

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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 16
Statement of Financial Activities	17
Balance Sheet (Group)	18
Balance Sheet (Charity)	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 36

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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

Towner 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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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?'

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

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 - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

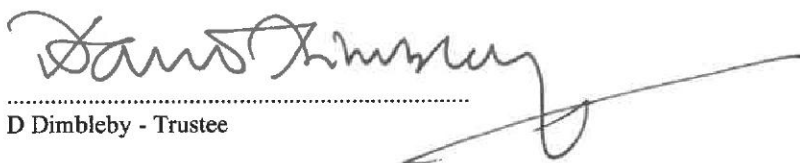
In so far as the trustees are aware:

- 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOWNER - continued

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.

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

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**

		Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Notes					
INCOME AND ENDOWMENTS FROM:					
2	Donations and legacies	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
3	Learning activities and funding	111	146,238	146,349	62,459
3	Turner Prize Funding	-	40,000	40,000	-
3	Eastbourne Alive funding	-	50,000	50,000	-
3	Exhibition & collection activities and exhibition funding	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
4	Trading activities: retail, café, cinema, venue hire & events	510,419	4,980	515,399	374,716
5	Other income	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
18	Transfers between funds	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	<u>1,860,062</u>	<u>-</u>	<u>1,860,062</u>	<u>1,586,312</u>
		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		<u>472,669</u>	<u>295,155</u>	<u>767,824</u>	<u>819,755</u>
		976,523	331,579	1,308,101	1,100,339
CREDITORS					
Amounts falling due within one year	17	<u>(195,042)</u>	<u>(86,742)</u>	<u>(281,785)</u>	<u>(84,301)</u>
NET CURRENT ASSETS		<u>781,481</u>	<u>244,836</u>	<u>1,026,317</u>	<u>1,016,038</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,279,893</u>	<u>684,223</u>	<u>4,964,117</u>	<u>3,794,488</u>
NET ASSETS		<u>4,279,893</u>	<u>684,223</u>	<u>4,964,117</u>	<u>3,794,488</u>
FUNDS	18				
Unrestricted funds				4,279,893	2,972,940
Restricted funds				<u>684,223</u>	<u>821,548</u>
TOTAL FUNDS				<u>4,964,117</u>	<u>3,794,488</u>

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:



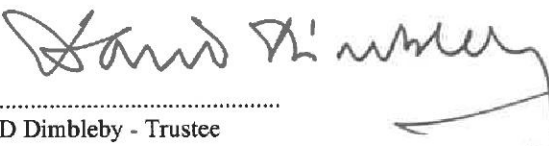
.....
D Dimbleby - Trustee

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	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		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		<u>314,876</u>	<u>295,155</u>	<u>610,031</u>	<u>671,415</u>
		1,004,557	331,579	1,336,136	1,142,637
CREDITORS					
Amounts falling due within one year	17	<u>(158,512)</u>	<u>(86,742)</u>	<u>(245,255)</u>	<u>(70,930)</u>
NET CURRENT ASSETS		<u>846,045</u>	<u>244,836</u>	<u>1,090,881</u>	<u>1,071,707</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,344,458</u>	<u>684,223</u>	<u>5,028,682</u>	<u>3,850,157</u>
NET ASSETS		<u>4,344,458</u>	<u>684,223</u>	<u>5,028,682</u>	<u>3,850,157</u>
FUNDS	18				
Unrestricted funds				4,344,458	3,028,609
Restricted funds				<u>684,223</u>	<u>821,548</u>
TOTAL FUNDS				<u>5,028,682</u>	<u>3,850,157</u>

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 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>988,110</u>	<u>615,927</u>
Net cash provided by operating activities		<u>988,110</u>	<u>615,927</u>
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		<u>(43,000)</u>	<u>(58,400)</u>
Net cash used in investing activities		<u>(1,040,041)</u>	<u>(642,026)</u>
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	<u>819,755</u>	<u>845,853</u>
Cash and cash equivalents at the end of the reporting period	2	767,824	819,755

TOWNER

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	<u>988,110</u>	<u>615,927</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Notice deposits (less than 3 months)	<u>767,824</u>	<u>819,755</u>
Total cash and cash equivalents	<u>767,824</u>	<u>819,755</u>

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	<u>819,755</u>	<u>(51,931)</u>	<u>767,824</u>
Total	<u>819,755</u>	<u>(51,931)</u>	<u>767,824</u>

TOWNER

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 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 2023

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	<u>12,995</u>	<u>-</u>	<u>12,995</u>	<u>60,938</u>
	<u>751,980</u>	<u>748,029</u>	<u>1,500,009</u>	<u>855,542</u>

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

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	<u>-</u> <u>111</u>	<u>146,238</u> <u>146,238</u>	<u>146,238</u> <u>146,349</u>	<u>58,459</u> <u>62,459</u>
Turner Prize Funding				
Restricted grants and donations	-	<u>40,000</u>	<u>40,000</u>	-
Eastbourne Alive Funding				
Restricted grants and donations	-	<u>50,000</u>	<u>50,000</u>	-
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	<u>-</u>	<u>22,437</u>	<u>22,437</u>	<u>112,865</u>
	<u>77,136</u>	<u>22,437</u>	<u>99,573</u>	<u>320,292</u>

These notes form part of the financial statements

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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	<u>-</u>	<u>4,000</u>	<u>6,065</u>	<u>6,065</u>
	<u>510,419</u>	<u>4,980</u>	<u>515,399</u>	<u>374,716</u>

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	<u>2,844</u>	<u>-</u>	<u>2,844</u>	<u>-</u>
	<u>71,104</u>	<u>-</u>	<u>71,104</u>	<u>16,328</u>

These notes form part of the financial statements

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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
	<u>922,851</u>	<u>751,131</u>	<u>170,398</u>	<u>534,742</u>	<u>2,379,122</u>

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

7. GOVERNANCE COSTS

	Total £
Governance costs comprise:	
Staff costs	20,991
Audit costs	6,650
Regulatory costs	26
Other	414
	<u>28,081</u>

These notes form part of the financial statements

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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	<u>34,071</u>	<u>45,917</u>
	<u>1,093,248</u>	<u>921,446</u>

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).

TOWNER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023****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

TOWNER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

	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	<u>2,972,940</u>	<u>821,548</u>	<u>3,794,488</u>

These notes form part of the financial statements

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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	<u>3,069</u>
At 31 March 2023	6,138
NET BOOK VALUE	
At 31 March 2023	<u>9,207</u>
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	<u>1,013,275</u>	<u>(1,093,857)</u>	<u>80,582</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>1,457,727</u>	<u>439,387</u>	<u>338,634</u>	<u>16,320</u>	<u>2,252,069</u>
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	<u>50,685</u>	<u>(60,590)</u>	<u>9,905</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>70,888</u>	<u>-</u>	<u>97,275</u>	<u>15,375</u>	<u>183,537</u>
NET BOOK VALUE					
At 31 March 2023	<u>1,386,840</u>	<u>439,387</u>	<u>241,359</u>	<u>945</u>	<u>2,068,531</u>
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>

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.

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

14. HERITAGE ASSETS

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

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 £	2022 £
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)

These notes form part of the financial statements

TOWNER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023****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	<u>185,828</u>	<u>185,502</u>	<u>50,353</u>	<u>48,343</u>
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	<u>115,488</u>	<u>109,933</u>	<u>36,739</u>	<u>35,590</u>
Total	281,785	245,255	84,301	70,930

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

18	NET INCOME - DETAIL	Incoming resources £	Resources expended £	Net income £
contd				
	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

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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.

TOWNER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

19	NET INCOME - DETAIL	Incoming resources	Resources expended	Net income
contd		£	£	£
	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.

These notes form part of the financial statements