

WORTHING THEATRES AND MUSEUM

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

WORTHING THEATRES AND MUSEUM

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WORTHING THEATRES AND MUSEUM

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

P M Cadwallader, Chair
S B Marshall, Vice Chair
Dr J D Broomfield (appointed 9 July 2020)
L Burgess
A S Comben
T P Hague
J Kapsalis (appointed 1 November 2020)
C Kelly
S K Parsonage
H Persson Swain

Charity registered number

1185189

Principal office

Connaught Theatre
Union Place
Worthing
BN11 1LG

Secretary

J Stewart

Independent auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Barclays Bank
1 Chapel Road
Worthing
BN11 1EX

WORTHING THEATRES AND MUSEUM

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1st April 2020 to 31st March 2021. Please note that the prior period comparatives in the report relate to the period from registration on 5th September 2019 to 31st March 2020, although the Charity began activity on 1st November 2020. The activities included in the comparative figures therefore cover only a 5 month period from 1st November 2019 to 31st March 2020 and they have been described as such within the financial statements to reflect the substance of the figures.

Foreword by Peter Cadwallader, Chair

It is with great pride that we report on the first full year for WTM.

For a charity at the very beginning of its journey, to have achieved so much during a time of unprecedented challenges, fills me with a great sense of hope for everything this organisation can achieve in the future.

The remarkable team at WTM have shown the deepest commitment to ensuring the charity is both viable and sustainable for the future and it is this determination and resilience that will ensure a greater future for the charity in years to come.

We reached more than 120,000 people through our digital, outdoor, live events and creative learning programmes last year – giving our communities the opportunity to continue to experience culture and get creative.

It would simply not be possible to continue our work and reach so many without the support of Worthing Borough Council, Arts Council England, National Heritage Lottery Fund, Department of Culture, Media and Sport, Theatres Trust and BFI. We are immensely grateful for the support of our generous members and all the donations we receive from our audiences. Your support enables us to present an extraordinary arts, heritage and creative learning programme, and the support that allows us to deliver our vision.

We recognise there are still challenges ahead, but there is light at the end of the tunnel, I believe arts and heritage will play an essential role in re-shaping the future of our communities.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit and in particular to its supplementary public benefit guidance. The objects of the Charity are:

1. The promotion of arts, particularly but not exclusively, by promoting and facilitating access to performances of theatre and dramatic arts, and other cultural activities.
2. The advancement of education, particularly but not exclusively, in relation to theatre, dramatic arts, and the preservation of important historical collections of decorative arts and clothing within a museum.
3. To promote social inclusion through theatre and dramatic arts, and other cultural activities by preventing people from becoming socially excluded, relieving the needs of people who are socially excluded and assisting them to integrate into society.
4. To provide or assist in the provision of facilities and cultural events in the interests of social welfare and to advance public participation and engagement with arts and culture for recreation or other leisure time occupation by individuals who have need of such facilities by reason of youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Objectives and activities (continued)

b. Our Vision

Enrich people's lives through arts and heritage.

c. Our Mission

We will enable everyone to access arts and heritage by creating shared experiences that entertain, educate and inspire.

d. Our Aims

Ensure financial success providing best value to the community, guaranteeing the longevity of the organisation.
Surprise and delight our audiences with visionary work of artistic excellence.
Provide aspirational opportunities for young people ensuring the creative voices of the future.
Cultivate creativity, supporting the next generation of artists.
Champion inclusion, curating a diverse programme.
Invest in our teams, making creative thinking the norm.
Drive forward the development of Worthing's experience economy promoting positive place making and civic pride.

e. Who We Are

Worthing Theatres and Museum brings the very best theatre, music, dance, exhibitions, film and workshops to our community. Our four theatre venues, cinema and museum and art gallery are all positioned within the heart of the town of Worthing in West Sussex.

f. What We Do

Worthing Theatres and Museum produces and presents a unique programme of events across a range of disciplines including theatre, costume, contemporary circus, film, archaeology, dance and fine art. We seek to inspire the whole community and create opportunities for engagement with the arts and heritage. We work with renowned theatre makers, promoters and producers throughout the UK and Europe and founded one of the largest contemporary circus programmes in the UK. We hold the largest costume collection of everyday wear in the UK and notable collections in fine and decorative arts, toys and dolls and archaeology. We offer a range of activities for school and university students, teachers and workshops for families and adults. We want to ensure that everyone has opportunities to get closer to our collections.

WORTHING THEATRES AND MUSEUM

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

g. Review of 2020/21, a year of almost unquantifiable challenges, resilience and creative determination.

The sudden closure of Worthing Theatres and Museum in March 2020, less than five months after we had become an independent charity was devastating for the organisation, for our audiences and for the artists we work with. The whole industry was reeling, we were unable to hold performances, suddenly having to reschedule events and tackle the huge administrative task of refunding thousands of tickets, a third of which were kindly transferred to donations. Just when our communities needed the arts more than ever, our doors were closed and we found ourselves unable to deliver our work and bring people together as we have been doing for so many years. We had to change the way we work, develop new ways of connecting with our audiences, reconsider how we could continue to support artists and companies and crucially what we could do to help our communities through a pandemic.

We put exhibitions online, put on outdoor shows as soon as they were allowed, reopened for film with socially distanced seating and finally opened for live events in October at 30% of capacity. Sadly, after a sold out Christmas show, we had to close again but used this time to make vital improvements to the venues, preparing the Pavilion Atrium for its relaunch, refurbishing the costume gallery, completing technical improvements at the Connaught and Pavilion, redesigning the Museum shop, offering rehearsal space to performers and companies to make new work and preparing a safe environment for our staff, ready for their return later in 2021.

Safety for our customers and staff has been paramount with increased cleaning and regular fogging across the venues, hand sanitizers installed in every foyer, perspex panels at each service point, clear one way systems through the building, socially distanced seating in auditoriums and reduced work stations in all the offices. All staff signed up to the COVID risk assessment and additional COVID training was completed as well as training in health & safety, safeguarding, fire safety awareness, GDPR and manual handling.

WTM took an active role in the community using the venues to support a foodbank, a PPE collection centre, blood donation sessions, a polling station, providing extra teaching space for Brighton MET college and supporting Chichester University Performing Arts students' final practical exams. We supported Worthing Borough Council's COVID-19 communications with clear roadmap messaging on our website and electronic signs in the town.

We took the opportunity to revisit key areas of policy, focusing on diversity and inclusion by developing our Equality and Diversity Policy. All staff completed training on Unconscious Bias, Equality & Diversity and Disability Awareness. We also looked closely at our energy use and sustainability, supporting Worthing Borough Council's initiative to find alternative means of heating the venues in the next four years.

Without the financial support of Worthing Borough Council, Arts Council England, the Government's Culture Recovery Fund and Job Retention Scheme we would not have been able to survive this year. We had to make many difficult decisions over the last twelve months but we are now a leaner organisation with an incredible, creative and resilient team who are led and supported by an exceptional Board of Trustees.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

h. The Programme of Activities

Worthing Theatres and Museum launched its first season as an independent charity in early March 2020, a new era and undoubtedly the most vibrant, creative and high quality programme of events ever brought to Worthing. Little did we know that two weeks later we would be closing our doors and having to entirely rethink how we deliver our work. Throughout this challenging year we have been determined to fulfil our mission: to enable everyone to access arts and heritage by creating shared experiences that entertain, educate and inspire.

Digital programme

We developed our digital programme of work which included online Museum exhibitions Ladies Paradise, A Walk Round Cissbury Ring and A Strange and Familiar Sea; a creative project pack - Worthing Creates - in conjunction with local artists, makers and creatives; weekly links to online performances such as the National Theatre and Sadler's Wells; online film viewing parties with talks and competitions; a short story competition for young people; and an online celebration of Worthing pantomimes with a host of stars. Unable to hold our biennial exhibition of local artists, Open20, in its usual format, we launched DigitalOpen20 online, inviting the public to vote for their favourite pieces. The public selection formed the DigitalOpen20 exhibition in the Norwood gallery from May 2021.

Learning and engagement

We delivered our ground-breaking Cutting Edge project; engaging with Shoreham Academy, Worthing High School and Superstar Arts to identify and source clothing items that had the greatest impact on fashion during the 1980s, 1990s and 2000s to enhance the Museum's nationally recognised costume collection, adding contemporary clothing, shoes, hats and accessories to the existing 30,000 piece archive. Supported by the National Lottery Heritage Fund, Cutting Edge was remodelled to enable it to continue through lockdown. The Cutting Edge project has successfully enriched WTM's costume collection, formed new relationships with creative professionals and strengthened links with our local neurodiverse community.

Live events programme - outdoor work

As soon as outdoor work was allowed we presented performances from TRIBE// Dance Company and Dizzy O'Dare outside the Pavilion Theatre, building on the circus and street arts programming that has been so successful over the last five years. We took Mandy Williams' exhibition A Strange and Familiar Sea outdoors into poster frames outside the Pavilion Theatre. We supported the Digital Photographic OPEN21 with an exhibition of young photographers' works displayed in the windows of the Pavilion Theatre.

Live events programme - indoor work

We opened the venues at each permitted stage of the government roadmap, putting safety first with a detailed COVID Risk Assessment and strict social distancing. The Connaught Theatre opened first with cinema and a Screen Arts programme including Andre Rieu, Matthew Bourne's The Red Shoes and National Theatre's Fleabag. The Museum opened next with limited, ticketed slots each of which included a bespoke talk focused on elements of our permanent collections - costume, archaeology, and fine art.

In October we opened the Pavilion Theatre for a live comedy season including Patrick Monahan, Geoff Norcott, Mark Watson, Shappi Khorsandi, Jimmy Carr, Robert White and The Noise Next Door. We co-produced a sold-out family theatre show for the Christmas period with Paul Holman Associates which was very well received. We worked in partnership with Colonnade House and Worthing Borough Council to support the Laser Light City in December and lit our theatres in red as part of the Light It Up campaign.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Objectives and activities (continued)**Research and development**

An integral focus for WTM this past year has been supporting freelance artists to create new work, despite the challenges of the pandemic. We invited Strong Lady Productions, Acá Theatre, Proteus Theatre, Make Amplify, Conn Artists and Flexer & Sandiland each to spend a week using our spaces to create and develop work as part of our Made in Worthing project.

A year which began with the doors of all of our venues closed ends with a renewed strength and optimism for the future.

Achievements and performance**a. Audience engagement**

Prior to COVID-19 WTM would welcome in excess of 300,000 visitors each year to the Pavilion Theatre, Assembly Hall, Connaught Theatre and Studio and Worthing Museum. We present a wide range of live events across a range of artforms including theatre, dance, contemporary circus, talks, film, exhibitions and participatory work. 2020-21 was a very different year with the venues closed for the majority of the time. Despite the challenges we maintained engagement with our audiences - 8,150 people attended 144 socially distanced live events in our venues; 31,369 people engaged with our digital exhibitions with 7,580 voting on the DigitalOpen20; over 117,000 people engaged with WTM website content. Opening the venues at every point the government allowed had a hugely positive effect on customer confidence.

b. Our teams

We were forced to find different ways to operate and quickly adapted to working from home. A particular success was the Box Office team, who successfully set up a remote system within 72 hours of the first closure. This enabled us to reassure our customers by processing their refunds, exchanges and ticket queries in a timely manner, retaining customer loyalty and support. Video calls have become the norm, with teams communicating with each other and external stakeholders in this way daily, enabling us to stay connected and form strong relationships with companies and artists who are bringing work to Worthing. We have also maintained strong relationships with key organisations including Arts Council England, National Lottery Heritage Fund, Brighton Dome & Festival, Arts Marketing Association, Audience Agency, HOUSE, Theatres Trust, Independent Theatre Council, UK Theatres, Jackson's Lane, Circus ChangeUp and South East Dance.

c. Fundraising

WTM began its first full financial year as a charity in lockdown, faced with the immediate challenge of raising funds to remain operational. We have been overwhelmed by the generosity of our audiences over the past twelve months, which has included donating the cost of tickets in lieu of refunds and joining our newly launched membership scheme. We launched our first crowdfunding campaign as part of the Theatres Trust #saveourtheatres national campaign, raising £19,234. We were grateful to receive support from Arts Council England's COVID 19 Emergency Fund, as well as the government's Culture Recovery Fund and Culture Recovery Fund Round 2. We also received support from the BFI FAN Exhibition Fund towards maintaining the diversity of our cinema programme despite the challenges of the pandemic, from Theatres Trust towards the safe reopening of our venues and ongoing support from Google Ad Grants.

Thanks to the tireless efforts of the team and the unwavering support of our audiences, donors, members and partners, WTM found alternative ways to bring the arts and heritage to our community despite challenges presented by the pandemic.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

d. Safety

WTM have prioritised safety throughout the pandemic, exceeding government COVID-19 guidelines and ensuring our staff receive full training. All staff have signed up to a comprehensive COVID Risk Assessment and a rigorous cleaning programme has been implemented that includes the regular antibacterial fogging of the venues. Industrial sized ceiling fans were reinstated into the Pavilion Theatre ceiling to maximise air circulation and an air movement system will be installed in the Connaught Theatre in July 2021.

e. Sustainability and environmental achievements

WTM are committed to helping the environment with sustainable initiatives that underpin our charitable work. To this end WTM and Worthing Borough Council are working together to install a heating system that utilises sewer-heat to heat buildings. WTM have also worked in partnership with Worthing Borough Council to install solar panels on the Assembly Hall. We have replaced 80% of existing lighting with environmentally friendly LED bulbs. With the majority of the staff team working from home, we have seen a move towards becoming a paperless organisation through less printing and the introduction of digital signing of contracts and other documents. The reduction in commuting has resulted in fewer emissions from cars.

f. Venue Improvements

2020/21 has provided a unique opportunity for WTM to carry out key improvements to the venues ready for the return of our audiences.

In the Connaught Theatre we removed a faulty access platform and created step free access to the Studio, where we installed a laser projector to replace equipment no longer fit for purpose. We installed new seating, LED lights, carpeting and flooring in Fraser's Bar, fitting improved audio visual equipment and a new PA system and refreshing the area behind the bar itself.

In the Pavilion Theatre we installed new uplighters above pillars to light the dome. In the Pavilion Atrium we restored the floor to its original maple wood, installed new lighting for events and performances, a projector and electric 120" screen, and theatre style seating for 200 people for events and performances.

We removed the existing display cases in the Museum's Costume Gallery, exposing original oak panelling. We restored the parquet flooring and installed new lighting, ensuring the collection can be displayed to its full potential.

Financial review

a. Overview

2020/21 was a challenging year for the whole cultural industry, forced to close and cancel vast amounts of programming. Our original budget had anticipated income of £3,524,888 from ticket sales, venue hire and secondary spend but with the majority of shows and events cancelled the actual income through these income streams was reduced to just £128,131.

We were extremely grateful to receive support from the Department of Culture, Media and Sport through the Cultural Recovery Fund and Culture Recovery Fund Round 2, as well as COVID-19 Emergency Funding from Arts Council England, enabling us to deliver our work and engage with the community throughout this time. Worthing Borough Council continued their contracted service payment and confirmed that the five year financial agreement will be honoured. We have been overwhelmed by the generosity of our donors, which is testament to the demand for the cultural offering WTM provides.

WORTHING THEATRES AND MUSEUM

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

b. Income and Expenditure

Our total income for the year was £2,828,970. Our total expenditure for the year was £2,419,075. Of the total expenditure £94,606 relates to adjustments made in relation to the defined benefit pension scheme, leaving remaining expenditure of £2,324,469. After deduction of £462,420 of specifically designated funds relating primarily to capital and Covid matters (see note 22) and small movements in non-operating items and restricted funds we ended up with an operating surplus of £38,461.

We have taken every opportunity to maximise income, including available government grants and discretionary Worthing Borough Council grants relating to the buildings. In addition to the turbulent income pattern caused by lockdowns and social distancing, WTM has maximised savings in expenditure, including making use of the Government Job Retention Scheme for all contracted staff and casual workers. We paused as many expenditure lines as possible and negotiated reductions to ongoing contracts. Sadly we also had to make 25 redundancies and temporarily reduced the hours of a further 38 staff for the majority of the year.

c. Cash at bank

We continue to benefit from a healthy cash at bank position of £2.8million. It is worth noting that much of this balance consists of regular liabilities including 6 months advanced payments of our Council Service Fee (£744K) and a healthy advanced ticket and customer account/unredeemed gift voucher balance (£515K). In addition we have an exceptional business interruption loan (£250K), taken out as a precautionary measure to safeguard against further losses due to the pandemic.

d. Fundraising

With our ability to earn income dramatically impacted, a key focus this year was applying for grant funding from Trusts and Foundations to support the organisation through the period of closure. We were extremely grateful to receive support from Arts Council England's COVID 19 Emergency Fund, the Department for Culture, Media and Sport's Culture Recovery Fund and Culture Recovery Fund Round 2, BFI FAN Exhibition Fund and Theatres Trust towards the safe reopening of our venues.

We have received increased support from individuals in our first full year of operation as a charity. Our audiences donated the cost of cancelled tickets, donated generously through our website and via our crowdfunding campaign. We have focussed on building our supporter base, ensuring our charity messaging is clear and making sure we maximise additional income through Gift Aid. Our refreshed membership scheme launched in March 2019 and has grown throughout the year thanks to audiences joining in support of WTM despite the challenges of the pandemic.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

e. Local Government Pension Scheme (LGPS) liability

WTM operates a defined benefit pension scheme for staff transferred under TUPE. Our actuary has estimated that WTM's net liability for the LGPS liability as at 31 March 2021 is £706k. This liability has increased by £494k, a significant increase on the previous year's figure of £212K since the last actuarial calculation on 31 March 2020. The increase in the liability is primarily due to changes in actuarial assumptions, in particular the discount rate which is used to estimate the charity's obligations. The poor performance of pension schemes is an issue for many organisations this year.

As part of WTM's Agreement with the Council the charity's contribution rate is capped at 17.9% for the duration of the Agreement and the exit liability is guaranteed by Worthing Borough Council until the end of October 2024. WTM has included future contributions at this agreed rate in our business plan and forecasts.

WTM is entering into negotiations with the Council to extend this guarantee for the life of the Agreement, which is a standard position for most charities that spin out from a Council. In the meantime, although this liability significantly reduces the total funds carried forward shown on the Statement of Financial Activities, it should be noted that a liability over such a long term is usually dismissed for the purposes of calculating liquidity / solvency.

f. Reserves policy

To ensure that Worthing Theatres & Museum retains its position as a key contributor to the cultural offer within the region, it will, in the coming years, maintain sufficient reserves for the following reasons:

1. to absorb potential income shortfalls, in particular in relation to Box Office ticket income
2. to cover significant unbudgeted costs
3. to ensure that WTM have enough resources available for essential capital replacement
4. to have funds available for internal facilities and performance related technical equipment essential for customer experience and income generation to meet budget targets. This excludes reactive and planned essential building maintenance and the Council's Planned Preventive Maintenance programme.
5. to enable WTM to take advantage of capital and operational opportunities that may arise
6. to ensure that WTM can fund any potential insurance claims and any HR costs relating to any potential claims from employees and any LGPS pension strain costs.

The original reserve target of £350k was based on 3 months' operating costs, including overheads, production and staff costs of one of our five venues. The impact of a pandemic was not considered when this reserve target of qualifying reserves was set, and we now feel a target of £750k is more sensible. We plan to continue to make surpluses to reach the target of £750K by March 2024. Worthing Borough Council has accepted this revised reserve target as the new threshold above which any gain share would be activated.

g. Going concern

The Trustees have considered the impact of COVID-19 on their assessment of going concern. After making appropriate enquiries, the Trustees have a reasonable expectation that WTM has adequate resources to continue in operational existence for the foreseeable future (which is considered to be a period of at least twelve months from the date of approving these financial statements) . For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

A significantly increased reserve position, healthy long term cashflow forecast and the continued support of Worthing Borough Council are all major factors in securing our long-term financial stability. WTM is committed to securing further financial stability by maximising existing and new income streams such as fundraising from Individual Giving, Corporate Partnerships and Trusts and Foundations, further streamlining operations, seeking best value to minimise expenditure and reinforcing reserves at every opportunity.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

h. Principal risks and uncertainties

WTM has a detailed Risk Register in place to monitor the ongoing and potential risks to the organisation. The key areas of risk are:

COVID pandemic

WTM has managed the challenges of the pandemic extremely well, with a comprehensive COVID risk assessment that exceeds the government guidelines, the maximising of savings and funding opportunities and maintaining a cultural offer whenever possible. However as the country moves forward to the “new normal” we still face many challenges, not least of which is the impact of decreased audience confidence on ticket sales. Our budget for 21/22 shows reduced ticket income projections and we have built a ticket reserve to mitigate a potential shortfall.

LGPS

The risk associated with the exit debt is substantial. Worthing Borough Council currently guarantees the exit debt for the first five years of the Management Agreement. WTM are entering into negotiations with WBC requesting the continuation of this guarantee to give full protection from the exit debt indefinitely.

Capital works

The Council were unable to install the Connaught ventilation system during the periods of closure so WTM cannot programme week day films for eight weeks in July/ August 2021 making a substantial loss in ticket income. We have adjusted the budget to account for these works but it has made us very aware of the financial risk to the charity when the buildings have to close for essential works.

Governance

To address the risk of weak governance, WTM has an excellent and highly skilled board of Trustees who support the CEO and Management Team. A Governance Policy and comprehensive five year business plan are in place.

Operational

WTM maximises the use of our resources, particularly our venues, seeking community and commercial hires which support the artistic programme. The management and upkeep of the multiple venues is shared with Worthing Borough Council as part of a Service Level Agreement. Health and safety is prioritised, minimising risks and ensuring all staff receive training appropriate to their role. WTM has an experienced and committed staff team with minimal turnover, as well as a dedicated team of volunteers who work with the Front Of House and Curatorial teams. A disaster recovery plan is in place and WTM's IT is supported by Worthing Borough Council as part of a Service Level Agreement.

WORTHING THEATRES AND MUSEUM

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial

To address the risks related to financial performance, the Head of Business & Finance and the Accountant have many years' experience and the skills to produce and interpret budgetary and financial reports. They are supported by the Financial Trustee who is the Finance Director for Chichester Festival Theatre, and the finance team at Brighton Dome & Festival as part of a Service Level Agreement. Budgets directly relate to organisational business planning and objectives, and are closely monitored and reported in a timely and accurate way at weekly finance meetings with the CEO. Finance & Audit Committee meetings ensure the budget, management accounts, balance sheet, cashflow variances and reserves position are regularly monitored. Alerts have been put in place and emergency meetings would be called if cash in the bank is lower than £350,000. Cashflow is usually strong for the organisation due to advance ticket sales and the transfer of the service payment six months in advance in April and October from Worthing Borough Council. Due to the pandemic the cashflow has been bolstered by a business interruption loan of £250k. WTM has an experienced Development Manager who oversees fundraising from all income streams, including funding from Trusts and Foundations, Individual Giving, Corporate Partnerships and the WTM Membership scheme.

Programming

WTM was forced to remain closed for the majority of 2020/21 but opened whenever possible with a vibrant and varied programme of events that sold well. We are now programming an excellent programme of events for the summer of 2021 onwards and with an experienced marketing team we are already seeing a growth in sales and a clear recovery.

Reputation

WTM provides high quality customer service responding quickly to any customer feedback. We communicate regularly with key funders and partners, keeping them updated on developments within the organisation. WTM has a strong relationship with the local press and radio, producing regular press releases and responding promptly to any enquiries. WTM has a comprehensive social media presence and monitors this closely.

Compliance

WTM has identified key legal and regulatory requirements which are monitored by the Head of Technical, Building & Production working closely with Worthing Borough Council. HR compliance is managed by the Director of Human Resources as part of the Brighton Dome and Festival Service Level Agreement. Regular reports are completed for the Trustees. Advice is sought for specialist areas from UK Theatre and the Museums Association.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Structure, governance and management**a. Constitution**

Worthing Theatres & Museum became a Charitable Incorporated Organisation (CIO) on the 5 September 2019 and started trading from the 1st November 2019, taking over the management and development of Worthing Borough Council's cultural assets. We also have a trading subsidiary company that is responsible for non-primary activities which is wholly owned by the charity. The Executive Management team - 80% of whom managed the portfolio as part of the Council - are now guided and supported by an experienced Board of Trustees who are experts in theatre, museums, business, finance, hospitality, regeneration, legal, HR and PR / marketing and equalities and diversity. We currently have six male and four female trustees, and recognise the need to diversify our governance in terms of age, culture and disability. The Board has recently planned a recruitment drive and is actively seeking Trustees from more diverse cultural and socio-economic backgrounds as well as endeavouring to recruit a board member who is between 18 and 26 years old. The Trustees and senior management team establish, monitor and review key performance indicators for all aspects of the Trust's activities. We hold four board meetings a year and an away day with subcommittees meeting as and when needed. Progress is communicated at each Board meeting through written and verbal reports and through formal reporting to Worthing Borough Council and meetings with Arts Council England. Each year we will publish an annual report that contains key information about the charity's performance.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the CIO constitution.

c. Policies adopted for the induction and training of Trustees

New trustees undergo an induction to brief them on their legal obligations, Charity Commission guidance on public benefit, committee and decision-making processes, the business plan and recent financial performance.

d. Pay policy for senior staff

Both TUPE and new WTM posts are subject to the same job evaluation scheme detailed in both Pay and Reward policies. Grades including senior management posts are awarded according to the scheme at a panel.

e. Organisational structure and decision making

WTM is managed by the Board of Trustees who oversee the work of the CEO and Senior Managers: Head of Business & Finance, Head of Marketing & Development, Head of Curation, Head of Technical, Buildings & Production and Head of Customer Experience. The CEO is responsible for the ongoing management of the organisation, managing the Senior Management Team who in turn manage the department Managers. The CEO and Head of Business & Finance (Company Secretary) report to the Board of Trustees four times a year including full financial reporting, overview of programming & projects and Health & Safety Risk Assessment. Senior Managers provide presentations as and when required. In February, there is also an annual away day attended by Trustees and the full senior management team. During 2020/21 WTM had several additional Board meetings to respond to the changing and unprecedented situation due to the pandemic.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

f. Risk management

The charity has a formal risk management process through which the senior management identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk register which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

Plans for future periods

The Trustees remain committed to delivering the vision and aims as outlined above and within the organisation's five year Business Plan (2019 - 2024). Worthing Borough Council remains committed to WTM, confirming the five year financial agreement will be honoured. Across the cultural industries 2020 / 21 has been an exceptionally challenging year with venues closed since mid March and income streams close to zero. WTM have now reopened all the venues, initially with social distancing and are currently working on the operational plans to safely open when all government restrictions have ceased. We have a full and varied programme of events through the summer including a season of free outdoor performances. By autumn the programme is back to pre-COVID levels but we have been cautious regarding the confidence of our audiences, calculating September at 50% of previous income and October to March at 70% in the budget. We have programmed a full scale pantomime in December 2021 and hope to reach 73% of sales.

WTM will be extending our programme of participatory work, adding to our successful workshops for children and families with a series of full day art / craft workshops for adults and week-long summer schools for young people. This work will increase opportunities for our community and create work for local artists and makers.

In the longer term we plan a dramatic refurbishment and extension of the Museum, taking the panels off the windows and removing the partitions that currently make a series of small dark spaces. We plan to let the light flood into the beautiful building, opening up 85% of the building to the public where currently only 50% is accessible, and increasing the collections on display from 5% to 30%. The launch of the project has been delayed due to the pandemic but we are in discussion with the National Lottery Heritage Fund and actively seeking further funders.

Non charitable trading

The Trustees incorporated a trading subsidiary company wholly owned by the charity to carry out activities which do not directly further the CIO's charitable purposes, but which will raise funds for the CIO including:

1. Bars & Catering - the sale of food and drink in the Theatres bars
2. Venue Hire - hiring out the charity's venues and rooms to performers for rehearsals; to artists to hold exhibitions; to local community groups and businesses for commercial events; to trade fairs; to hold functions such as parties or wedding receptions; for conferences; for filming; and to other charities
3. Retail & merchandise - sales of goods in the Museum's shop and across the venues. Merchandise sales and commission in the Theatres.

The trading subsidiary (Worthing Theatres & Museum (Trading) Limited) has its own Board of Directors comprising Board Trustees and separate independent Directors and is in the process of starting up separate trading operations. To date, the trading subsidiary company has not been required due to the low levels of activity. .

WORTHING THEATRES AND MUSEUM

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 28 July 2021 and signed on their behalf by:



.....
P M Cadwallader
Chair

WORTHING THEATRES AND MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORTHING THEATRES AND MUSEUM

Opinion

We have audited the financial statements of Worthing Theatres and Museum (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

WORTHING THEATRES AND MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORTHING THEATRES AND MUSEUM (CONTINUED)

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

WORTHING THEATRES AND MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORTHING THEATRES AND MUSEUM (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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:

- Inspecting correspondence with regulators;
 - Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
 - Reviewing the controls and procedures of the charity relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
 - Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions, and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 Auditors' Report.

Use of our report

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



Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 13 August 2021

Haysmacintyre LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

WORTHING THEATRES AND MUSEUM

SUMMARY INCOME AND EXPENDITURE ACCOUNT NOT FORMING PART OF THE STATUTORY ACCOUNTS AS AT 31 MARCH 2021

	2021 £	5 months ended 2020 £
Income from:		
Donations and legacies	1,230,970	24,779
Charitable activities	1,544,685	1,856,463
Other trading activities	51,416	497,738
Investments	<u>1,899</u>	<u>1,369</u>
Total income	<u>2,828,970</u>	<u>2,380,349</u>
Less expenditure on :		
Raising funds	(462,929)	(419,571)
Charitable activities	<u>(1,861,540)</u>	<u>(1,692,604)</u>
Total expenditure	<u>(2,324,469)</u>	<u>(2,112,175)</u>
Less:		
Other non-operating items	(4,999)	-
Movement on restricted funds	1,379	(7,394)
Transfer to designated funds	<u>(462,420)</u>	<u>(163,952)</u>
Operating surplus	<u>38,461</u>	<u>96,828</u>
Adjustment for Local Government Pension Scheme (LGPS) valuation:		
Opening LGPS liability	-	(381,000)
Actuarial (losses)/gains	(399,000)	220,000
In year costs	<u>(94,606)</u>	<u>(72,125)</u>
Total adjustment for Local Government Pension Scheme (LGPS) valuation	<u>(493,606)</u>	<u>(233,125)</u>
Other non-operating items	4,999	-
Movement on restricted funds	(1,379)	7,394
Transfer to designated funds	<u>462,420</u>	<u>163,952</u>
Net movement in funds	<u><u>10,895</u></u>	<u><u>35,049</u></u>

Please note that comparative figures are for the period from registration on 5 September 2019 to 31 March 2020 (of which the Charity was operational for a five month period between 1 November 2020 and 31 March 2021 and therefore the figures are described as being for a period of five months to reflect the underlying substance of the figures presented).

WORTHING THEATRES AND MUSEUM

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

		Restricted funds	Unrestricted funds	Total funds	<i>Total funds 5 months ended 31 March 2020</i>
	Note	31 March 2021 £	31 March 2021 £	31 March 2021 £	£
Income from:					
Donations and legacies	4	40,196	1,190,774	1,230,970	24,779
Charitable activities	5	-	1,544,685	1,544,685	1,856,463
Other trading activities	6	-	51,416	51,416	497,738
Investments	7	-	1,899	1,899	1,369
Total income		40,196	2,788,774	2,828,970	2,380,349
Expenditure on:					
Raising funds	9	-	549,538	549,538	487,696
Charitable activities	10	35,500	1,834,037	1,869,537	1,696,604
Other expenditure	11	-	-	-	381,000
Total expenditure		35,500	2,383,575	2,419,075	2,565,300
Net income/(expenditure)		4,696	405,199	409,895	(184,951)
Transfers between funds	22	(6,075)	6,075	-	-
Net movement in funds before other recognised gains/(losses)		(1,379)	411,274	409,895	(184,951)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(399,000)	(399,000)	220,000
Net movement in funds		(1,379)	12,274	10,895	35,049
Reconciliation of funds:					
Total funds brought forward		7,394	27,655	35,049	-
Net movement in funds		(1,379)	12,274	10,895	35,049
Total funds carried forward		6,015	39,929	45,944	35,049

The Statement of Financial Activities includes all gains and losses recognised in the year. Please note that comparative figures are for the period from registration on 5 September 2019 to 31 March 2020 (of which the Charity was operational for a five month period between 1 November 2020 and 31 March 2021 and therefore the figures are described as being for a period of five months to reflect the underlying substance of the figures presented).

The notes on pages 22 to 48 form part of these financial statements.

WORTHING THEATRES AND MUSEUM

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	191,108	-
		<u>191,108</u>	<u>-</u>
Current assets			
Stocks	18	17,158	19,070
Debtors	19	191,243	163,465
Cash at bank and in hand		2,821,342	993,531
		<u>3,029,743</u>	<u>1,176,066</u>
Creditors: amounts falling due within one year	20	(2,235,574)	(928,623)
Net current assets		<u>794,169</u>	<u>247,443</u>
Total assets less current liabilities		<u>985,277</u>	<u>247,443</u>
Creditors: amounts falling due after more than one year	21	(233,333)	-
Net assets excluding pension liability		<u>751,944</u>	<u>247,443</u>
Defined benefit pension scheme liability	25	(706,000)	(212,394)
Total net assets		<u><u>45,944</u></u>	<u><u>35,049</u></u>
Charity funds			
Restricted funds	22	6,015	7,394
Unrestricted funds			
Unrestricted funds excluding pension liability	22	745,929	240,049
Pension reserve	22	(706,000)	(212,394)
Total unrestricted funds	22	<u>39,929</u>	<u>27,655</u>
Total funds		<u><u>45,944</u></u>	<u><u>35,049</u></u>

The financial statements were approved and authorised for issue by the Trustees on 28 July 2021 and signed on their behalf by:



P M Cadwallader
Chair

The notes on pages 22 to 48 form part of these financial statements.

WORTHING THEATRES AND MUSEUM

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	31 March 2021 £	<i>5 months ended 31 March 2020 £</i>
Cash flows from operating activities		
Net cash used in operating activities	1,767,429	993,531
Cash flows from investing activities		
Dividends, interests and rents from investments	1,899	-
Purchase of tangible fixed assets	(191,515)	-
Net cash (used in)/provided by investing activities	(189,616)	-
Cash flows from financing activities		
Cash inflows from new borrowing	250,000	-
Net cash provided by financing activities	250,000	-
Change in cash and cash equivalents in the year	1,827,813	993,531
Cash and cash equivalents at the end of the year	2,821,344	993,531

The notes on pages 22 to 48 form part of these financial statements

WORTHING THEATRES AND MUSEUM

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

1. General information

Worthing Theatres and Museum is a Charitable Incorporated Organisation.

The registered principal office is Connaught Theatre, Union Place, Worthing, BN11 1LG.

Consolidated accounts have not been produced as its wholly owned subsidiary, Worthing Theatres and Museum (Trading) Limited is dormant.

Please note that comparative figures are for the period from registration on 5 September 2019 to 31 March 2020 (of which the Charity was operational for a five month period between 1 November 2020 and 31 March 2021 and therefore the figures are described as being for a period of five months to reflect the underlying substance of the figures presented).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

2.2 Going concern

The financial statements have been prepared on a going concern basis. The trustees recognise that there are many uncertainties due to COVID-19 which will affect the Charity.

The trustees have considered the level of funds held, the expected level of income and expenditure and the cashflow for 12 months following the authorising of these financial statements and believe the charity is able to continue as a going concern.

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

2. Accounting policies (continued)

2.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment - 7 - 10 years

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

The Charity also operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation of the year end liability.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

WORTHING THEATRES AND MUSEUM

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

4. Income from donations and legacies

	Restricted funds	Unrestricted funds	Total funds
	31 March 2021 £	31 March 2021 £	31 March 2021 £
Donations	30	35,756	35,786
Grants	40,166	113,529	153,695
Government grants	-	1,041,489	1,041,489
	<u>40,196</u>	<u>1,190,774</u>	<u>1,230,970</u>
	<u><u>40,196</u></u>	<u><u>1,190,774</u></u>	<u><u>1,230,970</u></u>
	<i>Restricted funds 5 months ended 31 March 2020 £</i>	<i>Unrestricted funds 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Donations	150	13,229	13,379
Grants	-	3,000	3,000
Government grants	-	8,400	8,400
	<u>150</u>	<u>24,629</u>	<u>24,779</u>
	<u><u>150</u></u>	<u><u>24,629</u></u>	<u><u>24,779</u></u>

WORTHING THEATRES AND MUSEUM

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

5. Income from charitable activities

	Unrestricted funds	Total funds
	31 March 2021 £	31 March 2021 £
Live Events	52,997	52,997
Film	30,606	30,606
Museum	1,072	1,072
Service Fee	1,460,010	1,460,010
	<u>1,544,685</u>	<u>1,544,685</u>

	<i>Restricted funds 5 months ended 31 March 2020 £</i>	<i>Unrestricted funds 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Live Events	-	899,462	899,462
Film	-	346,821	346,821
Museum	-	7,069	7,069
Service Fee	19,361	583,750	603,111
	<u>19,361</u>	<u>1,837,102</u>	<u>1,856,463</u>

WORTHING THEATRES AND MUSEUM

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

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds	Total funds
	31 March 2021 £	31 March 2021 £
Venue hire and rental	25,650	25,650
Merchandise	1,257	1,257
Bar and Catering	12,138	12,138
Other	12,371	12,371
	<u>51,416</u>	<u>51,416</u>

	<i>Unrestricted funds 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Venue hire and rental	58,247	58,247
Merchandise	17,739	17,739
Bar and Catering	213,790	213,790
Other	207,962	207,962
	<u>497,738</u>	<u>497,738</u>

7. Investment income

	Unrestricted funds	Total funds
	31 March 2021 £	31 March 2021 £
Investment income	1,899	1,899

WORTHING THEATRES AND MUSEUM

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

7. Investment income (continued)

	<i>Unrestricted funds 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Investment income	1,369	1,369

8. Programming and Trading income

	2021 £	2020 £
Live Events	49,851	395,584
Panto	-	499,738
Films & Live Screenings	30,589	324,606
Theatre Bars & Catering	12,588	214,932
Museum Shop and Events	2,141	11,155
Ticket Levies	7,312	91,952
Venue Hires (including rental income)	25,650	58,147
	128,131	1,596,114

The income above is included in notes 5 & 6 and represents Programming and Trading income (a key metric monitored by the trustees).

WORTHING THEATRES AND MUSEUM

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

9. Expenditure on raising funds

	Unrestricted funds	Total funds
	31 March 2021 £	31 March 2021 £
Direct costs	8,318	8,318
Pension costs	86,606	86,606
Support costs	454,614	454,614
	<u>549,538</u>	<u>549,538</u>
	<u><u>549,538</u></u>	<u><u>549,538</u></u>
	<i>Unrestricted funds</i>	<i>Total funds</i>
	<i>5 months ended</i>	<i>5 months ended</i>
	<i>31 March 2020 £</i>	<i>31 March 2020 £</i>
Direct costs	88,636	88,636
Pension costs	47,394	47,394
Support costs	351,666	351,666
	<u>487,696</u>	<u>487,696</u>
	<u><u>487,696</u></u>	<u><u>487,696</u></u>

WORTHING THEATRES AND MUSEUM

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

10. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds	Unrestricted funds	Total funds
	31 March 2021 £	31 March 2021 £	31 March 2021 £
Live Events	35,500	1,145,275	1,180,775
Film	-	285,476	285,476
Museum	-	403,286	403,286
	<u>35,500</u>	<u>1,834,037</u>	<u>1,869,537</u>

	<i>Restricted funds 5 months ended 31 March 2020 £</i>	<i>Unrestricted funds 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Live Events	12,117	1,127,371	1,139,488
Film	-	308,219	308,219
Museum	-	248,897	248,897
	<u>12,117</u>	<u>1,684,487</u>	<u>1,696,604</u>

11. Other expenditure

	Total funds 31 March 2021 £
LGPS transfer	<u>-</u>

WORTHING THEATRES AND MUSEUM

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

11. Other expenditure (continued)

	<i>Unrestricted funds 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
LGPS transfer	381,000	381,000

12. Analysis of expenditure by activities

	Activities undertaken directly	Support costs	Total funds
	31 March 2021 £	31 March 2021 £	31 March 2021 £
Live Events	80,465	1,100,310	1,180,775
Film	20,884	264,592	285,476
Museum	138,694	264,592	403,286
	<u>240,043</u>	<u>1,629,494</u>	<u>1,869,537</u>

	<i>Activities undertaken directly 5 months ended 31 March 2020 £</i>	<i>Support costs 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Live Events	569,294	570,194	1,139,488
Film	165,280	142,939	308,219
Museum	105,958	142,939	248,897
	<u>840,532</u>	<u>856,072</u>	<u>1,696,604</u>

WORTHING THEATRES AND MUSEUM

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

12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Live Events	Film	Museum	Total funds
	31 March 2021	31 March 2021	31 March 2021	31 March 2021
	£	£	£	£
Pension finance costs	8,000	-	-	8,000
Staff costs	20,608	-	88,875	109,483
Equipment	-	-	605	605
Insurance	-	-	18,183	18,183
IT	-	249	2,010	2,259
Premises costs	-	-	21,587	21,587
Professional fees	-	-	147	147
Marketing	2,630	-	-	2,630
Other	-	-	487	487
Rates	-	-	1,925	1,925
Repairs and Maintenance	-	-	4,875	4,875
Artist fees	31,447	-	-	31,447
Production costs	17,780	13,712	-	31,492
Film Rental	-	6,923	-	6,923
	<u>80,465</u>	<u>20,884</u>	<u>138,694</u>	<u>240,043</u>

WORTHING THEATRES AND MUSEUM

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

12. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Live Events 5 months ended 31 March 2020 £</i>	<i>Film 5 months ended 31 March 2020 £</i>	<i>Museum 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Pension finance costs	4,000	-	-	4,000
Staff costs	-	17,080	70,074	87,154
Equipment	-	-	1,757	1,757
Insurance	-	-	15	15
Premises costs	-	-	27,904	27,904
Professional fees	125	-	366	491
Other	12,117	1,000	684	13,801
Printing, Postage and Stationary	-	-	25	25
Rates	-	-	1,122	1,122
Repairs and Maintenance	-	-	3,753	3,753
Travel	-	-	258	258
Artist fees	552,402	-	-	552,402
Production costs	600	37,770	-	38,370
Film Rental	-	109,430	-	109,430
Staff costs	50	-	-	50
	<u>569,294</u>	<u>165,280</u>	<u>105,958</u>	<u>840,532</u>

WORTHING THEATRES AND MUSEUM

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

12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Live Events	Film	Museum	Total funds
	31 March 2021 £	31 March 2021 £	31 March 2021 £	31 March 2021 £
Staff costs	773,100	187,032	187,032	1,147,164
Depreciation	407	-	-	407
Bank charges	3,941	1,025	1,025	5,991
Equipment	64,283	16,713	16,713	97,709
Insurance	27,728	7,209	7,209	42,146
IT	53,687	13,959	13,959	81,605
Premises costs	28,609	7,439	7,439	43,487
Professional fees	22,856	5,623	5,623	34,102
Marketing	32,328	8,405	8,405	49,138
Other	10,830	2,815	2,815	16,460
Printing, Postage and Stationary	2,595	675	675	3,945
Rates	4,568	1,187	1,187	6,942
Repairs and Maintenance	46,281	12,033	12,033	70,347
Training	1,793	466	466	2,725
Travel	487	126	126	739
Other Staff costs	(441)	(115)	(115)	(671)
Governance costs	27,258	-	-	27,258
	<u>1,100,310</u>	<u>264,592</u>	<u>264,592</u>	<u>1,629,494</u>

WORTHING THEATRES AND MUSEUM

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

12. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Live Events 5 months ended 31 March 2020 £</i>	<i>Film 5 months ended 31 March 2020 £</i>	<i>Museum 5 months ended 31 March 2020 £</i>	<i>Total funds 5 months ended 31 March 2020 £</i>
Staff costs	326,884	84,198	84,198	495,280
Bank charges	5,968	1,537	1,537	9,042
Equipment	22,983	5,920	5,920	34,823
Insurance	24,888	6,410	6,410	37,708
IT	20,650	5,319	5,319	31,288
Premises costs	34,221	8,813	8,813	51,847
Professional fees	3,637	4,119	4,119	11,875
Marketing	40,853	10,523	10,523	61,899
Other	50,364	12,973	12,973	76,310
Printing, Postage and Stationary	2,094	539	539	3,172
Rates	1,003	258	258	1,519
Repairs and Maintenance	3,256	838	838	4,932
Training	2,284	589	589	3,462
Travel	1,284	331	331	1,946
Staff costs	14,575	572	572	15,719
Governance costs	15,250	-	-	15,250
	<u>570,194</u>	<u>142,939</u>	<u>142,939</u>	<u>856,072</u>

13. Auditors' remuneration

	<i>31 March 2021 £</i>	<i>5 months ended 31 March 2020 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	16,500	15,250
Fees payable to the Charity's auditor in respect of:		
Other non-audit services	<u>2,500</u>	<u>-</u>

WORTHING THEATRES AND MUSEUM

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

14. Staff costs

	31 March 2021 £	5 months ended 31 March 2020 £
Wages and salaries	1,340,717	702,862
Social security costs	77,095	31,365
Contribution to defined contribution pension schemes	236,867	134,582
	1,654,679	868,809

During the year the charity made severance payments totalling £65,358 (2020: Nil) and associated pension strain payments totalling £11,744 (2020: Nil) . At the year end £6,142 (2020: Nil) was still outstanding in relation to one pension strain payment.

The average number of persons employed by the Charity during the year was as follows:

	31 March 2021 No.	5 months ended 31 March 2020 No.
Senior Managers	5	5
Other Staff	45	59
Casual Staff	6	58
	56	122

The average headcount expressed as full-time equivalents was:

	31 March 2021 No.	5 months ended 31 March 2020 No.
Senior Managers	5	5
Other Staff	37	48
Casual Staff	-	13
	42	66

WORTHING THEATRES AND MUSEUM

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

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31 March 2021 No.	5 months ended 31 March 2020 No.
In the band £70,001 - £80,000	1	1

The total remuneration and benefits received by key management personnel for the period was £215,775 (2020: £151,161).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

16. Trustees' and officers' insurance

In accordance with normal commercial practice, the charity has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on charity business. The insurance provides cover up to £5m and the cost for the period ended 31 March 2021 was £500 (2020: £500).

WORTHING THEATRES AND MUSEUM

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

17. Tangible fixed assets

	Fixtures, fittings and equipment £
Cost or valuation	
Additions	191,515
At 31 March 2021	191,515
Depreciation	
Charge for the year	407
At 31 March 2021	407
Net book value	
At 31 March 2021	191,108
At 31 March 2020	-

18. Stocks

	2021 £	2020 £
Catering stock	17,158	19,070

19. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	46,724	126,354
Prepayments and accrued income	144,519	37,111
	191,243	163,465

WORTHING THEATRES AND MUSEUM

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

20. Creditors: Amounts falling due within one year

	2021 £	2020 £
CBILS loan	16,667	-
Trade creditors	410,251	13,679
Other taxation and social security	170,547	30,718
Other creditors	121,028	250,874
Accruals and deferred income	1,517,081	633,352
	2,235,574	928,623
	2021 £	2020 £
Deferred income at 1 April 2020	540,809	-
Resources deferred during the year	1,083,742	540,809
Amounts released from previous periods	(235,479)	-
	1,389,072	540,809

Deferred income is made up of Advance Ticket income, prepaid elements of the Council Service Fee, Gift Vouchers, Prepaid Venue Hire, deferred grants and Prepaid Friends Membership.

Advance ticket income includes all ticket income received for shows after the 31 March 2021 and no adjustment has been made for refunds, cancellations or postponement of shows made after this date.

WORTHING THEATRES AND MUSEUM

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

21. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
CBILS loan	233,333	-

Included within the above are amounts falling due as follows:

	2021	2020
	£	£
Between one and two years		
Bank loans	50,000	-
Between two and five years		
Bank loans	150,000	-
Over five years		
Bank loans	33,333	-

WORTHING THEATRES AND MUSEUM

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

22. Statement of funds

Statement of funds - current year

	Balance at 31 March 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
COVID-19 Reserve	60,000	-	-	90,000	-	150,000
Insurance Claim Reserve	12,000	-	-	-	-	12,000
Capital (Restoration) Fund	91,952	-	-	7,312	-	99,264
New Equipment Reserve	-	-	-	92,000	-	92,000
HR Reserve	-	-	-	12,000	-	12,000
Pension shortfall Reserve	-	-	-	20,000	-	20,000
Maintenance Reserve	-	-	-	50,000	-	50,000
Fixed Asset Reserve	-	-	-	191,108	-	191,108
	163,952	-	-	462,420	-	626,372
	Balance at 31 March 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds						
General Funds	76,097	2,788,774	(2,288,969)	(456,345)	-	119,557
Pension reserve	(212,394)	-	(94,606)	-	(399,000)	(706,000)
	(136,297)	2,788,774	(2,383,575)	(456,345)	(399,000)	(586,443)
Total Unrestricted funds	27,655	2,788,774	(2,383,575)	6,075	(399,000)	39,929

WORTHING THEATRES AND MUSEUM

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

22. Statement of funds (continued)

	Balance at 31 March 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
WTM - The Next Chapter	7,244	1,318	(2,487)	(6,075)	-	-
Restricted Museum Donation	150	-	-	-	-	150
ACE COVID-19 Emergency Funding Grant	-	29,209	(29,043)	-	-	166
BFI/ICO Grant	-	4,214	-	-	-	4,214
Google Ads Grants	-	2,630	(2,630)	-	-	-
Royal Pavilion & Museum Trust	-	991	-	-	-	991
Theatres Trust - reopening grant	-	1,834	(1,340)	-	-	494
	<u>7,394</u>	<u>40,196</u>	<u>(35,500)</u>	<u>(6,075)</u>	<u>-</u>	<u>6,015</u>
Total of funds	<u><u>35,049</u></u>	<u><u>2,828,970</u></u>	<u><u>(2,419,075)</u></u>	<u><u>-</u></u>	<u><u>(399,000)</u></u>	<u><u>45,944</u></u>

WORTHING THEATRES AND MUSEUM

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

22. Statement of funds (continued)

Statement of funds - prior year

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
COVID-19 Reserve	-	-	60,000	-	60,000
Insurance Claim Reserve	-	-	12,000	-	12,000
Capital (Restoration) Fund	-	-	91,952	-	91,952
	-	-	163,952	-	163,952
General funds					
General Funds	2,360,838	(2,120,789)	(163,952)	-	76,097
Pension reserve	-	(432,394)	-	220,000	(212,394)
	2,360,838	(2,553,183)	(163,952)	220,000	(136,297)
Total Unrestricted funds	2,360,838	(2,553,183)	-	220,000	27,655
Restricted funds					
WTM - The Next Chapter	19,511	(12,117)	-	-	7,394
Total of funds	2,380,349	(2,565,300)	-	220,000	35,049

WORTHING THEATRES AND MUSEUM

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

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	163,952	-	-	462,420	-	626,372
General funds	(136,297)	2,788,774	(2,383,575)	(456,345)	(399,000)	(586,443)
Restricted funds	7,394	40,196	(35,500)	(6,075)	-	6,015
	<u>35,049</u>	<u>2,828,970</u>	<u>(2,419,075)</u>	<u>-</u>	<u>(399,000)</u>	<u>45,944</u>

Summary of funds - prior year

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	-	-	163,952	-	163,952
General funds	2,360,838	(2,553,183)	(163,952)	220,000	(136,297)
Restricted funds	19,511	(12,117)	-	-	7,394
	<u>2,380,349</u>	<u>(2,565,300)</u>	<u>-</u>	<u>220,000</u>	<u>35,049</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	191,108	191,108
Current assets	6,015	3,023,728	3,029,743
Creditors due within one year	-	(2,235,574)	(2,235,574)
Creditors due in more than one year	-	(233,333)	(233,333)
Provisions for liabilities and charges	-	(706,000)	(706,000)
Total	<u>6,015</u>	<u>39,929</u>	<u>45,944</u>

WORTHING THEATRES AND MUSEUM

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

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Current assets	7,394	1,168,672	1,176,066
Creditors due within one year	-	(928,623)	(928,623)
Provisions for liabilities and charges	-	(212,394)	(212,394)
Total	7,394	27,655	35,049

25. Pension commitments

People's Pension Scheme

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £15,301 (2020: £2,363). Contributions totalling £nil (2020: £2,363) were payable to the fund at the balance sheet date and are included in creditors.

LGPS Scheme

The Charity operates a defined benefit pension scheme.

Upon entering into an agreement with The Borough Council of Worthing to manage and operate the Worthing Borough Councils' Cultural Portfolio all existing staff were transferred via TUPE across to the charity including their membership to the LGPS scheme. As part of the agreement with Worthing Borough Council the charity's contribution rate is fixed at 17.9% for the duration of the agreement and Worthing Borough Council have agreed to act as guarantor in relation to the Admission Agreement and for any exit payment for a period of 5 years from 1 November 2019.

The pension cost charge represents contributions payable by the Charity to the LGPS fund and amounted to £148,394 (2020: £118,875). Contributions totalling £17,322 (2020: £118,875) were payable to the fund at the balance sheet date and are included in creditors. In the period to 31 March 2020, the contributions had not yet been paid over to the scheme and therefore the actuary's report did not include them. This was because the admission agreement was finalised after this period end. At 31 March 2020 these were shown as part of creditors due within one year to reflect that the amounts concerned were paid to the scheme during 20/21.

WORTHING THEATRES AND MUSEUM

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

25. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	2.10%	2.30%
Future salary increases	1.50%	2.20%
Future pension increases	2.75%	1.80%

	At 31 March 2021 Years	At 31 March 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	23.1	22.2
- at 65 for a male aged 45 now	23.1	23.3
- for a female aged 65 now	24.4	24.2
- at 65 for a female aged 45 now	26.1	25.9

Sensitivity analysis

	At 31 March 2021 £	At 31 March 2020 £
Discount rate +0.1%	112,000	65,000
CPI rate +0.1%	102,000	58,000

The Charity's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Equities	1,336,000	750,000
Bonds	739,000	609,000
Property	167,000	141,000
Cash and other liquid assets	146,000	62,000
Total fair value of assets	2,388,000	1,562,000

The actual return on scheme assets was £417,000 (2020 - £(121,000)).

WORTHING THEATRES AND MUSEUM

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

25. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	5 months ended 2020 £
Interest cost	8,000	4,000

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	1,914,000
Interest cost	8,000
Contributions by scheme participants	78,000
Actuarial losses/(gains)	819,000
Benefits paid	40,000
Past service costs	5,000
Current service cost	230,000
Closing defined benefit obligation	3,094,000

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	1,701,606
Actuarial gains/(losses)	420,000
Contributions by employer	148,394
Contributions by scheme participants	78,000
Interest income	40,000
Closing fair value of scheme assets	2,388,000

26. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2021.