

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



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A07 23/12/2022 #190
COMPANIES HOUSE

TOWNER

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Report of the Trustees	1 to 10
Report of the Independent Auditors	11 to 13
Statement of Financial Activities	14
Balance Sheet (Group)	15
Balance Sheet (Charity)	16
Cash Flow Statement	17
Notes to the Cash Flow Statement	18
Notes to the Financial Statements	19 to 32

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 analogous 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.' @martine6562

'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 Bayden, 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.

TOWNER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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.

TOWNER

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

TOWNER

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

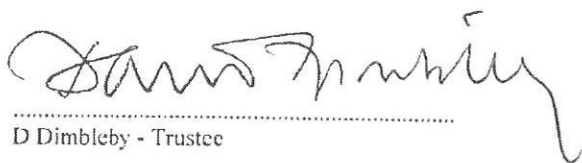
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

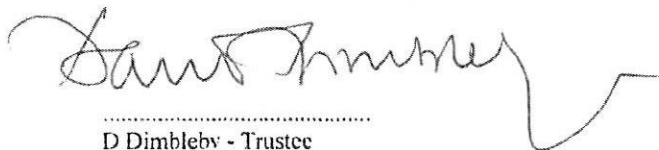
		Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM:	Notes				
Donations and legacies	2	215,877	639,666	855,542	604,293
Charitable activities					
Secured funding EBC		413,880	-	413,880	413,879
Secured funding Arts Council England		365,962	-	365,962	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	<u>1,586,312</u>	<u>-</u>	<u>1,586,312</u>	<u>1,494,612</u>
		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		<u>692,556</u>	<u>127,199</u>	<u>819,755</u>	<u>845,853</u>
		909,695	190,643	1,100,339	995,927
CREDITORS					
Amounts falling due within one year	16	<u>(84,278)</u>	<u>(23)</u>	<u>(84,301)</u>	<u>(90,882)</u>
NET CURRENT ASSETS		<u>825,418</u>	<u>190,620</u>	<u>1,016,038</u>	<u>905,045</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,972,940</u>	<u>821,548</u>	<u>3,794,488</u>	<u>3,032,323</u>
NET ASSETS		<u>2,972,940</u>	<u>821,548</u>	<u>3,794,488</u>	<u>3,032,323</u>
FUNDS	17				
Unrestricted funds				2,972,940	2,768,278
Restricted funds				<u>821,548</u>	<u>264,045</u>
TOTAL FUNDS				<u>3,794,488</u>	<u>3,032,323</u>

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:



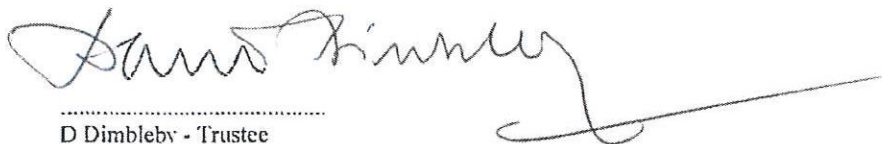
.....
D Dimbleby - Trustee

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	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		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		<u>544,216</u>	<u>127,199</u>	<u>671,415</u>	<u>490,512</u>
		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		<u>881,087</u>	<u>190,620</u>	<u>1,071,707</u>	<u>981,215</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,028,609</u>	<u>821,548</u>	<u>3,850,157</u>	<u>3,108,493</u>
NET ASSETS		<u>3,028,609</u>	<u>821,548</u>	<u>3,850,157</u>	<u>3,108,493</u>
FUNDS	17				
Unrestricted funds				3,028,609	2,844,448
Restricted funds				<u>821,548</u>	<u>264,045</u>
TOTAL FUNDS				<u>3,850,157</u>	<u>3,108,493</u>

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	<u>615,927</u>	<u>358,900</u>
Net cash provided by operating activities		<u>615,927</u>	<u>358,900</u>
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		<u>(58,400)</u>	<u>(1,000)</u>
Net cash used in investing activities		<u>(642,026)</u>	<u>(46,296)</u>
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	<u>845,853</u>	<u>533,249</u>
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	<u>615,927</u>	<u>358,900</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Notice deposits (less than 3 months)	<u>819,755</u>	<u>845,853</u>
Total cash and cash equivalents	<u>819,755</u>	<u>845,853</u>

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	<u>845,853</u>	<u>(26,098)</u>	<u>819,755</u>
Total	<u>845,853</u>	<u>(26,098)</u>	<u>819,755</u>

The notes form part of these financial statements

TOWNER

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 from 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.

TOWNER

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

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	<u>55,938</u>	<u>5,000</u>	<u>60,938</u>	-
	<u>215,877</u>	<u>639,666</u>	<u>855,542</u>	<u>604,293</u>

These notes form part of the financial statements

TOWNER

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

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	<u>-</u> <u>4,000</u>	<u>58,459</u> <u>58,459</u>	<u>58,459</u> <u>62,459</u>	<u>116,303</u> <u>116,303</u>
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	<u>-</u>	<u>112,865</u>	<u>112,865</u>	<u>23,308</u>
	<u>196,833</u>	<u>123,460</u>	<u>320,292</u>	<u>68,036</u>

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)	<u>11,757</u>	<u>-</u>	<u>11,757</u>	<u>1,658</u>
	<u>368,352</u>	<u>6,365</u>	<u>374,716</u>	<u>136,765</u>

TOWNER

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

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	-	<u>28,863</u>	-	-	<u>28,863</u>
	<u>758,154</u>	<u>557,067</u>	<u>163,292</u>	<u>352,763</u>	<u>1,831,276</u>

6. GOVERNANCE COSTS

Governance costs comprise:	Total £
Staff costs	23,882
Audit costs	6,767
Regulatory costs	26
Other	<u>332</u>
	<u>31,007</u>

These notes form part of the financial statements

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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	<u>45,917</u>	<u>43,552</u>
	<u>921,446</u>	<u>822,470</u>

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

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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

These notes form part of the financial statements

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

	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	<u>2,768,278</u>	<u>264,045</u>	<u>3,032,323</u>

These notes form part of the financial statements

TOWNER

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

11. INTANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Computer software £
COST	
At 1 April 2021	10,000
Additions	<u>5,345</u>
At 31 March 2022	15,345
DEPRECIATION	
At 1 April 2021	-
Charge for year	<u>3,069</u>
At 31 March 2022	3,069
NET BOOK VALUE	
At 31 March 2022	<u>12,276</u>
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	<u>-</u>	<u>560,702</u>	<u>16,374</u>	<u>1,205</u>	<u>578,281</u>
At 31 March 2022	<u>444,452</u>	<u>643,979</u>	<u>150,277</u>	<u>16,320</u>	<u>1,255,028</u>
DEPRECIATION					
At 1 April 2021	-	2,610	44,256	7,215	54,081
Charge for year	<u>-</u>	<u>1,305</u>	<u>15,699</u>	<u>4,080</u>	<u>21,084</u>
At 31 March 2022	<u>-</u>	<u>3,915</u>	<u>59,956</u>	<u>11,295</u>	<u>75,166</u>
NET BOOK VALUE					
At 31 March 2022	<u>444,452</u>	<u>640,064</u>	<u>90,321</u>	<u>5,025</u>	<u>1,179,862</u>
At 31 March 2021	<u>444,452</u>	<u>80,667</u>	<u>89,647</u>	<u>7,900</u>	<u>622,666</u>

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.

TOWNER

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

13. HERITAGE ASSETS

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

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 £	2021 £
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)

These notes form part of the financial statements

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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	<u>50,353</u>	<u>48,343</u>	<u>48,781</u>	<u>48,781</u>
	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	<u>36,739</u>	<u>35,590</u>	<u>52,451</u>	<u>44,876</u>
	84,301	70,930	90,882	77,973

TOWNER

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

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 -café)	-	-	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.

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

17 NET INCOME - DETAIL
contd

	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

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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	

These notes form part of the financial statements

TOWNER

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

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.