Direct staff costs | Other direct costs | Allocated support costs (staff) | Allocated support costs (non staff) | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Fundraising and Supporters' Costs | 124,721 | 9,964 | - | 38,839 | 173,524 |
| Newhaven Creative | 43,887 | 89,664 | - | 905 | 134,456 |
| Learning | 94,112 | 73,043 | 56,799 | 111,240 | 335,195 |
| Turner Prize | 37,148 | 56,909 | - | - | 94,058 |
| Eastbourne Alive | 22,661 | 19,853 | - | - | 42,514 |
| Exhibition and collection activities | 337,305 | 238,776 | 56,779 | 251,077 | 883,956 |
| Travel and subsistence | - | 7,446 | - | - | 7,446 |
| Shop, café, cinema and venue hire | 263,017 | 254,150 | 56,799 | 132,682 | 706,648 |
| Other | - | 1,325 | - | - | 1,325 |
| | 922,851 | 751,131 | 170,398 | 534,742 | 2,379,122 |

Newhaven Creative other direct costs includes £14,900 grants to grass roots organisations (2022:nil)

## 7. GOVERNANCE COSTS

| Governance costs comprise: | Total £ |
|---|---|
| Staff costs | 20,991 |
| Audit costs | 6,650 |
| Regulatory costs | 26 |
| Other | 414 |
| | 28,081 |

## 8. NET INCOME/(EXPENDITURE)

| Net income/(expenditure) is stated after charging/(crediting): | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 6,650 | 6,767 |
| Depreciation - owned assets | 34,564 | 24,153 |
| Other operating leases | 2,460 | 3,600 |

## 9. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits was paid for the year ended 31 March 2023 or for the year ended 31 March 2022. One Trustee received £16 in Towner-related travel expense reimbursement (2022: £nil).

## 10. STAFF COSTS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 981,481 | 815,899 |
| Social security costs | 77,337 | 59,630 |
| Pension costs | 34,071 | 45,917 |
| | 1,093,248 | 921,446 |

The average monthly number of employees during the year was 53 (2022: 49)

The number of staff whose employee benefits (excluding employer pension costs) exceeded £60,000 was 1 (2022:1) as follows:

| | 2023 | 2022 |
|---|---|---|
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | 1 | - |

In addition to the trustees, key management personnel are considered to be the Director, Deputy Director, Director of Development, Head of Collections and Exhibitions, Head of Learning and Head of Marketing & Communications. The total amount paid to these key management personnel in the year (including employer's pension contributions) was £307,839 (2022: £278,978).

## 11. COMPARATIVES (PRIOR YEAR) FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 215,877 | 639,666 | 855,542 |
| **Charitable activities** | | | |
| Secured funding EBC | 413,880 | - | 413,880 |
| Secured funding Arts Council | 365,962 | - | 365,962 |
| South East Creative and Cultural Digital Support | - | 15,185 | 15,185 |
| Newhaven Creative | - | 36,250 | 36,250 |
| Learning activities and funding | 4,000 | 58,459 | 62,459 |
| Exhibition & collection activities and exhibition funding | 196,833 | 123,460 | 320,292 |
| Memberships, Patrons and Director's Circle | 69,868 | - | 69,868 |
| Museums and Galleries Exhibitions Tax Relief | 62,958 | | 62,958 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire | 368,352 | 6,365 | 374,716 |
| Other trading activities | 16,328 | - | 16,328 |
| **Total** | 1,714,058 | 879,383 | 2,593,441 |

| | Unrestricted funds £ | Restricted funds £ | Total Funds £ |
|---|---|---|---|
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Fundraising and Supporters' Costs | 151,108 | 10,574 | 161,682 |
| South East Creative and Cultural Digital Support | - | 15,185 | 15,185 |
| Newhaven Creative | - | 23,467 | 23,467 |
| Learning activities | 203,580 | 57,651 | 261,231 |
| Exhibition and collection activities | 678,964 | 148,533 | 827,497 |
| Travel and subsistence | 6,867 | - | 6,867 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire | 490,609 | 15,875 | 506,484 |
| Other trading activities | 28,863 | - | 28,863 |
| **Total Expenditure** | 1,559,991 | 271,285 | 1,831,276 |
| **NET INCOME** | 154,066 | 608,098 | 762,165 |
| Transfers between funds | 50,595 | (50,595) | - |
| **Net movement in funds** | 204,662 | 557,503 | 762,165 |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | 2,768,278 | 264,045 | 3,032,323 |
| **TOTAL FUNDS CARRIED FORWARD** | 2,972,940 | 821,548 | 3,794,488 |

## 12. INTANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Computer software £ |
|---|---|
| **COST** | |
| At 1 April 2022 and at 31 March 2023 | 15,345 |
| **DEPRECIATION** | |
| At 1 April 2022 | 3,069 |
| Charge for year | 3,069 |
| At 31 March 2023 | 6,138 |
| **NET BOOK VALUE** | |
| At 31 March 2023 | 9,207 |
| At 31 March 2022 | 12,276 |

## 13. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Improvements to property £ | Assets under construction £ | Fixtures fittings and equipment £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 April 2022 | 444,452 | 643,979 | 150,277 | 16,320 | 1,255,028 |
| Additions | - | 889,265 | 107,776 | - | 997,041 |
| Transfers | 1,013,275 | (1,093,857) | 80,582 | - | - |
| At 31 March 2023 | 1,457,727 | 439,387 | 338,634 | 16,320 | 2,252,069 |
| **DEPRECIATION** | | | | | |
| At 1 April 2022 | - | 3,915 | 59,956 | 11,295 | 75,166 |
| Charge for year | 20,202 | 56,674 | 27,415 | 4,080 | 108,372 |
| Transfers | 50,685 | (60,590) | 9,905 | - | - |
| At 31 March 2023 | 70,888 | - | 97,275 | 15,375 | 183,537 |
| **NET BOOK VALUE** | | | | | |
| At 31 March 2023 | 1,386,840 | 439,387 | 241,359 | 945 | 2,068,531 |
| At 31 March 2022 | 444,452 | 640,064 | 90,321 | 5,025 | 1,179,862 |

Improvements to property comprise the construction of Towner's cinema in 2017 (which, from this year, is being depreciated over the remainder of the lease) and the cost of the ground floor development project completed in early 22/23 and transferred from assets in construction (the fixtures, fittings and equipment element of those works also being transferred from assets in construction to that heading). The remaining assets in construction comprise works to the second floor café, completed after the year end.

## 14. HERITAGE ASSETS

| | Total<br>£ |
|---|---|
| At 1 April 2022 | 1,586,312 |
| Additions – donated (market value) | 230,750 |
| Additions – purchased (cost) | 43,000 |
| At 31 March 2023 | 1,860,062 |
| **NET BOOK VALUE** | |
| At 31 March 2023 | 1,860,062 |
| At 31 March 2022 | 1,586,312 |

## 15. FIXED ASSET INVESTMENTS

The charity controls Towner Enterprises Limited, which is incorporated in England, by virtue of holding 100% of its £1 equity share capital. The company undertakes ancillary trading activities at Towner with the aim of gifting its taxable profits to the charity.

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Turnover | 513,699 | 368,652 |
| Expenditure | (522,594) | (348,151) |
| Profit(loss) for the year | (8,895) | 20,500 |
| Amount gift aided to the Charity in the year | - | - |
| The Assets and Liabilities of Towner Enterprises Ltd were: | | |
| Total assets | 199,210 | 186,686 |
| Total liabilities | (263,774) | (242,355) |
| Net assets | (64,564) | (55,669) |
| Represented by: | | |
| Share capital and reserves | (64,564) | (55,669) |

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 Group £ | 2023 Charity £ | 2022 Group £ | 2022 Charity £ |
|---|---|---|---|---|
| Trade debtors | 92,081 | 90,917 | 55,323 | 53,163 |
| Amounts owed from subsidiary | - | 227,244 | - | 228,985 |
| Other debtors | 198,391 | 197,841 | 96,824 | 95,824 |
| VAT recoverable | 24,602 | 24,602 | 44,907 | 44,907 |
| Prepayments and accrued income | 185,828 | 185,502 | 50,353 | 48,343 |
| Total | 500,901 | 726,105 | 247,408 | 471,222 |

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 Group £ | 2023 Charity £ | 2022 Group £ | 2022 Charity £ |
|---|---|---|---|---|
| Trade creditors | 151,267 | 135,322 | 40,077 | 35,340 |
| Other creditors | 117 | - | 3,855 | - |
| Tax & social security | 14,912 | - | 3,629 | - |
| Accruals and deferred income | 115,488 | 109,933 | 36,739 | 35,590 |
| Total | 281,785 | 245,255 | 84,301 | 70,930 |

## 18. MOVEMENT IN FUNDS

| | At 1/4/22 | Net income | Transfers between funds | At 31/3/23 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 2,972,940 | 348,497 | 958,457 | 4,279,893 |
| **Restricted funds:** | | | | |
| Building development project (Phase 1 -ground floor) | 628,928 | 426,748 | (1,055,676) | - |
| Building development project (Phase 2 -cafe) | 2,000 | 283,573 | 153,814 | 439,387 |
| Building development project (office upgrade) | - | 16,715 | (16,715) | - |
| Collection acquisitions | 41,309 | 17,000 | (39,880) | 18,429 |
| Learning | 43,614 | 28,229 | - | 71,843 |
| Turner Prize | - | 591 | 50,000 | 50,591 |
| Eastbourne Alive | - | 30,147 | - | 30,147 |
| Exhibitions | 92,915 | (28,319) | (50,000) | 14,596 |
| Collection Curation – Kickstart | - | - | - | - |
| Iniva | - | - | - | - |
| Newhaven Creative | 12,783 | 39,948 | - | 52,731 |
| Fundraising and Supporters' Costs | - | 2,500 | - | 2,500 |
| Kickstart (core costs) | - | - | - | - |
| Other | - | 4,000 | - | 4,000 |
| Total restricted | 821,548 | 821,132 | (958,457) | 684,223 |
| Total Funds | 3,794,488 | 1,169,629 | | - 4,964,117 |

The main transfer between funds represents the Ground Floor Development project being completed in 22.23, moving to general use and so leaving restricted funds. The top floor café project was funded in arrears against invoices paid and so shows temporary funding from unrestricted funds as at the year end. The top floor cafe project was completed in 23.24. £50k funding received in advance for the Turner Prize in 21.22 has been reallocated from Exhibitions as the Turner Prize is now shown separately. Unrestricted reserves include £215,000 designated to Emerging Artists' expenditure and new staff positions.

| 18 contd NET INCOME - DETAIL | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 2,362,663 | (2,014,166) | 348,497 |
| **Restricted funds:** | | | |
| Building development project (Phase 1 - ground floor) | 426,748 | - | 426,748 |
| Building development project (Phase 2 -cafe) | 283,753 | - | 283,753 |
| Building development project (office upgrade) | 16,715 | - | 16,715 |
| Collection acquisitions | 17,000 | - | 17,000 |
| Learning | 136,238 | (108,008) | 28,229 |
| Turner Prize | 50,000 | (49,409) | 591 |
| Eastbourne Alive | 50,000 | (19,853) | 30,147 |
| Exhibitions | 4,250 | (32,569) | (28,319) |
| Collection Curation – Kickstart | 6,437 | (6,437) | - |
| Iniva | 11,750 | (11,750) | - |
| Newhaven Creative | 174,404 | (134,456) | 39,948 |
| Fundraising and Supporters' Costs | 2,500 | - | 2,500 |
| Kickstart (core costs) | 1,493 | (1,493) | - |
| Other | 4,980 | (980) | 4,000 |
| Total restricted | 1,186,087 | (364,956) | 821,132 |
| Total Funds | 3,548,751 | (2,379,122) | 1,169,629 |

## 19. MOVEMENT IN FUNDS – PRIOR YEAR COMPARATIVE

| | At 1/4/21 | Net income | Transfers between funds | At 31/3/22 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 2,768,278 | 154,066 | 50,595 | 2,972,940 |
| **Restricted funds:** | | | | |
| Building development project (Phase 1 -ground floor) | 84,226 | 538,897 | 5,805 | 628,928 |
| Building development project (Phase 2 -cafe) | - | - | 2,000 | 2,000 |
| Collection acquisitions | 30,411 | 69,298 | (58,400) | 41,309 |
| Learning | 43,868 | (254) | - | 43,614 |
| Exhibitions | 88,294 | 4,621 | - | 92,915 |
| Collection Curation | - | - | - | - |
| South East Creative and Cultural Digital Support | - | - | - | - |
| Newhaven Creative | - | 12,783 | - | 12,783 |
| Fundraising | 9,247 | (9,247) | - | - |
| Job Retention Scheme | - | - | - | - |
| Other | 8,000 | (8,000) | - | - |
| Total restricted | 264,045 | 608,098 | (50,595) | 821,548 |
| Total Funds | 3,032,323 | 762,165 | - | 3,794,488 |

Transfers between funds include: (1) £58,400 purchases out of the Acquisitions and Moving Image Funds which are deemed to be transferred to unrestricted assets as they enter the collection. (2) £5,805 and £2,000 which were spent on Phases 1 and 2 respectively of the Development Programme and which has temporarily drawn on unrestricted funds before being later recouped from external funders.

| 19 contd NET INCOME - DETAIL | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 1,714,058 | (1,559,991) | 154,066 |
| **Restricted funds:** | | | |
| Building development project (Phase 1 - ground floor) | 538,897 | - | 538,897 |
| Collection acquisitions | 69,298 | - | 69,298 |
| Learning | 56,709 | (56,963) | (254) |
| Exhibitions | 123,710 | (119,088) | 4,621 |
| Collection Curation | 5,750 | (5,750) | - |
| South East Creative and Cultural Digital Support | 15,185 | (15,185) | - |
| Newhaven Creative | 36,250 | (23,467) | 12,783 |
| Fundraising | - | (9,247) | (9,247) |
| Job Retention Scheme | 26,471 | (26,471) | - |
| Other | 7,115 | (15,115) | (8,000) |
| Total restricted | 879,383 | (271,285) | 608,098 |
| Total Funds | 2,593,441 | (1,831,276) | 762,165 |

## 20. EMPLOYEE BENEFIT OBLIGATIONS

For staff who transferred from the Eastbourne Borough Council in 2014, the charity operates a pension scheme providing defined benefits based on pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex Pension Fund. Pension contributions are determined by a qualified actuary on the basis of triennial valuations. The latest valuation was carried out as at 31 March 2023. Under an agreement with Eastbourne Borough Council, Towner's liability is limited to an employer contribution rate of 19.2% of pensionable pay. Other staff have the option of joining a defined contribution scheme under auto-enrolment provisions.

## 21. RELATED PARTY DISCLOSURES

Towner employed the services of King & McGaw Ltd, the value of the work carried out totalled £18,160 (2022 £23,505). King and McGaw is a company owned by Mr G King, a Trustee of Towner.

## 22. MEMBERS' LIABILITY

The charity is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

**TOWNER**

England & Wales - Charity number 1156762

# Accounts

REGISTERED COMPANY NUMBER: 08803625 (England and Wales)
REGISTERED CHARITY NUMBER: 1156762

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

# FOR

# TOWNER

Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

FRIDAY
*ABJFN5M3*
A07 23/12/2022 #190
COMPANIES HOUSE

**TOWNER**

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**FOR THE YEAR ENDED 31 MARCH 2022**


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**TOWNER**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 MARCH 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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 ACTIVITIES

### Objectives

Founded as an art gallery for the people, Towner presents world class exhibitions of national and international significance and works from our acclaimed collection. We work in collaboration with individuals, communities and organisations, especially those with least access to the arts, to ensure that we are relevant to all our audiences. An innovative cultural social asset for Eastbourne and the South East., Towner brings the most exciting developments in modern and contemporary art to local, national and international audiences, develops and supports artistic practice, and provides a place for experimenting, creating and talking about art and culture.

Towner has been established for public benefit to fulfil the following charitable objectives:

To advance the education, enjoyment and appreciation of the public at large of the arts by the establishment and/or maintenance of an art gallery
To advance the education, enjoyment and appreciation of the public at large of the arts by the maintenance of Towner in Eastbourne
To advance the education, enjoyment and appreciation of the public at large of the arts through Towner's art collection
To pursue such other charitable purposes analagous to any of the objects as the Trustees in their absolute discretion shall determine.

### Trustees Report on Activities 2021 - 2022

**Overview**
Following a year of unprecedented challenges due to the interruption of the Covid-19 pandemic, 2021/22 was an important year of re-building audiences whilst looking forward with energy and ambition to our centenary year in 2023. This important milestone provides the occasion to look back to appreciate the past, but it also offers the opportunity to look forward with our communities to consider what the next 100 hundred years might look like for Towner.

With this ambition evolving in our strategy and planning discussions, we were delighted in summer 2021 to have been chosen by Tate to host the Turner Prize in 2023. In June, we partnered with Eastbourne Borough Council (EBC) on a £19.8m bid to the Government's Levelling Up Fund which was successful in November 2021. Part of this grant will enable the development of an exciting new cultural site at Black Robin Farm, positioned on the South Downs overlooking Eastbourne. In addition to its award-winning Eastbourne site, Towner will deliver an ambitious artistic and educational programme that is genuinely inclusive and accessible by providing artist commissions and other artist opportunities, skills development initiatives and creative engagement activities for children and adults, especially those from Eastbourne's most disadvantaged communities.

In terms of Towner's core activity, the business delivered a far stronger performance during 2021/22 than expected. Our budgeting and cashflow projections were intentionally cautious due to ongoing Covid measures until May 2021 and the unknown response to the return of social mixing. The planned capital refurbishment of the ground floor, delayed from 2020 was rescheduled to start October 2021 with completion in May 2022. We factored in reduced commercial income with no venue hire or cinema programme during the work. The shop was relocated to the top floor within our café where it performed better than expected. Ticket sales income was strong thanks to the well-reviewed and popular John Nash exhibition which attracted 20,000 visitors and correspondingly strong retail sales from high quality exhibition related merchandise. We received another £70k from the Culture Recovery Fund Round 2 to meet income shortfall during 2020, in addition to £141k received during Cultural Recovery Fund Round 1. Fundraising for the John Nash exhibition almost covered its budget outlay, adding to the total £461k raised from philanthropy and grants during the year.

**The Year in Numbers**

We welcomed more than **80,000** visitors, despite building closures and covid restrictions
We opened **8** new exhibitions in the gallery building
We facilitated the creation of 10 new public artworks for the Eastbourne area.
We now have nearly 1050 supporters in our community, more than a 30% increase on 2020/21.

**Digital**
Over 49,000 followers across our combined social media channels by end of year
Website: 466,269 page views
Website: 136,683 unique visitors
First Insta Live tour of John Nash, currently with 1,938 views
91 newsletters sent
25 new videos added to our YouTube with 8,754 combined views
9 podcasts with 757 combined listens

**Governance**
A succession plan and recruitment schedule were agreed with the Chair to refresh the board membership over the next two years as some trustees come to the end of their maximum terms. Trustees living with disability (including neurodiversity) and/or from Eastbourne's disadvantaged areas are the next priority appointments to ensure full representation from diverse communities and involvement in decision making. Other recruitment priorities include business and strategic development, to support the Executive and SMT through this period of growth.

**Diversity & Inclusion**
The Diversity Task Group (DTG) established in 2020 to ensure delivery of the Equality, Diversity & Inclusivity (EDI) policy commitments, expanded its remit beyond its founding priority of antiracism to include disability & neurodiversity, race & ethnicity and gender identity. The DTG led its first facilitated organisation-wide conversation on issues around diversity and inclusion in September 2021 for all staff, volunteers and trustees which has led to improved recruitment practices and publication of a new Code of Conduct. We also developed an Inclusivity & Relevance Activity Plan with actions spanning workforce, leadership, governance, programme and talent development to provide equitable access to creativity and culture for everyone and to meet our key funder Arts Council's priorities.

**Developing our Team**
We restructured several teams to meet the growing need to develop income and extend public programme. A new Programme Team combined the curatorial and learning teams and included a new role of Assistant Curator. The Front of House team was redesigned to create a more efficient staffing structure. Two teams were created focusing on visitor engagement within exhibitions and events and on visitor services to provide more consistency in standards, improve communication and allow staff to develop in areas they are most suited to. The Catering team was restructured with a new appointment of a Head of Catering. A new role of Head of Events is now developing the venue hire offer and Towner-produced promotion events to generate income. We supported three apprentices through the Government-funded Kickstarter roles, providing 6 month training placements in catering, visitor services and curatorial.

Team numbers:
48 staff (including full & part time & zero hours contracted)
45 volunteers

**Sustainability**
Significant steps have been made to reduce our carbon footprint through reducing waste and recycling where possible and encouraging green-focused behaviour. We took the step to use £80k from gallery reserves to reduce Towner's electricity bills by investing in LED lighting throughout the gallery, switching from energy inefficient halogen lighting. We have also begun considering the installation of solar panels on the gallery roof in consultation with the Eastbourne Borough Council which owns the building.

**Capital Redevelopment**
Fundraising was completed to undertake the £1million re-development of the gallery ground floor spaces to improve the visitor welcome experience and create better spaces for retail, café, engagement activities, public programme and venue hire. Work started in October 2021 and is due to be completed in May 2022. Minimising the impact on the gallery programme and the visitor experience has been the priority.

**Newhaven Cultural Action Plan**
We have continued to deliver Newhaven's Cultural Action Plan to catalyse the Enterprise Zone's 25 year investment programme. Towner hosts the Creative Producer and Marketing Assistant roles as part of its team and chairs the Newhaven Creative Working Group. Activity has focused on delivering the new Newhaven Art Space, the town's first permanent gallery space for artists selected from an open call invitation, Newhaven Festival and the new Grassroots Arts Awards.

**Centenary programme planning**
The Senior Management Team began strategic planning for the next Business Plan cycle which coincided with the Arts Council National Portfolio Organisation application. This will mark the next phase in Towner's development as a community and cultural centre which places community collaboration at its heart.

**Programme Highlights 2021/22**

**Exhibitions**
Towner finally reopened to the public on 18 May 2021 with the major exhibition **John Nash: The Landscape of Love and Solace** to 26 September having been rescheduled from summer 2020. As the largest and most significant retrospective of the artist in over 50 years, the major survey of the two times war artist and botanical illustrator attracted 20,000 visitors and 185 new members, a 24% increase on subscriptions at the start of the financial year. It included loans from 4 national institutions and private lenders. Most of the exhibition budget was secured from major donations and grants including from the Art Fund Weston Loans Fund. Scheduled alongside this historic show is the first outing for the newly acquired *Vertigo Sea*, the multiscreen installation by John Akomfrah, exploring the relationship between humanity and the natural world complementing themes in Nash's work.

*'The curatorial team have done a wonderful job. John Nash, so long under the shadow of his more familiar brother has to be the show to see this year.'* @ma.rtine6562

*'The John Akomfrah work is one of the most thought-provoking things I've seen in a gallery for a long time.'* Visitor

Mexican artist ***Mariana Castillo Deball curates the Towner Collection*** from 29 May to 16 January 2022, alongside delivering her commission for England's Creative Coast (ECC): *Waterfronts*, one of seven coastal commissions that celebrate and connect the distinct, creative coasts of Essex, Kent and East Sussex. Her sculptural trail artwork included a large geoglyph on the Downs at Whitbread Hollow overlooking the town, and sculptural models placed at Towner and embedded in the streets of Eastbourne inspired by artefacts from an Anglo-Saxon grave.

Ayo Akingbade, the artist, writer and filmmaker, was announced as the first recipient of the £10,000 Brewers Award for her film *Dear Babylon* (2019) presented as part of the Towner International exhibition.

The autumn shows continued the focus on presenting women artists, including the first institutional exhibition in over a decade by British artist **Margaret Mellis**, one of the St Ives group of modernist artists, a painter and collagist known for her assemblages of driftwood. Alongside, *Liquid Gestures* by **Melissa Gordon** gave the artist her largest institutional exhibition to date.

*'A lovely tribute to an under exposed female artist who contributed hugely to the British Modernist Movement at its very beginning.'* @patriciathorntonart

In January 2022, we continued with another female artist pairing: **Eileen Mayo**, the under-recognised English born printmaker and illustrator and **Janane Al-Ani**, the London-based Irish/Iraqi artist's large-scale moving image commission. Funded through the Moving Image Fund by Film and Video Umbrella and Art Fund for Towner, it told stories of living in Iraq through intense social and political change. This exhibition was delayed from 2021, when it would have marked the centenary of the formation of the Kingdom of Iraq and Britain's involvement. Alongside her commission, Al-Ani presented *Bringing the Light*, her selection of artworks from Towner's collection.

*'We have just spent an excellent morning at the gallery. The staff are so pleasant and knowledgeable, the exhibition well-presented and the building very well maintained and decorated. The shop and cafe could give lessons to other galleries on how to look after visitors!Five stars.'* Gwen & Ray Taylor

**Offsite Commissions**
It was agreed that Lothar Gotz' ***Dance Diagonal*** would be extended through to the end of 2024 and so will be in place during Towner's centenary year. Other commissions included Mariana Castillo Deball's *Walking through the town I followed a pattern on the pavement that became the magnified silhouette of a woman's profile*, a new work for the England's Creative Cost project which comprised a walking route where visitors encountered sculptural objects embedded in the pavement, as well as a huge chalk painting at Whitbread Hollow in the South Downs. A new audio work by artist filmmaker **Karolina Raczynski** centred on the St Anne's dig, a 1997 archaeological excavation in Eastbourne. Billboard artworks by artist collective **Guerrilla Girls** were co-commissioned in a series of town locations from Skye to Eastbourne, where it ran 18 June to 18 July.

**Partnerships & Events**
In partnership with University of Sussex, PhD scholar Hayley Moyse Fenning began her research into the lack of diversity and representation of women in public collections, using Towner's collection to undertake a critical analysis and illuminate the roles women have played in the museum's collecting and exhibition history.

We concluded **Talking Loud**, our series of online talks for creative businesses and individuals which began during lockdowns. It featured varied speakers including Michelle Ogundehin, Tai Shani, Helen Cammock, Giles Smith, Michael Wolff, Amanda Parker and Jenny Williams MBE.

**Acquisitions**
Continuing our commitment to secure 50% of new work from women, we acquired the following new works:
*Lick your teeth, they so clutch* by emerging artist Rachel Jones presented by Contemporary Art Society
*Twenty Four Hour Sunshine, 2007 and Nowhere Fast*, 2020 by Clare Woods thanks to Art Fund. ACE/V&A Purchase Grant Fund
*Still Life with Fruit and Flowers* by Leslie Hunt undated
2 x Eric Ravilious boat race bowl transfers

The following works have been gifted to the collection:
John Nash, *Staverton*
Edward Bawden, two Shell poster designs
Tom Hammick, *Airline Ticketing*
Joe Packer, *Tender Dusk*
Alan Grainger, 8 x photographs
Samuel Avery, *Still Life*, 1956 and Georges Spiro, *Flowers in a Recess*, 1956.
Stuart McCrorie, *The Cliffs from Belle Tout*, 1985.

**Collection**

As part of Towner's website redesign, preparations began to make collection artworks available online during 2022, including seeking permissions and confirming copyrights. This major investment is being funded by Towner reserves with a 30% contribution from the South-East Creatives programme, a European Regional Development Fund initiative

**Learning & Engagement**

A new engagement strategy, *Making Together*, was launched to support a new, sustainable climate of creativity with a greater number of artists working with groups and communities both in and out of the gallery. During the year, 4,592 people of all ages participated in creative activities either in the gallery or community settings. Significant energy was devoted to developing new partnerships with community organisations that we supported during the pandemic to understand the needs of our communities and devise creative engagement projects in collaboration. For instance, we collaborated again with Willingdon Trees Community Centre on the design for Wriggle Room, creative sessions for under 4s with their parents/carers based at the centre.

During the spring and summer, new activity sheets were designed by artist Somang Lee and made freely available with support from South Downs National Park. Themed on nature, seasonal cycles and natural materials, they took inspiration from all the materials, sights, sounds and textures to be found when exploring the outdoors. They were distributed in the gallery, online and through our community partners which include services for vulnerable people such as carers, refugees and unaccompanied children, disadvantaged families, families living in refuges and those living with anxiety, dementia or other mental health conditions.

Gallery-based activities resumed with free family workshops over the May and October 2021 half term breaks. In May, activities linked to Marianna Castillo Deball's ECC commission, include a Geo Tour to hunt out caches or hidden objects at various locations that uncover the hidden stories of Eastbourne now and in the past through the stories from local people. Karolina Raczynski's new audio work (see Commissions above) formed part of the unique engagement programme linked with the England's Creative Coast commission. We ran *Stepping Forward*, a family day of activities and a picnic with Seaside community partners Amaze, Community Stuff, Defiant Sports and Holding Space, and ran making workshops with YMCA youth groups.

*'After a morning on the beach, this was a fantastic place to spend the afternoon. There was something for all ages and a chance for reflection about natural and manmade materials in the environment.'* Jen

Digital making sessions started during the lockdowns with artist Amy Leung continued, using easily found objects as inspiration for a series of playful drawing and making activities. In May and June, we worked with artist duo Leap Then Look and Saint Catherine's School to develop a toolkit for year 9 and 10 students promoting creativity and positive mental health, with a downloadable resource pack to use from home. This was funded by the Sussex Learning Network Uni Connect Programme.

A pilot podcast project with members of the LGBTQ+ community took part in a unique creative project, exploring personal responses to artworks in the Towner Collection, through a queer lens. 6 episodes were made with artist producer Renee Vaughan Sutherland. The group will continue their relationship with Towner during 2022 as guest curators of a collection exhibition.

The regular Arts in Mind group for those living with mental health issues which had met online during the lockdowns, reconvened their weekly Thursday studio sessions in the gallery. During summer 2021, the group also worked with artist Lucy Steggals, responding to murals, the interior and landscape surrounding the newly restored Berwick Church.

*'Towner really stood out to me during lockdown. They became really visible, especially through the community work. They really stepped up at a time other organisations were imploding.'* Anna Cullum Associates commenting on the Berwick Church project

The team also developed *Acts of Transfer* in collaboration with artists and Brighton CCA, a programme of workshops for artists, students or practitioners to share creative practices and document their work.

**Marketing & Communications**

We launched our new website in June, with Brighton based design studio Boyle & Perks providing a fresh new look, improved user experience and renewed focus on accessibility. Digitisation of the Towner collection will form phase 2 of the website development during 2022.

Towner appeared as the venue for the South of England heat of new Sky Arts TV series *Landmark*, with judges Russell Tovey, Claire Lilley and Hetain Patel choosing a new landmark piece of public art for the region.

**The Year Ahead**

We will continue to rebuild audiences with a balanced programme of exhibitions ranging from the historic with *A Life in Art: Lucy Wertheim, Patron, Collector, Gallerist & Reuniting the Twenties Group: from Barbara Hepworth to Victor Passmore*, to the second edition of *Brewers Towner International*, the open call exhibition showcasing some of the most exciting artists working in the region and beyond.

We will deliver the new learning & engagement strategy, Making Together, launching new projects for families, children & young people to create and make with artists and expanding Arts in Mind, the long-standing project for adults living with mental health conditions to reach young adults. Open Plan will launch a new artist development programme through providing shared studio space in the gallery for artists based in Sussex and Kent to share space, ideas and processes and support each other in generating new work.

*'We are so lucky to have a gallery like Towner, that embraces the new and challenging, without forgetting the past. Thanks to everyone who makes it happen. (And that includes whoever makes the rather good cakes).'* Annie Davies, Facebook

We will also develop Towner 100, the centenary programme, to celebrate Towner's achievements and development into one of the UK's most significant regional galleries that is both a community space and national institution for art and culture. It is also an important opportunity to set the trajectory for the next 100 years by asking questions and having conversations with our diverse communities. We want to ask what should the gallery and collection look like in the 21st century? We want people from wide-ranging communities to contribute to debates around what kind of activities should gallery spaces support or which artists and artworks get acquired for a gallery collection. How are these decisions made and who is making them? These conversations will continue throughout the year among the staff, volunteers, audiences and participants.

**Financial position and reserves**

Total reserves at the end of the year were £3,794,488 (2021: £3,032,323). The Trustees have set a reserves policy which is a product of strategic planning, budgeting and risk management. The policy requires that the charity's core activity, funded through the unrestricted reserve, could continue for six months during a period of unforeseen difficulty, which is in line with Charity Commission recommendations. The unrestricted free reserves (excluding fixed assets) which totalled £825,418 as at 31 March 2022 (2021: £711,223) meet this requirement. Maintaining a six-month operating reserve will support the organisation in trading through potential adversity, taking in to account future commitments and the possibility of lack of financial investment from key public funders. The level of reserves will be monitored and reviewed by the Trustees on a regular basis.

**Principal risks and uncertainties**

Going Concern

The principle financial risks facing the charity and its trading subsidiary are considered as part of the overall approach to risk management, but include variation to visitor forecasts, changes to income from Eastbourne Borough Council and Arts Council England, unplanned expenditure and a challenging economic environment. The Trustees have reviewed the cash position of the charity and are satisfied that the charity will be able to meet all its financial commitments. The Trustees believe that the charity is well placed to manage its financial risks successfully and are confident that there are sufficient reserves for the operation to continue. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 MARCH 2022

### STRUCTURE, GOVERNANCE AND MANAGEMENT

**Governing document**

The charity is a company, limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association.

**Recruitment and appointment of new trustees**

The management of Towner is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The maximum number of Trustees was initially eleven but can be increased at the discretion of the Board. Of the total number of Trustees two are to be appointed by Eastbourne Borough Council. Trustees are required to retire by rotation whereby one third of the Trustees shall be required to retire each year but shall be eligible for reappointment. Trustees may be re-appointed by the Board at the end of each term of office.

**Organisational structure**

There are currently twelve Trustees who have delegated powers to the Executive Director and Senior Management Team to make expenditure decisions within the framework of the approved annual budget.
A Finance and Resources Sub-Committee has been established, consisting of five Trustees. This committee monitors income and expenditure and performance against the approved budget and reports back to the Board. They also approve and monitor Health and Safety policies and the Risk Register.

The day-to-day activities are controlled by Joe Hill, Executive Director, and the Senior Management Team who lead departments and report to the Executive Director.

**Induction and training of new trustees**

Trustees are recruited according to the Trustees' and Executive Director's ongoing assessment of the skills and experiences needed for the Board of an art gallery and museum. These include expertise in national and international arts and culture, fundraising, finance, HR and legal. Prospective new Trustees are recommended to the Chair and Executive Director, who assess the candidates and decide whether to proceed with the appointment.

The newly appointed Trustees received an induction from Towner's solicitor, advising them on their legal responsibilities. They were given thorough briefings by the Executive Director, Senior Management team and the Chairman.

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**

08803625 (England and Wales)

**Registered Charity number**

1156762

**Registered office**

Towner Devonshire Park
College Road
Eastbourne
East Sussex
BN21 4JJ

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 MARCH 2022

**Trustees**

| | |
|---|---|
| Ms H Bauer | Heritage Museums & Funding Adviser |
| Ms D V Casson | Designer |
| D Dimbleby | Broadcaster |
| G F H King | Publisher |
| Ms K Cadell | Presentation and Media Consultant (resigned 6 June 2022) |
| C F Mckenzie | Freelance Arts Consultant |
| M R Moorton | Human Resources Director (resigned 7 March 2022) |
| T J W Ashdown | Solicitor (resigned 7 March 2022) |
| C R Swansborough | Accountant |
| Dr F M Dennis | Senior Lecturer |
| J Williams | Arts Manager |
| J Jones | Artist and Lecturer |
| J Babarinde | Community Campaigner and Social Entrepreneur (appointed 6 June 2022) |
| C Wood | Curator, Writer and Art Historian (appointed 6 June 2022) |

**Director**
Joe Hill

**Auditors**
Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

### COMMENCEMENT OF ACTIVITIES
Charitable Trust status was obtained on 1 July 2014, from which point the Trust commenced its charitable activities.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Towner for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

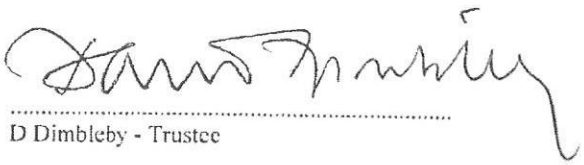
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 5 December 2022 and signed on the board's behalf by:



.....

D Dimbleby - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

### Opinion

We have audited the financial statements of Towner (the 'charitable company') and its subsidiary for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the charity Balance Sheet, the Consolidated Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and its subsidiary's affairs as at 31 March 2022 and their incoming resources and application of resources, including their 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company and its subsidiary'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 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 Report of the Independent Auditors 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 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.

### Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

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

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

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

### Responsibilities of trustees

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

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

### Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 Report of the Independent Auditors.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

**Use of our report**

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



Andrew Hill FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Chartered Accountants
Registered Auditor
36 Old Jewry
London
EC2R 8DD

Date: 5 December 2022

**TOWNER**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 31 MARCH 2022**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM:** | | | | | |
| Donations and legacies | 2 | 215,877 | 639,666 | 855,542 | 604,293 |
| **Charitable activities** | | | | | |
| Secured funding EBC | | 413,880 | - | 413,880 | 413,879 |
| Secured funding Arts Council England | | 365,962 | - | 365,962 | 366,962 |
| South East Cultural and Creative Digital | | - | 15,185 | 15,185 | 6,706 |
| Newhaven Creative | | - | 36,250 | 36,250 | - |
| Learning activities and funding | 3 | 4,000 | 58,459 | 62,459 | 116,303 |
| Exhibition & collection activities and exhibition funding | 3 | 196,833 | 123,460 | 320,292 | 68,036 |
| Memberships, Patrons and Director's circle | | 69,868 | - | 69,868 | 61,815 |
| Art Fund Museum of the Year Prize | | - | - | - | 40,000 |
| Museums & Galleries Exhibitions Tax Relief | | 62,958 | - | 62,958 | 43,778 |
| **Trading Activities** | | | | | |
| Shop, café, cinema and venue hire | 4 | 368,352 | 6,365 | 374,716 | 136,765 |
| Other trading activities | | 16,328 | - | 16,328 | 5,761 |
| **Total** | | **1,714,058** | **879,383** | **2,593,441** | **1,864,298** |
| **EXPENDITURE ON:** | 5 | | | | |
| **Charitable activities** | | | | | |
| Fundraising and supporters' costs | | 151,108 | 10,574 | 161,682 | 132,855 |
| South East Cultural and Creative Digital | | - | 15,185 | 15,185 | 15,627 |
| Newhaven Creative | | - | 23,467 | 23,467 | - |
| Learning activities | | 203,580 | 57,651 | 261,231 | 214,750 |
| Exhibition & collection activities | | 678,964 | 148,533 | 827,497 | 573,856 |
| Travel and subsistence | | 6,867 | - | 6,867 | 1,038 |
| **Trading Activities** | | | | | |
| Shop, café, cinema and venue hire | | 490,609 | 15,875 | 506,484 | 376,872 |
| Other trading activities | | 28,863 | - | 28,863 | 20,734 |
| **Total** | | **1,559,991** | **271,285** | **1,831,276** | **1,335,732** |
| **NET INCOME** | | **154,066** | **608,098** | **762,165** | **528,566** |
| Transfers between funds | 17 | 50,595 | (50,595) | - | - |
| **Net movement in funds** | | **204,662** | **557,503** | **762,165** | **528,566** |
| Total funds brought forward | | 2,768,278 | 264,045 | 3,032,323 | 2,503,757 |
| **TOTAL FUNDS CARRIED FORWARD** | | **2,972,940** | **821,548** | **3,794,488** | **3,032,323** |

**TOWNER**

**CONSOLIDATED BALANCE SHEET**
**31 MARCH 2022**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 11 | 12,276 | - | 12,276 | 10,000 |
| Tangible assets | 12 | 548,934 | 630,928 | 1,179,862 | 622,666 |
| Heritage assets | 13 | 1,586,312 | - | 1,586,312 | 1,494,612 |
| | | 2,147,522 | 630,928 | 2,778,450 | 2,127,278 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 183,964 | 63,444 | 247,408 | 124,211 |
| Stock | | 33,176 | - | 33,176 | 25,863 |
| Cash at bank | | 692,556 | 127,199 | 819,755 | 845,853 |
| | | 909,695 | 190,643 | 1,100,339 | 995,927 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (84,278) | (23) | (84,301) | (90,882) |
| **NET CURRENT ASSETS** | | 825,418 | 190,620 | 1,016,038 | 905,045 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,972,940 | 821,548 | 3,794,488 | 3,032,323 |
| **NET ASSETS** | | 2,972,940 | 821,548 | 3,794,488 | 3,032,323 |
| **FUNDS** | 17 | | | | |
| Unrestricted funds | | | | 2,972,940 | 2,768,278 |
| Restricted funds | | | | 821,548 | 264,045 |
| **TOTAL FUNDS** | | | | 3,794,488 | 3,032,323 |

The financial statements were approved by the Board of Trustees and authorised for issue on 5 December 2022 and were signed on its behalf by:

.....
D Dimbleby - Trustee

**TOWNER**

**BALANCE SHEET**
**31 MARCH 2022**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 11 | 12,276 | - | 12,276 | 10,000 |
| Tangible assets | 12 | 548,934 | 630,928 | 1,179,862 | 622,666 |
| Heritage assets | 13 | 1,586,312 | - | 1,586,312 | 1,494,612 |
| Investments | 14 | 1 | - | 1 | 1 |
| | | 2,147,523 | 630,928 | 2,778,451 | 2,127,278 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 407,778 | 63,444 | 471,222 | 568,676 |
| Cash at bank | | 544,216 | 127,199 | 671,415 | 490,512 |
| | | 951,994 | 190,643 | 1,142,637 | 1,059,188 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (70,907) | (23) | (70,930) | (77,973) |
| **NET CURRENT ASSETS** | | 881,087 | 190,620 | 1,071,707 | 981,215 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 3,028,609 | 821,548 | 3,850,157 | 3,108,493 |
| **NET ASSETS** | | 3,028,609 | 821,548 | 3,850,157 | 3,108,493 |
| **FUNDS** | 17 | | | | |
| Unrestricted funds | | | | 3,028,609 | 2,844,448 |
| Restricted funds | | | | 821,548 | 264,045 |
| **TOTAL FUNDS** | | | | 3,850,157 | 3,108,493 |

The financial statements were approved by the Board of Trustees and authorised for issue on 5 December 2022 and were signed on its behalf by:

.....
D Dimbleby - Trustee

**TOWNER**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | 615,927 | 358,900 |
| Net cash provided by operating activities | | 615,927 | 358,900 |
| **Cash flows from investing activities** | | | |
| Purchase of intangible fixed assets | | (5,345) | (10,000) |
| Purchase of tangible fixed assets | | (578,281) | (35,296) |
| Purchase of heritage assets | | (58,400) | (1,000) |
| Net cash used in investing activities | | (642,026) | (46,296) |
| **Change in cash and cash equivalents in the reporting period** | | (26,098) | 312,604 |
| **Cash and cash equivalents at the beginning of the reporting period** | 2 | 845,853 | 533,249 |
| **Cash and cash equivalents at the end of the reporting period** | 2 | 819,755 | 845,853 |

TOWNER

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

## 1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| **Net income for the reporting period (as per the Statement of Financial Activities)** | 762,165 | 528,566 |
| **Adjustments for:** | | |
| Depreciation charges | 24,153 | 18,576 |
| Donated works included in income | (33,300) | (107,000) |
| (Increase)//decrease in debtors | (123,197) | (26,906) |
| (Increase)/decrease in stock | (7,313) | 19,019 |
| Increase/(decrease) in creditors | (6,581) | (73,355) |
| **Net cash provided by operations** | 615,927 | 358,900 |

## 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Notice deposits (less than 3 months) | 819,755 | 845,853 |
| Total cash and cash equivalents | 819,755 | 845,853 |

## 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/21 | Cash flow | At 31/3/22 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 845,853 | (26,098) | 819,755 |
| **Total** | 845,853 | (26,098) | 819,755 |

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

## 1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**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 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.

**Governance costs**
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit fees, together with any legal advice relating to governance, and an apportionment of staff overhead.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Fixtures and Fittings – 10% straight line, IT and electronic equipment – 20-25% straight line, Other equipment – 10% straight line. Website costs 20% straight line.

**Heritage assets: works of art - "the collection"**
The Trustees consider the works of art to be heritage assets as defined by the SORP and FRS 30. Works of Art consist of paintings, sculptures and prints acquired by purchase and or accepted to be accessioned into the Collection through donation and bequest.

Additions to the Collection acquired by purchase are recognised in the balance sheet at cost on an annual basis. All works accessioned into the Collection through donation or bequest are reported in the Balance Sheet at commercial value using recent transaction information form external sources as the basis of assessment.

In accordance with FRS 30 "Market Value" has been defined by the Trustees for this purpose as being the lower of the comparable assessed costs to acquire at auction, compared to that at an appropriate retail gallery. The artworks are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Going forward, all items purchased for the Collection will continue initially to be recorded in the Balance Sheet at cost and the Trustees will, if considered appropriate, have them re-valued at any point in the future. Collection items acquired by donation or bequest will be recorded at current market value.

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

## 1. ACCOUNTING POLICIES - continued

**Fund accounting**
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**Pension costs and other post-retirement benefits**
The charity operates a pension scheme for some staff providing defined benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex County Council Scheme. The most recent actuarial valuation carried out was in March 2020. The Admission Agreement entered into between East Sussex County Council and Eastbourne Borough Council and Towner dated 1 July 2014 are on the basis of a fully funded scheme. Eastbourne Borough Council also acts as a guarantor in relation to the scheme. The charity also operates a defined contribution scheme for the remaining staff.

## 2. DONATIONS AND LEGACIES

| | Unrestricted | Restricted | Total 2022 | 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Works donated to collection | 33,300 | - | 33,300 | 107,000 |
| Donations and grants towards capital projects | - | 538,897 | 538,897 | 20,356 |
| Donations and grants towards collection acquisitions | - | 69,298 | 69,298 | 10,125 |
| Donations and grants towards core costs | 126,639 | 26,471 | 153,110 | 466,812 |
| Legacies | 55,938 | 5,000 | 60,938 | - |
| | 215,877 | 639,666 | 855,542 | 604,293 |

## 3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted | Restricted | 2022 | 2021 |
|---|---|---|---|---|
| **Learning activities and funding:** | £ | £ | £ | £ |
| Income from learning activities | 4,000 | - | 4,000 | - |
| Restricted grants and donations | - | 58,459 | 58,459 | 116,303 |
| | 4,000 | 58,459 | 62,459 | 116,303 |
| **Exhibition and collection activities and exhibition funding** | | | | |
| Exhibition tickets | 170,614 | - | 170,614 | 31,655 |
| Other ticketed events | 22,479 | - | 22,479 | 35 |
| Image licensing and loans | 3,556 | - | 3,556 | 3,038 |
| Touring income | - | 10,595 | 10,595 | - |
| Sponsorship | - | - | - | 10,000 |
| Conservation | 183 | - | 183 | - |
| Restricted grants and donations | - | 112,865 | 112,865 | 23,308 |
| | 196,833 | 123,460 | 320,292 | 68,036 |

## 4. TRADING ACTIVITIES

| | Unrestricted | Restricted | 2022 | 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Retail sales | 222,286 | - | 222,286 | 83,584 |
| Café and catering | 120,083 | - | 120,083 | 32,062 |
| Cinema tickets | 14,225 | - | 14,225 | 5,562 |
| Cinema funding | - | 300 | 300 | 13,899 |
| Kickstart funding towards trading-related payroll | - | 6,065 | 6,065 | - |
| Venue hire (incl. cinema) | 11,757 | - | 11,757 | 1,658 |
| | 368,352 | 6,365 | 374,716 | 136,765 |

## 5. ANALYSIS OF COSTS

| | Direct staff costs | Other direct costs | Allocated support costs (staff) | Allocated support costs (non staff) | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Fundraising and Supporters' Costs | 129,051 | 9,701 | - | 22,930 | 161,682 |
| South East Creative and Cultural Digital Support | 2,427 | 6,244 | - | 6,513 | 15,185 |
| Newhaven Creative | 20,598 | 2,869 | - | - | 23,467 |
| Learning | 86,564 | 52,609 | 54,431 | 67,628 | 261,231 |
| Exhibition and collection activities | 329,407 | 267,882 | 54,431 | 175,778 | 827,497 |
| Travel and subsistence | - | 6,867 | - | - | 6,867 |
| Shop, café, cinema and venue hire | 190,108 | 182,031 | 54,431 | 79,915 | 506,484 |
| Other | - | 28,863 | - | - | 28,863 |
| | 758,154 | 557,067 | 163,292 | 352,763 | 1,831,276 |

## 6. GOVERNANCE COSTS

| Governance costs comprise: | Total £ |
|---|---|
| Staff costs | 23,882 |
| Audit costs | 6,767 |
| Regulatory costs | 26 |
| Other | 332 |
| | 31,007 |

## 7. NET INCOME/(EXPENDITURE)

| Net income/(expenditure) is stated after charging/(crediting): | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 6,767 | 6,250 |
| Depreciation - owned assets | 24,153 | 18,576 |
| Other operating leases | 3,600 | 2,163 |

## 8. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits was paid for the year ended 31 March 2022 or for the year ended 31 March 2021. There were no Trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

## 9. STAFF COSTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 815,899 | 729,203 |
| Social security costs | 59,630 | 49,715 |
| Pension costs | 45,917 | 43,552 |
| | 921,446 | 822,470 |

The average monthly number of employees during the year was 49 (2021: 46)

The number of staff whose employee benefits (excluding employer pension costs) exceeded £60,000 was 1 (2021:1) as follows:

| | 2022 | 2021 |
|---|---|---|
| £60,001 - £70,000 | 1 | 1 |

## 10. COMPARATIVES (PRIOR YEAR) FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 333,504 | 270,789 | 604,293 |
| **Charitable activities** | | | |
| Secured funding EBC | 413,879 | - | 413,879 |
| Secured funding Arts Council | 366,962 | - | 366,962 |
| South East Creative and Cultural Digital Support | - | 6,706 | 6,706 |
| Learning activities and funding | - | 116,303 | 116,303 |
| Exhibition & collection activities and exhibition funding | 44,728 | 23,308 | 68,036 |
| Memberships, Patrons and Director's Circle | 61,815 | - | 61,815 |
| Art Fund Museum of the Year Prize | 40,000 | | 40,000 |
| Museums and Galleries Exhibitions Tax Relief | 43,778 | | 43,778 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire | 122,866 | 13,899 | 136,765 |
| Other trading activities | 5,761 | - | 5,761 |
| **Total** | 1,433,293 | 431,005 | 1,864,298 |

| | Unrestricted funds £ | Restricted funds £ | Total Funds £ |
|---|---|---|---|
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Fundraising and Supporters' Costs | 109,116 | 23,739 | 132,855 |
| South East Creative and Cultural Digital Support | - | 15,627 | 15,627 |
| Learning activities | 128,724 | 86,026 | 214,750 |
| Exhibition and collection activities | 448,998 | 124,858 | 573,856 |
| Travel and subsistence | 1,038 | - | 1,038 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire | 285,923 | 90,949 | 376,872 |
| Other trading activities | 20,732 | - | 20,732 |
| **Total Expenditure** | 994,530 | 341,201 | 1,335,731 |
| **NET INCOME** | 438,763 | 89,804 | 528,567 |
| Transfers between funds | (3,205) | 3,205 | - |
| **Net movement in funds** | 435,558 | 93,009 | 528,566 |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | 2,332,720 | 171,036 | 2,503,756 |
| **TOTAL FUNDS CARRIED FORWARD** | 2,768,278 | 264,045 | 3,032,323 |

## 11. INTANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Computer software £ |
|---|---|
| **COST** | |
| At 1 April 2021 | 10,000 |
| Additions | 5,345 |
| At 31 March 2022 | 15,345 |
| **DEPRECIATION** | |
| At 1 April 2021 | - |
| Charge for year | 3,069 |
| At 31 March 2022 | 3,069 |
| **NET BOOK VALUE** | |
| At 31 March 2022 | 12,276 |
| At 31 March 2021 | 10,000 |

## 12. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Improvements to property £ | Assets under construction £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 April 2021 | 444,452 | 83,277 | 133,903 | 15,115 | 676,747 |
| Additions | - | 560,702 | 16,374 | 1,205 | 578,281 |
| At 31 March 2022 | 444,452 | 643,979 | 150,277 | 16,320 | 1,255,028 |
| **DEPRECIATION** | | | | | |
| At 1 April 2021 | - | 2,610 | 44,256 | 7,215 | 54,081 |
| Charge for year | - | 1,305 | 15,699 | 4,080 | 21,084 |
| At 31 March 2022 | - | 3,915 | 59,956 | 11,295 | 75,166 |
| **NET BOOK VALUE** | | | | | |
| At 31 March 2022 | 444,452 | 640,064 | 90,321 | 5,025 | 1,179,862 |
| At 31 March 2021 | 444,452 | 80,667 | 89,647 | 7,900 | 622,666 |

Improvements to property comprise the construction of Towner's cinema in 2017. As at the balance sheet date, the Trustees consider that the present value of net earnings from the cinema over the remainder of the lease exceeds the historical cost and so no depreciation is currently provided. This will be subject to annual review.

## 13. HERITAGE ASSETS

| | Total<br>£ |
|---|---|
| **MARKET VALUE** | |
| At 1 April 2021 | 1,494,612 |
| Additions - donated | 33,300 |
| Additions - purchased | 58,400 |
| At 31 March 2022 | 1,586,312 |
| **NET BOOK VALUE** | |
| At 31 March 2022 | 1,586,312 |
| At 31 March 2021 | 1,494,612 |

## 14. FIXED ASSET INVESTMENTS

The charity controls Towner Enterprises Limited, which is incorporated in England, by virtue of holding 100% of its £1 equity share capital. The company undertakes ancillary trading activities at Towner with the aim of gifting its taxable profits to the charity.

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Turnover | 368,652 | 136,764 |
| Expenditure | (348,151) | (212,934) |
| Profit(loss) for the year | 20,500 | (76,170) |
| Amount gift aided to the Charity in the year | - | 78,284 |
| The Assets and Liabilities of Towner Enterprises Ltd were: | | |
| Total assets | 186,686 | 388,767 |
| Total liabilities | (242,355) | (464,936) |
| Net assets | (55,669) | (76,169) |
| Represented by: | | |
| Share capital and reserves | (55,669) | (76,169) |

## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 Group £ | 2022 Charity £ | 2021 Group £ | 2021 Charity £ |
|---|---|---|---|---|
| Trade debtors | 55,323 | 53,163 | 14,202 | 8,000 |
| Amounts owed from subsidiary | - | 228,985 | - | 452,027 |
| Other debtors | 96,824 | 95,824 | 61,228 | 59,868 |
| VAT recoverable | 44,907 | 44,907 | - | - |
| Prepayments and accrued income | 50,353 | 48,343 | 48,781 | 48,781 |
| | 247,408 | 471,222 | 124,211 | 568,676 |

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 Group £ | 2022 Charity £ | 2021 Group £ | 2021 Charity £ |
|---|---|---|---|---|
| Trade creditors | 40,077 | 35,340 | 31,931 | 29,998 |
| Other creditors | 3,855 | - | 1,178 | 186 |
| Tax & social security | 3,629 | - | 5,322 | 2,913 |
| Accruals and deferred income | 36,739 | 35,590 | 52,451 | 44,876 |
| | 84,301 | 70,930 | 90,882 | 77,973 |

## 17. MOVEMENT IN FUNDS

| | At 1/4/21 | Net income | Transfers between funds | At 31/3/22 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 2,768,278 | 154,066 | 50,595 | 2,972,940 |
| **Restricted funds:** | | | | |
| Building development project (Phase 1 -ground floor) | 84,226 | 538,897 | 5,805 | 628,928 |
| Building development project (Phase 2 -cafe) | - | - | 2,000 | 2,000 |
| Collection acquisitions | 30,411 | 69,298 | (58,400) | 41,309 |
| Learning | 43,868 | (254) | - | 43,614 |
| Exhibitions | 88,294 | 4,621 | - | 92,915 |
| Collection Curation | - | - | - | - |
| South East Creative and Cultural Digital Support | - | - | - | - |
| Newhaven Creative | - | 12,783 | - | 12,783 |
| Fundraising | 9,247 | (9,247) | - | - |
| Job Retention Scheme | - | - | - | - |
| Other | 8,000 | (8,000) | - | - |
| Total restricted | 264,045 | 608,098 | (50,595) | 821,548 |
| Total Funds | 3,032,323 | 762,165 | - | 3,794,488 |

Transfers between funds include: (1) £58,400 purchases out of the Acquisitions and Moving Image Funds which are deemed to be transferred to unrestricted assets as they enter the collection. (2) £5,805 and £2,000 which were spent on Phases 1 and 2 respectively of the Development Programme and which has temporarily drawn on unrestricted funds before being later recouped from external funders.

**17 contd** NET INCOME - DETAIL

| | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 1,714,058 | (1,559,991) | 154,066 |
| **Restricted funds:** | | | |
| Building development project (Phase 1 - ground floor) | 538,897 | - | 538,897 |
| Collection acquisitions | 69,298 | - | 69,298 |
| Learning | 56,709 | (56,963) | (254) |
| Exhibitions | 123,710 | (119,088) | 4,621 |
| Collection Curation | 5,750 | (5,750) | - |
| South East Creative and Cultural Digital Support | 15,185 | (15,185) | - |
| Newhaven Creative | 36,250 | (23,467) | 12,783 |
| Fundraising | - | (9,247) | (9,247) |
| Job Retention Scheme | 26,471 | (26,471) | - |
| Other | 7,115 | (15,115) | (8,000) |
| Total restricted | 879,383 | (271,285) | 608,098 |
| Total Funds | 2,593,441 | (1,831,276) | 762,165 |

## 18. MOVEMENT IN FUNDS – PRIOR YEAR COMPARATIVE

| | At 1/4/20 | Net income (see below) | Transfers between funds | At 31/3/21 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 2,332,723 | 438,760 | (3,205) | 2,768,278 |
| **Restricted funds:** | | | | |
| Building development project | 59,665 | 20,356 | 4,205 | 84,226 |
| Collection acquisitions | 21,286 | 10,125 | (1,000) | 30,411 |
| Learning | 3,441 | 40,427 | - | 43,868 |
| Exhibitions | 65,630 | 22,664 | - | 88,294 |
| South East Creative and Cultural Digital Support | 8,922 | (8,922) | - | - |
| Fundraising | 12,093 | (2,846) | - | 9,246 |
| Job Retention Scheme | - | - | - | - |
| Other | - | 8,000 | - | 8,000 |
| Total restricted | 171,036 | 89,806 | 3,205 | 264,045 |
| Total Funds | 2,503,757 | 528,566 | - | 3,032,323 |

| **Net Income detail** | Incoming resources | Resources expended | Net income |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 1,433,293 | (994,533) | 438,760 |
| **Restricted funds:** | | | |
| Building development project | 20,356 | - | 20,356 |
| Collection acquisitions | 10,125 | - | 10,125 |
| Learning | 116,303 | (75,876) | 40,427 |
| Exhibitions | 33,308 | (10,644) | 22,664 |
| South East Creative and Cultural Digital Support | 6,706 | (15,627) | (8,922) |
| Fundraising | 1,000 | (3,846) | (2,847) |
| Job Retention Scheme | 221,308 | (221,308) | - |
| Other | 21,899 | (13,899) | 8,000 |
| Total restricted | 431,005 | (341,199) | 89,806 |
| Total Funds | 1,864,298 | (1,335,732) | 528,566 |

18 MOVEMENT IN FUNDS – PRIOR YEAR COMPARATIVE
contd.

Transfers between funds include: (1) £20,561 design fees on a ground floor development project paid from Towner's unrestricted funds but which will be recouped from funders less £16,356 received from Arts Council on a new entrance system as part of the same project but which has been transferred to unrestricted funds as the asset in question is in operation and general use. (2) £1,000 for an artwork purchased from the Acquisitions Fund and moved to the general collection

## 19. EMPLOYEE BENEFIT OBLIGATIONS

For staff who transferred from the Eastbourne Borough Council, the charity operates a pension scheme providing defined benefits based on pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex Pension Fund. Pension contributions are determined by a qualified actuary on the basis of triennial valuations. The latest valuation was carried out as at 31 March 2019. Under an agreement with Eastbourne Borough Council, Towner's liability is limited to an employer contribution rate of 19.2% of pensionable pay. Other staff have the option of joining a defined contribution scheme under auto-enrolment provisions.

## 20. RELATED PARTY DISCLOSURES

Towner employed the services of King & McGaw Ltd, the value of the work carried out totalled £23,505 (2021 £4,008). King and McGaw is a company owned by Mr G King, a Trustee of Towner.

## 21. MEMBERS' LIABILITY

The charity is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

**TOWNER**

England & Wales - Charity number 1156762

# Accounts

**REGISTERED COMPANY NUMBER: 08803625 (England and Wales)**
**REGISTERED CHARITY NUMBER: 1156762**

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

# FOR

# TOWNER

Xynamo 5 Ltd
Chartered Accountants
Registered Auditor
2 Upperton Gardens
Eastbourne
East Sussex
BN21 2AH

**TOWNER**

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**FOR THE YEAR ENDED 31 MARCH 2021**


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**TOWNER**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 ACTIVITIES

### Objectives

Founded as an art gallery for the people, Towner presents world class exhibitions of national and international significance and works from our acclaimed collection. We work in collaboration with individuals, communities and organisations, especially those with least access to the arts, to ensure that we are relevant to all our audiences. An innovative cultural social asset for Eastbourne and the South east., Towner brings the most exciting developments in modern and contemporary art to local, national and international audiences, develops and supports artistic practice, and provides a place for experimenting, creating and talking about art and culture.

Towner has been established for public benefit to fulfil the following charitable objectives:

To advance the education, enjoyment and appreciation of the public at large of the arts by the establishment and/or maintenance of an art gallery
To advance the education, enjoyment and appreciation of the public at large of the arts by the maintenance of Towner in Eastbourne
To advance the education, enjoyment and appreciation of the public at large of the arts through Towner's art collection
To pursue such other charitable purposes analagous to any of the objects as the Trustees in their absolute discretion shall determine.

### Overview of activities

The financial year 2020/21 represented an historic moment in Towner's development as a major regional gallery despite the unprecedented circumstances presented by the Covid-19 pandemic. We were delighted to be awarded Art Fund Museum of the Year 2020 and commended for our '*genuine commitment to promoting underrepresented artists in its programme, and its newly cemented status as an invaluable asset to Eastbourne*'. Although we were unable to fully capitalise on this huge achievement due to ongoing restrictions, the award continues to be a major asset to Towner, raising our profile nationally and attracting new audiences and funders.

*'Congratulations to Towner Eastbourne for being named Museum of the Year 2020. The award recognises the strength and ambition of the gallery's programme as it approaches its centenary year in 2023. Towner's new vision - focusing on their role as a community hub, while also presenting world-class art to a very broad audience - gives the gallery an outstanding position in Arts Council England's National Portfolio. I have been watching Towner with interest for many years and am delighted to see the organisation continue to grow and develop even through this difficult and challenging period.'* Nicholas Serota, Chair of Arts Council England

*'Congratulations to Towner Eastbourne. Under the leadership of Joe Hill, the institution has had a resurgence which has positively impacted the wider community and the town's cultural economy. Towner is the cultural beating heart of Eastbourne and is also an important driver of tourism for the local economy, bringing visitors from Sussex and much further afield to the town. I look forward to continuing to see Towner's development as it reaches its centenary year.'* Councillor David Tutt

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 MARCH 2021

### OBJECTIVES AND ACTIVITIES

The lockdowns prompted by Government restrictions in response to the Covid-19 pandemic kept the gallery closed from 17 March 2020 to 22 July 2020, again from 5 November 2020 to 2 December 2020 and from 24 December 2020 to 17 May 2021. Our financially viability during this difficult period was supported by the Coronavirus Job Retention Scheme (CJRS) enabling full or partial furlough of up to 39 staff during the periods of lockdown. Expenditure across all business areas was minimised where possible, with staff furloughed for as long as possible beyond a core staff of the executive and programme team, with other staff involved in income generation returning to work part time during the second lockdown. All building maintenance contracts were suspended during lockdown, with all non-essential work paused. During closure energy consumption reduced by 35%, highlighting reduction interventions as a priority to improve organisational and environmental sustainability.

We raised £500k through donations and grants, some of which was pledged during 2019 for the major John Nash retrospective exhibition, and from appeals and grants for emergency community support and to develop new digital programme through podcasting production and staff training. Awards from the Cultural Recovery Fund (CRF) in rounds 1 and 2 replaced lost commercial income from ticket sales, café, shop and venue hire income. This was supplemented by grants from BFI/Film Hub SE and the Government's Covid Business Support Grants. Several regular funders helpfully gave permission for unrestricted spend of previously restricted grants.

We reached our goal to raise £1m for the capital refurbishment of the ground floor. The planned redevelopment in winter 2020 of the gallery's ground floor was postponed due to the interruption in fundraising at the start of the pandemic when key funders diverted attention to providing emergency Covid support to arts organisations. The emergency Arts Council England (ACE) Capital Kickstarter awarded £341k supplementing ACE's existing commitment of £499,999 with Wolfson Foundation, Foyle Foundation, Duke of Devonshire Charitable Foundation, and John Jackson Charitable Trust supporting the project. The project now planned for winter 2021 will improve the visitor experience and the venue hire offer and will create better spaces for increased engagement and exhibition programme, commissions and artist opportunities. 2020/21 was the best year ever for online shop sales with a 400% increase to £17,094.

#### Internal culture and workforce

In June 2020 we announced our Anti-Racism pledge and action plan in response to Black Lives Matter and followed this up with a public progress update in December 2020. A new Diversity Task Group (DTG) was created in summer 2020, chaired by trustee Jenny Williams (Founding Director of Take the Space, a creative production hub for Black and multi-ethnic talent), to strengthen, support and challenge from within this focus on race and ethnicity, especially at board level, and deliver priorities around internal culture, our activities and taking a leadership role locally in the journey towards making Eastbourne and Sussex inclusive and welcoming for everybody to live in, work and visit. We also reviewed our values to check they encompassed our commitments around race and ethnicity which we felt they did.

The DTG Membership, currently two trustees and the senior management team, will be widened to other staff and volunteers during 2021. We are pro-actively delivering on our Anti-Racism commitments, with improvements made and ongoing around recruitment, staff induction and retention processes, and delivering unconscious bias training to all trustees, staff and volunteers in summer 2021. We also made a commitment to hold a public forum examining the impact of racism on the town's residents. We feel strongly that this should take place in person, rather than on a digital platform, and therefore will host this event as soon as it is safe to do so in 2021/22. As a 97% white town, we recognise the challenges in creating a significant step-change in the ethnic diversity of our workforce and audiences, but we have made a choice to

reflect, listen to, power share and present work from under-represented voices, particularly ethnic minority, disabled and neurodiverse groups and those from lower socio-economic backgrounds to ensure we are reflective of all our communities. We began the restructure of our curatorial and FOH teams to create a more efficient staffing structure and be better equipped for changing operational needs in light of the new ground floor spaces, with increased priority on enterprises and extended public programme. 4 new team members joined the Learning, Marketing and Development teams bringing the workforce to 46 staff and a team of 40 volunteers.

Other key achievements towards our strategic aims in 20/21 included the roll-out of a new brand identity, a significant increase in digital output which has helped increase digital audiences by almost 20% to 44,000. The Marketing team also began work on the long overdue website redevelopment, a key goal towards organisational sustainability. The Learning and Engagement Team focused on building new partnerships with community partners in preparation for delivering a new strategy.

We are continuing to work with our key funder Eastbourne Borough Council and other regional partners developing our leadership role supporting the creation and delivery of major strategic initiatives to deliver sustainable and inclusive economic growth to Eastbourne and the region. Joe Hill continues to be Co-Chair the South East Creative Economy Network. As part of this responsibility, he Chairs the Creative Workspace Masterplan project and is leading on the development of the new SECEN Prospectus. This role has been critical in positioning Towner within the region's ecology and having influence on strategy direction and SELEP sector support funding.

**Programme: Exhibitions**

During the year, we welcomed 25,090 socially distanced visitors during the four months of the year we were open. We showed 5 exhibitions, acquired 3 new works for the collection and received 2 bequests of works. We ran 130 events, 44 in person and 86 online. The exhibition programme had to be reconfigured several times during the year responding to the changing lockdown situation, but we were fortunate in being able to reschedule all planned exhibitions albeit some runs were shortened. The England's Creative Coast project however was postponed. Its *Waterfronts* commissions of artworks in the landscape delivered by seven cultural partner institutions on the south coast, including Towner, was delayed until summer 2021.

The major retrospective *John Nash: the Landscape of Love and Solace*, the annual ticketed show, was rescheduled from summer 2020 to summer 2021, to be shown alongside the new acquisition of John Akomfrah's seminal moving image film *Vertigo Sea*. It was crucial for the Nash exhibition to run uninterrupted given the significant investment of budget and audience appeal to generate ticket income. Exhibitions already open at the start of the first lockdown, *Alan Davie and David Hockney: Early Works*, *Lawrence Abu Hamdan This whole time there were no landmines* and *BRINK: Caroline Lucas curates the Towner Collection* were extended until September 2020. Unfortunately, *Art, Life and Us: Christine Binnie, Jennifer Binnie and the Towner Collection* which opened on 19 September only ran till 24 December rather than originally planned run till May 2021.

*Towner International*, the inaugural biennial of contemporary artists work supported by the £10,000 Brewers Award, opened on 6 October 2020 but closed on 21 January 2021, earlier than the planned 21 April 2021. Despite the disappointment of foreshortening this strategically important project, it still attracted 10,000 visitors demonstrating strong demand from regional audiences for contemporary work. In August 2020, we announced a collaboration with the University of Sussex offering a CHASE-funded PhD studentship to research gender imbalance in UK regional gallery collections, using Towner's collection to undertake a critical analysis and illuminate the critical roles women have played in the museums collecting and exhibition history. The PhD scholar will bring attention to the important legacy of donor support from women, such as the 50 works collector and gallery risk Lucy Wertheim donated to the museum in 1971.

This research supports our commitment to acquire 50% of new works for the collection from women artists. We successfully negotiated the extension of the Lothar Götz much-loved commission on the gallery exterior *Dance Diagonal* until 2024 which will span Towner's centenary in 2023. The public response has been very positive.

**Programme: Learning**

As an immediate reaction to the first lockdown, we delivered creative kit bags and art materials to families through Eastbourne Food Bank, Imago Young Carers and other partners. Following that, we worked with over a dozen charities and community organisations who have direct contact with groups, families and individuals, including those most vulnerable, delivering in total 3000 artist commissioned kit bags to 540 households. '*Families whose children would normally receive free school meals received Towner's activity packs in their food parcels which meant 54 children had help with their home schooling. A further 49 children received the packs via The Cabin's art and youth clubs. I am passing on everyone's appreciation and thanks, they brought a smile in these difficult times.*' Jill Murphy, Waves Family Worker (Seaford). We also hand delivered packs responding to urgent requests from some of the most vulnerable individuals who were either very ill or deprived, or those not able to be reached by partner organisations. During the first lockdown, artists Amy Leung and Rachel McGivern delivered 18 live online making workshops promoting creative making with everyday household objects to engage families stuck at home.

During summer 2020 and spring 2021, we partnered with South Downs National Park Authority to produce seasonally themed activity sheets using natural materials found in the landscape that were downloadable from our website with hard copies available in the gallery, encouraging families to enjoy the benefits of getting outdoors into nature.

Between lockdowns last summer, Towner International sound artist Rita Evans ran a gallery residency with family workshops and Christine and Jennifer Binnie welcomed over 1000 visitors to their gallery residency, which ran alongside their personally curated display of collection works and some new work. In partnership with De La Warr Pavilion, we programmed a series of four discussions with creative industries leaders and artists, *TALKING LOUD* including: Turner Prize winning artists Helen Cammock and Tai Shani, Jenny Williams MBE and Amanda Parker, artists Scottie and Le Gateau Chocolat, Michelle Ogundehin and Michael Wolff, with c. 200 attendees to each event.

The new learning and engagement strategy, *Making Together* - a 5-year public programme of participatory practice was launched in December 2020, focussing on creative process both inside and most importantly, outside the gallery. It reshapes our highly respected learning and engagement programme for the post Covid era, and centres its approach on building understanding, connection and long-term relationships with communities in a new and imaginative way through participants and artists making new work together. Our ambition is to ensure access to genuinely inclusive and relevant art and culture that has the power to change lives: raising aspirations, changing career directions and improving life outcomes. The strategy was written in the context of increasing inequity between Eastbourne communities, especially over the past year, and the cultural sector's recent reflection on its colonial cultural histories and behaviour. It also responds to the UN Special Rapporteur on extreme poverty and human rights, Philip Alston's report on the state of Britain and the need to prepare for an unknown future.

Despite the challenges of the pandemic, the disruption and the adjustments the organisation has had to make, the gallery is well placed to continue delivering its overall strategy spanning the centenary in 2023. A key feature of that being to strengthen Towner's position as a leading arts and cultural organisation on the south coast, that is genuinely inclusive and accessible to its local communities.

**Financial position and reserves**

Total reserves at the end of the year were £3,032,322 (2020: £2,503,756). The Trustees have set a reserves policy which is a product of strategic planning, budgeting and risk management. The policy requires that the charity's core activity, funded through the unrestricted reserve, could continue for six months during a period of unforeseen difficulty, which is in line with Charity Commission recommendations. The unrestricted free reserves (excluding fixed assets) which totalled £711,223 as at 31 March 2021 meet this requirement. Maintaining a six-month operating reserve will support the organisation in trading through potential adversity, taking in to account future commitments and the possibility of lack of financial investment from key public funders. The level of reserves will be monitored and reviewed by the Trustees on a regular basis.

**Principal risks and uncertainties**

Going Concern

The principle financial risks facing the charity and its trading subsidiary are considered as part of the overall approach to risk management, but include variation to visitor forecasts, changes to income from Eastbourne Borough Council and Arts Council England, unplanned expenditure and a challenging economic environment. The Trustees have reviewed the cash position of the charity and are satisfied that the charity will be able to meet all its financial commitments. The Trustees believe that the charity is well placed to manage its financial risks successfully and are confident that there are sufficient reserves for the operation to continue. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is a company, limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association.

### Recruitment and appointment of new trustees

The management of Towner is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The maximum number of Trustees was initially eleven but can be increased at the discretion of the Board. Of the total number of Trustees two are to be appointed by Eastbourne Borough Council. Trustees are required to retire by rotation whereby one third of the Trustees shall be required to retire each year but shall be eligible for reappointment. Trustees may be re-appointed by the Board at the end of each term of office.

### Organisational structure

There are currently twelve Trustees who have delegated powers to the Executive Director and Senior Management Team to make expenditure decisions within the framework of the approved annual budget.
A Finance and Resources Sub-Committee has been established, consisting of five Trustees. This committee monitors income and expenditure and performance against the approved budget and reports back to the Board. They also approve and monitor Health and Safety policies and the Risk Register.

The day to day activities are controlled by Joe Hill, Executive Director, and the Senior Management Team who lead departments and report to the Executive Director.

### Induction and training of new trustees

Trustees are recruited according to the Trustees' and Executive Director's ongoing assessment of the skills and experiences needed for the Board of an art gallery and museum. These include expertise in national and international arts and culture, fundraising, finance, HR and legal. Prospective new Trustees are recommended to the Chair and Executive Director, who assess the candidates and decide whether to proceed with the appointment.

The newly appointed Trustees received an induction from Towner's solicitor, advising them on their legal responsibilities. They were given thorough briefings by the Executive Director, Senior Management team and the Chairman.

## REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**
08803625 (England and Wales)

**Registered Charity number**
1156762

**Registered office**
Towner Devonshire Park
College Road
Eastbourne
East Sussex
BN21 4JJ

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 MARCH 2021

**Trustees**

| | |
|---|---|
| Ms H Bauer | Heritage Museums & Funding Adviser |
| Ms D V Casson | Designer |
| D Dimbleby | Broadcaster |
| G F H King | Publisher |
| Ms K Cadell | Presentation and Media Consultant |
| C F Mckenzie | Freelance Arts Consultant |
| M R Moorton | Human Resources Director |
| T J W Ashdown | Solicitor |
| C R Swansborough | Accountant |
| Dr F M Dennis | Senior Lecturer |
| J Williams | Arts Manager |
| J Jones | Artist and Lecturer |

**Director**
Joe Hill

**Auditors**
Xynamo 5 Ltd
Chartered Accountants
Registered Auditor
2 Upperton Gardens
Eastbourne
East Sussex
BN21 2AH

**COMMENCEMENT OF ACTIVITIES**
Charitable Trust status was obtained on 1 July 2014, from which point the Trust commenced its charitable activities.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**
The trustees (who are also the directors of Towner for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

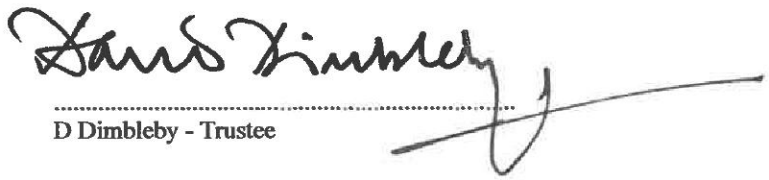
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**
The auditors, Xynamo 5 Ltd, were reappointed at the Meeting of Trustees on 6 December 2021.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 December 2021 and signed on the board's behalf by:



.....
D Dimbleby - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

### Opinion

We have audited the financial statements of Towner (the 'charitable company') and it's subsidiary for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the charity Balance Sheet, the Consolidated Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The 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 Report of the Independent Auditors 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 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.

### Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER

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

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

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

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER**

**Use of our report**

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

Andrew Hill FCA (Senior Statutory Auditor)
for and on behalf of Xynamo 5 Ltd
Chartered Accountants
Registered Auditor
2 Upperton Gardens
Eastbourne
East Sussex
BN21 2AH

Date: 12 December 2021

**TOWNER**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 31 MARCH 2021**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2021 Total funds £ | 2020 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM:** | | | | | |
| Donations and legacies | 2 | 333,504 | 270,789 | 604,293 | 497,127 |
| **Charitable activities** | | | | | |
| Secured funding EBC | | 413,879 | - | 413,879 | 413,880 |
| Secured funding Arts Council England | | 366,962 | - | 366,962 | 359,350 |
| ACCNPF funding | | - | - | - | 60,000 |
| Pathways funding | | - | - | - | 21,000 |
| South East Cultural and Creative Digital Support (SECCADS) funding | | - | 6,706 | 6,706 | 10,610 |
| Learning activities and funding | 3 | - | 116,303 | 116,303 | 56,509 |
| Exhibition & collection activities and exhibition funding | 3 | 44,728 | 23,308 | 68,036 | 111,502 |
| Memberships, Patrons and Director's circle | | 61,815 | - | 61,815 | 62,693 |
| Art Fund Museum of the Year Prize | | 40,000 | - | 40,000 | - |
| Museums & Galleries Exhibitions Tax Relief | | 43,778 | - | 43,778 | - |
| **Trading Activities** | | | | | |
| Shop, café, cinema and venue hire | 4 | 122,866 | 13,899 | 136,765 | 509,533 |
| Other trading activities | | 5,761 | - | 5,761 | 4,463 |
| **Total** | | **1,443,293** | **431,005** | **1,864,298** | **2,106,667** |
| **EXPENDITURE ON:** | 5 | | | | |
| **Charitable activities** | | | | | |
| Fundraising and supporters' costs | | 109,116 | 23,739 | 132,855 | 145,067 |
| ACCNPF expenditure | | - | - | - | 31,035 |
| South East Cultural and Creative Digital Support (SECCADS) | | - | 16,627 | 15,627 | 1,688 |
| Learning activities | | 128,724 | 86,026 | 214,750 | 281,874 |
| Exhibition & collection activities | | 448,998 | 124,858 | 573,856 | 717,861 |
| Travel and subsistence | | 1,038 | - | 1,038 | 8,304 |
| **Trading Activities** | | | | | |
| Shop, café, cinema and venue hire | | 285,923 | 90,949 | 376,872 | 659,382 |
| Other trading activities | | 20,734 | - | 20,734 | 645 |
| **Total** | | **994,533** | **341,199** | **1,335,732** | **1,845,676** |
| **NET INCOME** | | | | | |
| Transfers between funds | 17 | (3,025) | 3,025 | - | - |
| **Net movement in funds** | | **435,555** | **93,011** | **528,566** | **260,991** |
| Total funds brought forward | | 2,332,720 | 171,036 | 2,503,756 | 2,242,765 |
| **TOTAL FUNDS CARRIED FORWARD** | | **2,768,275** | **264,047** | **3,032,322** | **2,503,756** |

The notes form part of these financial statements

**TOWNER**

**CONSOLIDATED BALANCE SHEET**
**31 MARCH 2021**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 11 | 10,000 | - | 10,000 | - |
| Tangible assets | 12 | 552,440 | 70,226 | 622,666 | 605,946 |
| Heritage assets | 13 | 1,494,612 | - | 1,494,612 | 1,386,612 |
| | | 2,057,052 | 70,226 | 2,127,278 | 1,992,558 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 111,624 | 12,587 | 124,211 | 97,305 |
| Stock | | 25,862 | - | 25,862 | 44,881 |
| Cash at bank | | 664,619 | 181,234 | 845,853 | 533,249 |
| | | 802,105 | 193,821 | 995,926 | 675,435 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (90,882) | - | (90,882) | (164,237) |
| **NET CURRENT ASSETS** | | 711,223 | 193,821 | 905,044 | 511,198 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,768,275 | 264,047 | 3,032,322 | 2,503,756 |
| **NET ASSETS** | | 2,768,275 | 264,047 | 3,032,322 | 2,503,756 |
| **FUNDS** | 17 | | | | |
| Unrestricted funds | | | | 2,768,275 | 2,332,720 |
| Restricted funds | | | | 264,047 | 171,036 |
| **TOTAL FUNDS** | | | | 3,032,322 | 2,503,756 |

The financial statements were approved by the Board of Trustees and authorised for issue on 6 December 2021 and were signed on its behalf by:

.....
D Dimbleby - Trustee

The notes form part of these financial statements

**TOWNER**

**BALANCE SHEET**
**31 MARCH 2021**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 11 | 10,000 | - | 10,000 | - |
| Tangible assets | 12 | 552,440 | 70,226 | 622,666 | 605,946 |
| Heritage assets | 13 | 1,494,612 | - | 1,494,612 | 1,386,612 |
| Investments | 14 | 1 | - | 1 | 1 |
| | | 2,057,053 | 70,226 | 2,127,279 | 1,992,559 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 556,091 | 12,585 | 568,676 | 486,281 |
| Cash at bank | | 309,278 | 181,234 | 490,512 | 82,178 |
| | | 865,369 | 193,819 | 1,059,188 | 568,459 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (77,973) | - | (77,973) | (135,546) |
| **NET CURRENT ASSETS** | | 787,396 | 193,819 | 981,215 | 432,913 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,844,449 | 264,045 | 3,108,494 | 2,425,472 |
| **NET ASSETS** | | 2,844,449 | 264,045 | 3,108,494 | 2,425,472 |
| **FUNDS** | 17 | | | | |
| Unrestricted funds | | | | 2,844,447 | 2,254,436 |
| Restricted funds | | | | 264,047 | 171,036 |
| **TOTAL FUNDS** | | | | 3,108,494 | 2,425,472 |

The financial statements were approved by the Board of Trustees and authorised for issue on 6 December 2021 and were signed on its behalf by:

.....
D Dimbleby - Trustee

The notes form part of these financial statements

**TOWNER**

**CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2021**

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | 358,900 | (45,773) |
| Net cash provided by operating activities | | 358,900 | (45,773) |
| **Cash flows from investing activities** | | | |
| Purchase of intangible fixed assets | | (10,000) | - |
| Purchase of tangible fixed assets | | (35,296) | (76,462) |
| Purchase of heritage assets | | (1,000) | (133,740) |
| Net cash used in investing activities | | (46,296) | (210,202) |
| **Change in cash and cash equivalents in the reporting period** | | 312,604 | (255,975) |
| **Cash and cash equivalents at the beginning of the reporting period** | 2 | 533,249 | 789,224 |
| **Cash and cash equivalents at the end of the reporting period** | 2 | 845,853 | 533,249 |

The notes form part of these financial statements

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

### 1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|---|---|---|
| **Net income for the reporting period (as per the Statement of Financial Activities)** | 528,566 | 260,991 |
| **Adjustments for:** | | |
| Depreciation charges | 18,576 | 17,047 |
| Donated works included in income | (107,000) | (203,176) |
| (Increase)//decrease in debtors | (26,906) | (90,532) |
| (Increase)/decrease in stock | 19,019 | (12,529) |
| Increase/(decrease) in creditors | (73,355) | (17,574) |
| **Net cash provided by operations** | 358,900 | (45,773) |

### 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2021 £ | 2020 £ |
|---|---|---|
| Notice deposits (less than 3 months) | 845,853 | 533,249 |
| Total cash and cash equivalents | 845,853 | 533,249 |

### 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/20 £ | Cash flow £ | At 31/3/21 £ |
|---|---|---|---|
| **Net cash** | | | |
| Cash at bank and in hand | 533,249 | 312,604 | 845,853 |
| **Total** | 533,249 | 312,604 | 845,853 |

The notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**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 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.

**Governance costs**
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit fees, together with any legal advice relating to governance, and an apportionment of overheads as deemed appropriate per note 8 to the accounts.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Fixtures and Fittings – 10% straight line, IT and electronic equipment – 25% straight line, Other equipment – 10% straight line

**Heritage assets: works of art - "the collection"**
The Trustees consider the works of art to be heritage assets as defined by the SORP and FRS 30. Works of Art consist of paintings, sculptures and prints acquired by purchase and or accepted to be accessioned into the Collection through donation and bequest.

Additions to the Collection acquired by purchase are recognised in the balance sheet at cost on an annual basis. All works accessioned into the Collection through donation or bequest are reported in the Balance Sheet at commercial value using recent transaction information form external sources as the basis of assessment.

In accordance with FRS 30 "Market Value" has been defined by the Trustees for this purpose as being the lower of the comparable assessed costs to acquire at auction, compared to that at an appropriate retail gallery. The artworks are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Going forward, all items purchased for the Collection will continue initially to be recorded in the Balance Sheet at cost and the Trustees will, if considered appropriate, have them re-valued at any point in the future. Collection items acquired by donation or bequest will be recorded at current market value.

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

**Fund accounting**
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.



continued...

## 1. ACCOUNTING POLICIES - continued

**Fund accounting**
Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**
The charity operates a pension scheme for some staff providing defined benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex County Council Scheme. The most recent actuarial valuation carried out was in March 2020. The Admission Agreement entered into between East Sussex County Council and Eastbourne Borough Council and Towner dated 1 July 2014 are on the basis of a fully funded scheme. Eastbourne Borough Council also acts as a guarantor in relation to the scheme. The charity also operates a defined contribution scheme for the remaining staff.

## 2. DONATIONS AND LEGACIES

| | Unrestricted | Restricted | 2021 | 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Works donated to collection | 107,000 | - | 107,000 | 203,175 |
| Donations and grants towards capital projects | - | 20,356 | 20,356 | 10,000 |
| Donations and grants towards collection acquisitions | - | 10,125 | 10,125 | 133,196 |
| Donations and grants towards core costs | 226,504 | 240,308 | 446,812 | 150,756 |
| | 333,504 | 270,789 | 604,293 | 497,127 |



continued...

## 3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted | Restricted | 2021 | 2020 |
|---|---|---|---|---|
| **Learning activities and funding:** | £ | £ | £ | £ |
| Income from ticketed activities | - | - | - | 2,748 |
| Restricted grants and donations | - | 116,303 | 116,303 | 53,761 |
| | - | 116,303 | 116,303 | 56,509 |
| **Exhibition and collection activities and exhibition funding** | | | | |
| Exhibition tickets | 31,655 | - | 31,655 | 32,318 |
| Other ticketed events | 35 | - | 35 | 4,902 |
| Image licensing and loans | 3,038 | - | 3,038 | 3,157 |
| Sponsorship | 10,000 | - | 10,000 | 21,000 |
| Conservation | - | - | - | 120 |
| Restricted grants and donations | - | 23,308 | 23,308 | 50,005 |
| | 44,728 | 23,308 | 68,036 | 111,502 |

## 4. TRADING ACTIVITIES

| | Unrestricted | Restricted | 2021 | 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Retail sales | 83,584 | - | 83,584 | 205,393 |
| Café and catering (incl. franchise) | 32,062 | - | 32,062 | 217,299 |
| Cinema tickets | 5,562 | - | 5,562 | 69,492 |
| Cinema funding | - | 13,899 | 13,899 | 1,500 |
| Venue hire (incl. cinema) | 1,658 | - | 1,658 | 15,849 |
| | 122,866 | 13,899 | 136,765 | 509,533 |



continued...

## 5. ANALYSIS OF COSTS

| | Direct staff costs | Other direct costs | Direct Costs £ Allocated support costs (staff) | Support costs (see note 6) £ Allocated support costs (non staff) | Totals £ Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Fundraising and Supporters' Costs | 112,849 | 2,846 | - | 17,160 | 132,855 |
| South East Creative and Cultural Digital Support | 548 | 6,157 | 4,461 | 4,461 | 15,627 |
| Learning | 83,808 | 35,490 | 50,368 | 45,084 | 214,750 |
| Exhibition and collection activities | 304,120 | 101,098 | 50,368 | 118,270 | 573,856 |
| Travel and subsistence | - | 1,038 | - | - | 1,038 |
| Shop, café, cinema and venue hire | 165,579 | 91,204 | 50,368 | 69,721 | 376,872 |
| Other | - | 20,734 | - | - | 20,734 |
| | 666,904 | 258,567 | 155,565 | 254,696 | 1,335,732 |

## 6. GOVERNANCE COSTS

| Governance costs comprise: | Total £ |
|---|---|
| Staff costs | 25,990 |
| Audit costs | 6,250 |
| Regulatory costs | 26 |
| | 32,266 |



continued...

## 7. NET INCOME/(EXPENDITURE)

| Net income/(expenditure) is stated after charging/(crediting): | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 6,250 | 6,500 |
| Depreciation - owned assets | 18,576 | 17,047 |
| Other operating leases | 2,163 | 4,337 |

## 8. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits was paid for the year ended 31 March 2021 or for the year ended 31 March 2020. There were no Trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

## 9. STAFF COSTS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 729,203 | 764,722 |
| Social security costs | 49,715 | 51,123 |
| Pension costs | 43,552 | 28,367 |
| | 822,470 | 844,212 |

The average monthly number of employees during the year was 46 (2020: 46)

The number of staff whose employee benefits (excluding employer pension costs) exceeded £60,000 was 1 (2020:nil) as follows:

| | 2021 | 2020 |
|---|---|---|
| £60,001 - £70,000 | 1 | 0 |



continued...

## 10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 317,602 | 179,525 | 497,127 |
| **Charitable activities** | | | |
| Secured funding EBC | 413,880 | - | 413,880 |
| Secured funding Arts Council | 359,350 | - | 359,350 |
| ACCNPF Funding | - | 60,000 | 60,000 |
| Pathways Funding | - | 21,000 | 21,000 |
| South East Creative and Cultural Digital Support | - | 10,610 | 10,610 |
| Learning activities and funding | 2,748 | 53,761 | 56,509 |
| Exhibition & collection activities and exhibition funding | 61,497 | 50,005 | 111,502 |
| Memberships, Patrons and Director's Circle | 62,693 | - | 62,693 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire | 508,033 | 1,500 | 509,533 |
| Other income | 4,463 | - | 4,463 |
| **Total** | 1,730,266 | 376,401 | 2,106,667 |



continued...

| | Unrestricted funds £ | Restricted funds £ | Total Funds £ |
|---|---|---|---|
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Fundraising and Supporters' Costs | 136,030 | 9,037 | 145,067 |
| ACCNPF expenditure | - | 31,035 | 31,035 |
| South East Creative and Cultural Digital Support | - | 1,688 | 1,688 |
| Learning | 220,054 | 61,820 | 281,874 |
| Exhibition and collection activities | 694,562 | 23,119 | 717,681 |
| Travel and subsistence | 8,304 | - | 8,304 |
| **Trading activities** | | | |
| Shop, café, cinema, venue hire | 655,548 | 3,834 | 659,382 |
| Other | 645 | - | 645 |
| **Total Expenditure** | 1,715,143 | 130,533 | 1,845,676 |
| **NET INCOME** | 15,123 | 245,868 | 260,991 |
| Transfers between funds | 1,300,881 | (1,300,881) | - |
| **Net movement in funds** | 1,316,004 | (1,055,013) | 260,991 |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | 1,016,716 | 1,226,049 | 2,242,765 |
| **TOTAL FUNDS CARRIED FORWARD** | 2,332,720 | 171,036 | 2,503,756 |



continued...

## 11. INTANGIBLE FIXED ASSETS

| | Computer software £ |
|---|---|
| **COST** | |
| Additions | 10,000 |
| **NET BOOK VALUE** | |
| At 31 March 2021 | 10,000 |
| At 31 March 2020 | - |

## 12. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

| | Improvements to property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 April 2020 | 441,933 | 62,716 | 123,057 | 13,745 | 641,451 |
| Additions | 2,519 | 20,561 | 10,846 | 1,370 | 35,296 |
| At 31 March 2021 | 444,452 | 83,277 | 133,903 | 15,115 | 676,747 |
| **DEPRECIATION** | | | | | |
| At 1 April 2020 | - | 1,305 | 30,764 | 3,436 | 35,505 |
| Charge for year | - | 1,305 | 13,492 | 3,779 | 18,576 |
| At 31 March 2021 | - | 2,610 | 44,256 | 7,215 | 54,081 |
| **NET BOOK VALUE** | | | | | |
| At 31 March 2021 | 444,452 | 80,667 | 89,647 | 7,900 | 622,666 |
| At 31 March 2020 | 441,933 | 61,411 | 92,293 | 10,309 | 605,946 |



continued...

## 13. HERITAGE ASSETS

| | Total £ |
|---|---|
| **MARKET VALUE** | |
| At 1 April 2020 | 1,386,612 |
| Additions - donated | 107,000 |
| Additions - purchased | 1,000 |
| At 31 March 2021 | 1,494,612 |
| **NET BOOK VALUE** | |
| At 31 March 2021 | 1,494,612 |
| At 31 March 2020 | 1,386,612 |

## 14. FIXED ASSET INVESTMENTS

The charity controls Towner Enterprises Limited, which is incorporated in England, by virtue of holding 100% of its £1 equity share capital. The company undertakes ancillary trading activities at Towner with the aim of gifting its taxable profits to the charity.

| | 2021 £ | 2020 £ |
|---|---|---|
| Turnover | 136,764 | 509,533 |
| Expenditure | (212,934) | (431,248) |
| Profit(loss) for the year | (76,170) | 78,285 |
| Amount gift aided to the Charity in the year | 78,284 | 65,615 |
| The Assets and Liabilities of Towner Enterprises Ltd were: | | |
| Total assets | 388,767 | 500,845 |
| Total liabilities | (464,936) | (422,560) |
| Net assets | (76,169) | 78,285 |
| Represented by: | | |
| Share capital and reserves | (76,169) | 78,285 |



continued...

## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 Group £ | 2021 Charity £ | 2020 Group £ | 2020 Charity £ |
|---|---|---|---|---|
| Trade debtors | 14,202 | 8,000 | 17,102 | 15,258 |
| Amounts owed from subsidiary | - | 452,027 | - | 394,193 |
| Other debtors | 61,228 | 59,868 | 26,603 | 23,230 |
| Prepayments and accrued income | 48,781 | 48,781 | 53,600 | 53,600 |
| | 124,211 | 568,676 | 97,305 | 486,281 |

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 Group £ | 2021 Charity £ | 2020 Group £ | 2020 Charity £ |
|---|---|---|---|---|
| Trade creditors | 31,931 | 29,998 | 47,697 | 35,773 |
| Other creditors | 1,178 | 186 | 2,396 | - |
| Tax & social security | 5,322 | 2,913 | 21,875 | 10,948 |
| Accruals and deferred income | 52,451 | 44,876 | 92,269 | 88,825 |
| | 90,882 | 77,973 | 164,237 | 135,546 |



continued...

## 17. MOVEMENT IN FUNDS

| | At 1/4/20 | Net income | Transfers between funds | At 31/3/21 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 2,332,720 | 438,760 | (3,205) | 2,768,275 |
| **Restricted funds:** | | | | |
| Building development project | 59,665 | 20,356 | 4,205 | 84,226 |
| Collection acquisitions | 21,286 | 10,125 | (1,000) | 30,411 |
| Learning | 3,441 | 40,427 | - | 43,868 |
| Exhibitions | 65,630 | 22,664 | - | 88,294 |
| South East Creative and Cultural Digital Support | 8,922 | (8,922) | - | - |
| Fundraising | 12,093 | (2,846) | - | 9,247 |
| Job Retention Scheme | - | - | - | - |
| Other | - | 8,000 | - | 8,000 |
| Total restricted | 171,036 | 89,806 | 3,205 | 264,047 |
| Total Funds | 2,503,756 | 528,566 | - | 3,032,322 |

Transfers between funds include: (1) £20,561 design fees on a ground floor development project paid from Towner's unrestricted funds but which will be recouped from funders less £16,356 received from Arts Council on a new entrance system as part of the same project but which has been transferred to unrestricted funds as the asset in question is in operation and general use. (2) £1,000 for an artwork purchased from the Acquisitions Fund and moved to the general collection



continued...

| 17 contd NET INCOME - DETAIL | Incoming resources £ | Resources expended £ | Net income £ |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 1,433,293 | (994,533) | 438,760 |
| **Restricted funds:** | | | |
| Building development project | 20,356 | - | 20,356 |
| Collection acquisitions | 10,125 | - | 10,125 |
| Learning | 116,303 | (75,876) | 40,427 |
| Exhibitions | 33,308 | (10,644) | 22,664 |
| South East Creative and Cultural Digital Support | 6,706 | (15,627) | (8,921) |
| Fundraising | 1,000 | (3,846) | (2,846) |
| Job Retention Scheme | 221,308 | (221,308) | - |
| Other | 21,899 | (13,899) | 8,000 |
| Total restricted | 431,005 | (341,199) | 89,806 |
| Total Funds | 1,864,298 | (1,335,732) | 528,566 |



continued...

## 18. MOVEMENT IN FUNDS – PRIOR YEAR COMPARATIVE

| | At 1/4/19 | Net income (see below) | Transfers between funds | At 31/3/20 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds:** | | | | |
| General fund | 1,016,716 | 15,123 | 1,300,881 | 2,332,720 |
| **Restricted funds:** | | | | |
| Total restricted funds | 1,226,050 | 245,867 | (1,300,881) | 171,036 |
| Total Funds | 2,242,766 | 260,991 | - | 2,503,756 |

NET INCOME PRIOR YEAR COMPARATIVE - DETAIL

| | Incoming Resources | Resources expended | Net income |
|---|---|---|---|
| **Unrestricted funds:** | | | |
| General fund | 1,730,266 | (1,715,143) | 15,123 |
| **Restricted funds:** | | | |
| Total restricted funds | 376,401 | (130,533) | 245,868 |
| Total Funds | 2,106,667 | (1,845,676) | 260,991 |

The main elements of the transfer between funds during year ended 31 March 2020 are:

With respect to opening position:

(1) -£1,226,130 fixed assets previously classified as restricted but now deemed unrestricted as held for the general charitable purposes of Towner
(2) +£11,822 being re-establishment of the opening position on the collection acquisitions fund
(3) +£15,804 being re-establishment of the opening position of the Catalyst development fund
(4) +£10,582 being recognition of the unspent contribution paid by Art Fund towards the Moving Image Fund

With respect to the year:

(1) -£133,740 works purchased out of the acquisitions fund for the collection
(2) -£28,965 ACCNPF funding received against prior year expenditure
(3) +£49,665 funding of capitalised restricted development expenditure met by unrestricted funds

## 19. EMPLOYEE BENEFIT OBLIGATIONS

For staff who transferred from the Eastbourne Borough Council, the charity operates a pension scheme providing defined benefits based on pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex Pension Fund. Pension contributions are determined by a qualified actuary on the basis of triennial valuations. The latest valuation was carried out as at 31 March 2019. Under an agreement with the Borough Council, Towner's liability is limited to an employer contribution rate of 19.2% of pensionable pay. Other staff have the option of joining a defined contribution scheme under auto-enrolment provisions.

## 20. RELATED PARTY DISCLOSURES

Towner employed the services of King & McGaw Ltd, the value of the work carried out totalled £4,008 (2020 £12,621) and sponsorship received from them towards exhibition costs was £nil (2020 £4,000). King and McGaw is a company owned by Mr G King, a Trustee of Towner.

## 21. MEMBERS' LIABILITY

The charity is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.