

Registered Charity Number: 1185189

**WORTHING THEATRES & MUSEUM**  
**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023**

## **WORTHING THEATRES AND MUSEUM**

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## **CHARITY INFORMATION -**

### **For the year ended 31<sup>st</sup> March 2023**

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#### **Reference and administrative details**

##### **Trustees**

P M Cadwallader (Chair)	
S B Marshall (Vice Chair)	
Dr J D Broomfield	(Resigned 9 July 2022)
L Burgess	
L Cassidy	(Appointed 18 May 2023)
A S Comben	
S Fitzgerald	(Appointed 16 May 2022. Resigned 15 February 2023)
J Kapsalis	
C Kelly	
A Lapper, MBE	(Appointed 20 April 2022. Resigned 08 June 2023)
O Mokuolu	(Appointed 5 June 2023)
S K Parsonage	
H Persson Swain	
A Sparsis	(Appointed 19 May 2023)

##### **Executive and Senior Management**

Current officers and those who served during the period are as follows:

##### **Executive Team:**

Amanda O'Reilly	Creative Director & CEO
Jill Stewart	Executive Director (Company Secretary)

##### **Senior Management Team:**

Gerry Connolly	Head of Museum & Exhibitions
Gemma Curtis	Head of Programming
Bernard Dodds	Head of Finance
Jackie Friend	Head of Marketing & Audience Development (appointed March 2023)
Pamela Kent	Head of Marketing and Development (left September 2022)
Rachel Madden-Ward	Head of Customer Experience
Matt Pike	Head of Technical, Production and Buildings

**Charity Registered number:**  
1185189

**Principal Office:**  
Connaught Theatre  
Union Place  
Worthing  
BN11 1LG

**Secretary:**  
J Stewart

**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<sup>st</sup> March 2023**

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The Trustees present their annual report together with the audited financial statements of the Charity for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

**Foreword by Scott Marshall, Acting Chair**

We have emerged from the pandemic a more creative, resilient, and efficient organisation that is much more connected to the people of Worthing. The recovery, whilst not complete, is faster than predicted thanks to the WTM Staff Team and Volunteers, our audiences who are returning with ticket sales steadily growing and the many partners, including the community groups who hire our venues. The museum footfall has been a particular success with 83K people visiting the collections and exhibitions and participating in the workshops.

We would particularly like to thank Worthing Borough Council (WBC/Council) for their continued financial support and partnership working.

The success of the culture provision as an independent charity is now clear, with reduced costs for WBC compared to the previous inhouse culture provision, a higher quality and more diverse offer, dramatically increased community engagement and social impact. There is also the benefit of the talented team of Trustees who bring a range of expert skills to the organisation in their voluntary capacity.

The charity has developed the focus of the theatres and museum in Worthing. We offer a varied programme of events, and also consider the wellbeing and happiness of the community, particularly during the difficult times of covid and the economic crisis. In 2022/23 this included free tickets to families using food banks, free cinema tickets as well as a hot drink (as part of our Warm Spaces Scheme), and free activities and tickets for children who receive free school meals (as part of the HAF (Holiday Activities and Food Programme)).

WTM's economic impact in 2022/23 is estimated to have increased by £1.7m versus 2021/22 – an increase of 46%. This is 69% of the peak pre-pandemic result achieved in 2018/19, and provides a return of £6.02 for every £1 invested in WTM by Worthing Borough Council

We are still working to reach the point of holding three months operating costs in reserves, but incredibly we have been able to strengthen our reserves over the last year and this increased viability and long-term sustainability increases the opportunities for external investment.

We have also been able to invest in the buildings, finally authorising the replacement of the Pavilion auditorium seating and 50% of the seating in the Assembly Hall.

We are now focused on the Business Plan for the next five years, prioritising serving our community and developing the programme of events and activities whilst remaining financially viable. We are also considering our environmental responsibilities and the need to improve access across the venues.

Later this year we will be negotiating the next five-year service payment plan with WBC and hope they will continue to invest at a level that enables the Charity to fulfil our vision for a community in which everyone's lives are enriched through vibrant, inspiring, creative arts and heritage.

## Executive Team Report

2022/23 has been the charity's first full year of delivering a rich and diverse programme of cultural activity. There has been a marked improvement in the cultural offer for Worthing with Othello, our first performance from the incredible Frantic Assembly, Henry V by Headlong coming to Worthing direct from Shakespeare's Globe Theatre, the moving Kintsugi Women exhibition, and a brilliant summer season of free outdoor performances as part of SpinOut.

We have provided a varied high-quality programme of performances and events that inspire, challenge, educate and entertain not forgetting the importance of a good night out with a plethora of comedy and music shows.

We have increased our focus on the social impact we can have on the communities living in Worthing Borough, reaching out to provide accessible pathways to experience creativity, embracing initiatives such as the Holiday Activities Fund, Warm Spaces and working with local charities including the food bank to provide families who are struggling with tickets to our pantomime. We have continued to support 25 community groups and are delighted that most have survived the challenge of the pandemic and are going from strength to strength. WTM is proud to serve its community and determined to actively contribute to the wellbeing and happiness of the people of Worthing.

We have dramatically increased our participation programme with 66 workshops focused on giving people the opportunity to experience the joy of creativity and a sense of connection. This will be an area of growth over the next three years, and we plan to open up more space in the venues, work with partners and consult with the community to develop a popular and inspiring range of activities.

We have continued to support artists, makers, and companies to develop and exhibit work, providing R&D for seven companies, agreeing two Associate Companies to support long term, hosting the European Aerial Dance Festival and the Theatre of the Funny Clowning summer school as well as presenting the work of nine local artists in the Sussex Contemporaries Exhibition.

Throughout our work we champion inclusion, supporting the creation and presentation of work that celebrates diversity with twelve performances/exhibitions which showcase the work of creatives with protected characteristics as part of our "We Are Here" programme.

Although 2022/23 has been our most challenging year from a financial perspective since we became a charity in November 2019, the reserves that we have built up in this short time have allowed us to be resilient in this economic crisis with the challenges of high inflation, soaring energy costs and five historic buildings. Our reserves have enabled us to invest in the venues this year. The Connaught Theatre now has a fully accessible dressing room and shower room with easy access to the stage for wheelchair performers and we have made the front doors to the Studio Theatre automatic to aid access. We have made digital improvements, installing external electronic signs on the Pavilion Theatre. Income from our secondary non charitable trading activities, including bars and venue hire, continues to build back up post pandemic through our Trading Subsidiary.

Finally, we would like to thank the WTM Staff Team and Volunteers for their continued hard work and commitment to the organisation and our dedicated Board of Trustees for their continued support and guidance.

## Looking forward

In 2023/24 we need to continue to strive for increased financial stability and maximise our income streams, particularly our ticket income and venue hires. With a new and highly skilled Head of Marketing joining the team we will be prioritising our audience development and engagement, evaluating our marketing strategies, cleaning our data, and working on the procurement of a much needed new and improved website. We will be increasing our consultation and developing a framework for evaluation, data analysis and measuring change.

The charity is continuing to work in partnership with WBC on bids to redevelop the Museum which will be a five-year capital project for improvements. We are also considering the development of the Connaught Theatre and Studio which lacks circulation space, has an underused first floor bar and needs an extra cinema screen to free up the Main House for both community performances and the professional programme. We are working with architects to develop a plan to address these issues.

We will continue to make access improvements across the venues. The new seating in the Pavilion will include a number of wider seats which will make the venue more inclusive. We are now fundraising to replace the final 300 seats in the Assembly Hall and will again include a row of wider seats. We will also be replacing two steps with a ramp so we can give our customers who use wheelchairs a wider choice of positions to enjoy the shows in the Pavilion. Our hearing loops are at end of life so we are planning to replace these and will be making access videos to support customers who need or prefer to understand the experience of visiting the venues in advance.

In the summer of 2023 Worthing has its first cultural festival with 16 events provided by WTM including two incredible free outdoor aerial pieces ('Wild' by Motionhouse and 'Why' by Gravity and Levity). We will work with WBC and Time for Worthing to develop the Worthing Festival for 2024.

We have begun work to review and improve our people policies, starting with our Code of Conduct, as we continue to build on our culture to promote unity and diversity, providing a supportive workplace and environment where differences and what we have in common are celebrated. We engage with responsible and respectful working practices and empower our team to shape and deliver WTM's key objectives with integrity. WTM opposes all forms of discrimination. The Leadership Team began AMA's 12-month Breakthrough Training in January 2023, which brings leadership teams together to transform their organisations, with a whole-team approach to inclusivity. We plan to work with 'Safer Spaces', a company which helps educate and create a culture that confronts and prevents sexual harassment. WTM is also currently updating and strengthening our Safeguarding policy and procedures with training for the Safeguarding leads and the wider team.

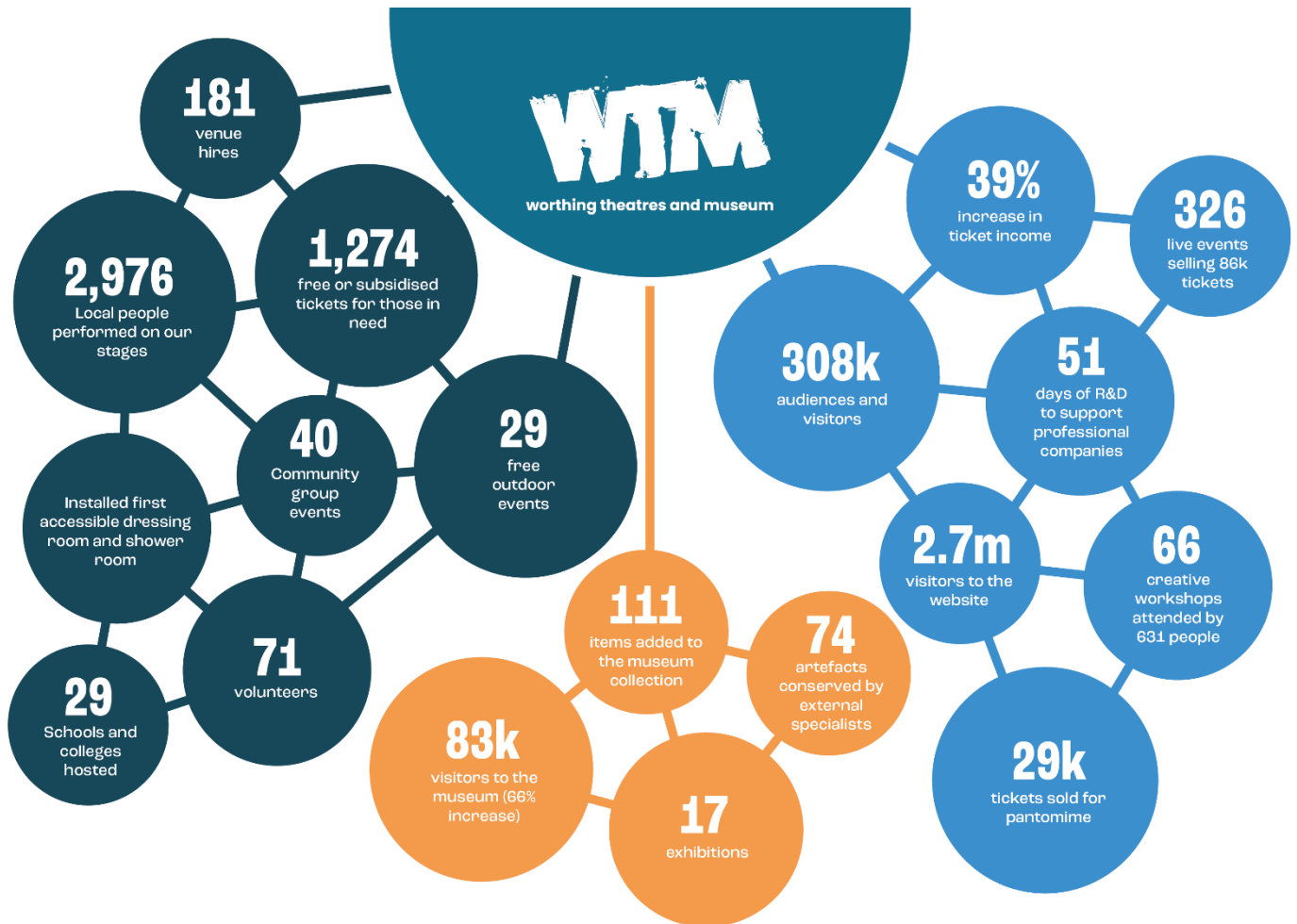
We will continue in 2023/24 to develop the WTM team employing a Head of Buildings and Facilities to enable us to fulfil our plans to improve accessibility and to establish a Sustainability Strategy.

We are looking forward to our second fully operational year of our young charity.

**Amanda O'Reilly, Creative Director and CEO**

**Jill Stewart, Executive Director (Company Secretary)**

## 2022 /23 Highlights







## Our Vision

**Our Vision** is a community in which everyone's lives are enriched through vibrant, inspiring, creative arts and heritage.



## Our Mission

**Our Mission** is to enable everyone to access arts and heritage by:

- Reaching out into communities, providing accessible pathways to experience creativity.
- Actively contributing to the wellbeing and happiness of our community.
- Creating shared experiences that inspire, challenge, educate and entertain.
- Championing inclusion, supporting the creation and presentation of work that celebrates diversity.
- Creating aspirational opportunities for young people within the cultural industries.
- Delivering a rich and diverse year-round programme of cultural activity.
- Developing opportunities and partnerships with artists and companies.
- Ensuring financial resilience and long term viability whilst providing best value
- Contributing to Worthing's experience economy, promoting positive place making



## Our Values

In everything we do we will:

- Support and enhance the **wellbeing** of everyone we interact with.
- Nurture a culture of **collaboration, respect and integrity**.
- **Listen** and respond to our community and the sector.
- Commit to **inclusivity** across all aspects of the charity.
- Promote **excellence**.
- Take responsibility for our **environmental** impact.

**Worthing Theatres & Museum is a Registered Charity (No. 1185189). WTM became a Charitable Incorporated Organisation (CIO) (CE018745) on 5th September 2019 and started trading from 1st November 2019, taking over the management and development of Worthing Borough Council's cultural assets.**

## **Who We Are and What We Do**

We are a place-based cultural charity that drives social, cultural & economic transformation across our communities, bringing people together, inspiring creativity - contributing to make Worthing and the surrounding areas a great place to live and work. Collaboration, partnership, and community is at the heart of everything we do. We engage with our local communities through a range of projects, partnerships and venue hires, using art and culture to create opportunities for the benefit of the wider community. We are custodians of the Theatres and Museum and strive to make our community feel a sense of ownership and pride in these incredible cultural resources.

Our Charity objectives are:

- 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.
- 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.
- The promotion of arts, particularly but not exclusively, by promoting and facilitating access to performances of theatre and dramatic arts, and other cultural activities.
- 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.

Worthing Theatres & Museum is a unique arts and heritage charity with a large portfolio of distinct venues all positioned within the heart of Worthing in West Sussex. In 2022/23 we welcomed 308,000 people to the venues, including 83K visitors to the Museum in 2022/23, climbing back towards our pre pandemic figure of 400,000.

- Museum and Gallery
- Connaught Theatre (520 seats)
- Connaught Studio (164 seats)
- Pavilion Theatre (750 seats)
- Pavilion Atrium (creative space with option for 200 seats)
- Assembly Hall (950 seats)

WTM is an ambitious charity that presents a vibrant, diverse, and entertaining programme of performances (theatre, contemporary circus, dance, comedy, music, family theatre, talks), events, film, exhibitions and workshops. We manage a museum collection of national significance (costume, archaeology, fine art, toys), present an annual outdoor summer festival and collaborate with leading UK producing and touring companies.

Our 2022-23 annual turnover (post pandemic) was £4.7 million. WTM receives an annual service payment from Worthing Borough Council for management and development of its cultural assets. Additional income is earned through ticket sales, fundraising and other revenue streams which include a contribution from our secondary trading activities, such as bars & kiosks (through our wholly owned trading subsidiary). WTM is estimated to have a pre-pandemic direct impact on the local economy of at least £5.2m per annum, which is almost a 7:1 return on the Council's investment (Economic and Social Impact Study 2018).

WTM supports more than 200 FTE jobs (directly and indirectly). WTM offers an inspiring and supportive workplace that promotes unity and diversity, providing an environment where differences and what we have in common are celebrated. We engage with responsible and respectful working practices and empower our team to shape and deliver WTM's key objectives with integrity. WTM opposes all forms of discrimination.

WTM also has a trading subsidiary company, Worthing Theatres & Museum (Trading) Ltd (12296105) that is responsible for non-charitable activities which is wholly owned by the charity.

## **Serving our community - social impact**

WTM is a place-based cultural charity which brings people together, building civic pride, inspiring creativity - making Worthing a great place to live and work. Collaboration, partnership, and community is at the heart of everything we do.

With the economic crisis following hard on the heels of the pandemic we are very aware that many people in our community are struggling, meaning cultural events are a luxury that simply cannot be afforded. We worked with Worthing Food Foundation, Storm, Safe in Sussex, and West Sussex Mind to put 326 pantomime tickets in the hands of people who would not have been able to attend or bring their families.

WTM successfully applied for funding from the Holiday Activities Fund and provided show/film tickets, lunch, and workshops for free for 64 children who qualify for free school lunches at Christmas and a further 56 in the February half term.

In January we joined the Warm Spaces scheme offering space and hot drinks in both the Connaught Theatre and the Museum. In addition, we self-funded 679 cinema tickets as part of the Warm Spaces offer.

During July and August, we programmed 23 free outdoor shows as part of Spin Out, building on the circus and street arts programming that has been so successful over the last five years. Performances included: Shristi Dance, Scratchworks, Dizzy O'Dare, Half a String, All or Nothing, Brainfools, Stop Gap and the repeat of Joseph Toonga's Born to Protest. This work was supported by Worthing Borough Council and Worthing Town Centre Initiative.

We are particularly proud of the 'Less Heard Voices' strand of our programming which actively sought work (performances and exhibitions) that included artists with protected characteristics including: Mapping Gender - considering the trans experience; Frozen Light for young adults with profound and multiple learning disabilities; Victoria Melody's HeadSet considering neuro diversity; Frock by Stopgap and Delicate by Extraordinary Bodies both offered incredibly talented role models for people with

disability; Brainfool's Happy Pigeon and the Kintsugi Women exhibition both considered homelessness; and Shristri Dance brought amazing Indian dance to Worthing's town centre. In response to this work, we engaged with relevant local community groups to subsidise tickets for specific groups to attend. For example, Emma Frankland performed Hearty which was a visually spectacular performance about her trans journey. We gave 30 subsidised tickets to The Clare Project and 15 to Allsorts Youth.

WTM has worked on projects in partnership with 11 local organisations including a writer's workshop as part of Pride, an exhibition with Superstar Arts, working with young people from The Sand Project to redesign our star dressing room at the Pavilion and for the fourth year working with MET College on the props for the pantomime.

We worked with 29 local Educational Establishments offering bespoke visits to the Museum, access to the collections, opportunities to perform on the stage at the Pavilion and the chance to contribute to the film programme. We also supported 40 local community groups including Worthing Philharmonic Orchestra, Worthing Musical Theatre Company, Worthing Musical Comedy Society, Worthing Archaeological Society, Worthing Veterans and St Barnabas. This resulted in 2976 local people performing on the Worthing Theatres stages in 2022/23.

A key focus for WTM is supporting freelance artists and companies to create new work as part of our Made in Worthing project. In 2022/23 we supported seven companies including three local professional companies with R&D space and resources to prepare for touring later in the year. We also showcased the work of nine Sussex based artists as part of the Sussex Contemporary exhibition.

Volunteering opportunities have always been important to WTM both for the incredible support they bring to the organisation and for the support we can give to people in our community who may need to build confidence to get back into the workforce, may be suffering from loneliness or anxiety. We are proud to have an average of 71 volunteers over the year who are valued members of the team. Our volunteers work on shows supporting front of house, help us distribute our marketing materials across the borough and work with our curators and conservators on the museum collections.

## **Programme development – a vibrant cultural and heritage offer.**

WTM has an extensive and varied programme of events and activities which totalled 3,491 in 2022/23 and included a full range of live events (theatre, comedy, dance, music, circus, family shows), the ever-popular pantomime, film & live screenings, exhibitions, talks, free outdoor performances, archaeology walks on the South Downs and a growing programme of workshops and classes.

### **Live Events**

We held 326 ticketed live events in the venues with 84K tickets sold. The programme was excellent including: Jitney by Headlong, Othello by Frantic Assembly, with Peter James' Looking Good Dead being the biggest seller for theatre over nine performances. We had the first performance from our Associate Company A&E Comedy who performed the hilarious Witch Hunt.

It has been clear that the 'Good Night Out' programming has had the highest sales particularly Comedy (including Jason Manford, Maisie Adam, Henning Wehn, Tom Allen, and Jenny Eclair) and Music (That'll be the Day, A Country Night in Nashville, Leo Sayer but also more contemporary bands including Metronomy, and Rufus Wainwright).

Dance is always a strong genre for WTM with good sales for Giovanni Pernice, Ballet Boyz, and Silent Lines by Russell Maliphant Dance Company.

Family focused performances have also sold well particularly Zog, Ministry of Science and The Queen's Knickers which was programmed as part of the Queen's Jubilee celebrations.

## **Pantomime**

Jack & the Beanstalk was extremely successful with 29,465 tickets sold across the 55 performances achieving 86% of the capacity, only 3% less than the record-breaking Cinderella in 2019. We have continued our partnership with Met College making the props for the Giant's castle.

## **Film**

Film attendance has been slower to return to pre pandemic numbers due to the increased home screening opportunities provided by Disney, Apple, and Netflix. We held 2893 film screenings selling 89K tickets with an income of £399K.

The state of the cinema industry is very much still in rebuilding mode. Although a lot of press has been made over films and cinema being back on track - that is very much from a distributor's point of view. Exhibitors are still recovering. There has been a lack of product coming through and films are being released wider than ever before and then making the transfer to home viewing quicker than ever before. Films like Top Gun making \$1bn and Avatar 2 making \$2bn are driving the headlines, but those films were released in twice as many cinemas as there were just five years ago, so the takings are spread thin. A report from 'The Cinema Foundation' claiming the sector had 'returned to its feet' was quickly rebutted by Variety. That said, 2023 is expected to be a bumper year for cinema, although poor reviews for big titles have dampened estimates after the first quarter not delivering.

The most successful film titles: Elvis, Glass Onion, Matilda, Top Gun Maverick, and Downton Abbey 2. Most successful Screen Arts: Prima Facie and ROH Nutcracker

WTM's film programme always has unusual events that prove very popular: Q&A with director Phil Grabsky for the Exhibition On Screen film of Hopper, screening Twin Peaks Fire Walk With Me, Screening Back To The Future and having a DeLorean from the movie parked outside for customers to sit in and have their photo taken and being successful in our bid to screen Glass Onion. One of only 50 cinemas in the country to be able to screen it.

Although film audience numbers are proving slower to recover than live events, we have seen improvement in the first quarter of 2023/24 and hope we will be able to return to pre-pandemic levels, however it should be noted that the industry is still reporting a soberingly slow recovery (article in Screen Daily).

## **Participation**

WTM held 66 workshops/classes during the year attended by 621 people and covering a very broad range of activities: willow weaving, printmaking, garden design, upcycled Fashion to dance classes with Strictly Professionals. We also launched weekend workshops for a more in-depth experience with Corset Making and Flint Knapping. This has been an important area of growth for WTM providing creative opportunities for the community. We have also launched professional development classes working in partnership with Lila Dance and Spymonkey. We hosted the International Aerial Dance summer School at the Pavilion in August.

## **Museum**

Footfall for the Museum has smashed all previous records with 83K of visitors in 2022/23, a 66% increase on the previous year and 68% increase on the pre pandemic footfall. WTM's success has bucked the national trend with most museums and galleries 2022/23 footfall still 23% lower than their pre pandemic numbers (data from Museum Association).

We have continued the late opening on Thursdays and opening on Sundays both of which are very popular. We are closed to the public on Mondays and Tuesdays which gives the opportunity for bespoke schools' visits. The Museum hosted 24 school visits this year.

The Curators have hosted talks in the Museum throughout the year giving access to elements of the collections that are not on display. The Autumn Lecture Series and the Archaeology walks on the South Downs both with our Curator James Sainsbury were particularly popular, selling out in just a couple of days.

WTM added 111 artefacts to the Museum Collection including: military medals, Roman pot shards, a letter from King George VI, a medieval brooch, as well as various toys, costume items, and art works and managed the conservation of 74 items already in the collection.

The Costume Research Centre opened in 2019 with the costume collection being carefully moved into its new location over a period of six months. In 2022/23 WTM supported 83 researchers, providing space and access to the collection.

## **Exhibitions**

The museum held 17 temporary exhibitions, 9 of which incorporated the Worthing collection. These included: Kintsugi Women working with women who have experienced homelessness, the extremely popular exhibition celebrating the history of Worthing, the Bianca Project, Teddy Bears & Friends, and Invisible People by Henny Beaumont.

## **Other Income Streams**

As is the case with most charities, commercial activities that are not directly linked to our charitable objectives are carried out by our Trading Subsidiary Company (Worthing Theatres & Museum (Trading) Limited, company number: 12296105). The income and expenditure for our Trading Subsidiary is included on the group consolidated figures shown in these financial statements. A gift, equivalent to any profit, is made at the end of each financial year from our Trading Subsidiary to the Charity meaning the Trading Subsidiary does not show any profit or loss. The main activities are as follows:

### **Bars & Kiosks**

This is an essential part of our customer experience, whether it be a glass of wine at the interval of a play or popcorn to accompany a film. The success of the secondary spend income is reliant on the number of events and the number of tickets sold. This year the Bars & Kiosk income increased on the previous year by 66%.

## Venue Hire & Pavilion Kiosk Rentals

The venues have been hired on 181 days with 27 commercial hires, 44 non-commercial hires and 110 charity hires. This provided an income of £169K which is a 117% increase on the previous year. It was particularly thrilling to have Sam Mendes film a scene for the Oscar nominated film, *Empire of Light*, with Olivia Coleman in the Pavilion Atrium (our venue featured in a behind the scenes picture during the Oscars broadcast).

## Retail

In 2022/23 we set up the online sales system for our Museum Shop and we hope to promote this new income stream more with our new website planned to be launched in early 2024/25

## Audience Engagement

WTM continued to serve its community with a varied cultural offer during 2022/23.

Findings from the Spring 2023 wave of the Cultural Participation Monitor (CPM) indicate arts and culture audiences' slow return post-pandemic is stalling because of cost-of-living concerns. However, nationally panto sales returned to pre-pandemic levels. WTM sold 30K panto tickets in 2022/23, an increase of 7% on 2021/22.

It is worth noting that the CPM research findings from the same period indicate higher levels of late booking, a major shift in booking patterns which WTM also experienced.

During 2022/23 35.5K people bought 225,200 tickets for events at WTM. The majority of tickets were sold to households within 3.5km of Worthing town centre, and increase in catchment of 0.6km from the previous year. There was a 66% increase in visitors to the museum which continues to offer free entrance.

WTM engaged a relatively diverse audience (age, ethnicity, ability, cultural and economic background) from Worthing, the borough and from the South East during 2022/23. WTM over-performed in attracting attendees from the middle-engaged segments of Audience Spectrum. There is room for growth in developing audiences across the lower engaged segments, as well as two of the most engaged segments; Commuterland Culturebuffs and Experience Seekers.

WTM's social media following increased by 6% during 2022/23 and its website received 4,554,395 page views, up by 86% on 2021/22<sup>1</sup>. Email subscribers increased by over 4K during the same period.

WTM was covered widely in the local press, mentioned in the nationals as part of previews for touring shows and Flavia Cacace Mistry and Jimi Mistry made a guest appearance on *Loose Women* to talk about their *Our Life at the Barn* talk.

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<sup>1</sup> Please note that Google Analytics Universal, which provides this statistic, is being sunsetted on 1st July 2023 and replaced by Google Analytics 4, a very different platform providing more nuanced analytics.

## Our Teams

In 2022/23 we prioritised recruitment to build the teams back to full strength, making sure we have the best talent to deliver WTM's Vision, Mission and Values for our community. After investing in a multi-purpose conversion of the Assembly Hall cloakroom, WTM now has offices in each of our venues. We began our journey to review and improve our people policies and benefits, making sure that we have as inclusive a workplace as possible. This work will continue in 2023/24. As part of this WTM's leadership team began AMA's Breakthrough Training in January 2023, the training 'brings leadership teams together to transform their organisations, with a whole-team approach to inclusivity.' Completed over a 12-month period this programme will help WTM to breakthrough barriers, to change and develop and action plans, to improve inclusivity across the organisation in alignment with our vision, mission and values and it will inform elements of our business plan.

We invested £11K in staff training and development in 2022/23 as we have previously prioritised statutory and health and safety, but we have also been able to invest in the Breakthrough training, Insights Discovery Training and coaching for our management teams as well as Mental Health & Wellbeing in the Workplace training for our line managers.

WTM has expanded our volunteer offering to include different roles across the organisation and re-launched the 100% Project in late March. The 100% Project gives a unique opportunity for people to access work experience giving them a taste of different areas of the charity. We also joined Good Spaces (<https://goodspace.org.uk/>) as a partner in their work to assess and improve the positive impact that volunteering has on the mental health and experience of volunteers across Sussex in the arts, heritage and sports sectors.

The Executive Management Team seeks to involve all employees, as well as casual staff and volunteers, in the work of the charity and are actively building on our employee engagement practices, developing ways for staff to have their say, including developing a staff forum which was requested by staff, regular issuing of newsletters and holding regular meetings and training sessions. Following our successful Wellbeing survey, we will continue sending these out and acting on staff feedback. We have developed our induction process adding in Exec and new staff meeting sessions as well as an HR induction.

WTM remains a Disability Confident employer and are working towards level 2. We continue to use a blind recruitment process utilising our HR System and recruitment portal and have also developed the use for work experience and volunteering applications and record storage. Our Customer Experience team are successfully using the rota module and we will look to the rest of our operational teams also using the platform to streamline our rota process and staff communications. We regularly promote the use of Employee Assistance Programme and other staff benefits to ensure our staff are making the most of what we offer.

We have attended regular job and career fairs to promote WTM as an employer of choice and to make connections with the local community and potential employees and volunteers. Recently we have attended a DWP job fair and a careers fair at Northbrook College specifically for their Gateway students where the 100% Project was extremely well received.



## **Fundraising & Development**

Let the Light In, Worthing Museum's £7 million capital project was one of our primary focuses in 2022-23, with the delivery to be enabled with the close work and support of our partner, Worthing Borough Council. This ambitious redevelopment project, which will transform the Museum into an exciting and contemporary space of regional and national importance, will be delivered in phases, with funding to be accessed through targeted bids.

We were successful with Creative Futures, a campaign launched in September 2022 and raised £7,699, which supported both the Warm Spaces scheme and access. There was also a successful application to the South East Museum Development for £2,000. This has enabled us to commission the Audience Agency to work with us to review and develop an audience development plan, for both current and potential new audiences. The outcome of this work will help future audience engagement strategy across WTM and help us strengthen future bids and fundraising.

As a young charity incorporated not long before the covid pandemic outbreak, there have been few opportunities to gather data, evidence and consult since our formation. While there have been some unsuccessful bids which would have enabled different approaches to redevelopment, opportunities and organisational change, there has been learnings from the bids submitted. We are confident that by amending our approach and with more data, evidence and consultation built into future funding bids, we can utilise our learning to aid us in these increasingly competitive times.

## **Membership Scheme**

In January 2023, the Fundraising & Development Team began planning the revision of the current WTM membership scheme. We envisage replacing the current multi-tiered, overly complex membership scheme with a single tiered, easy-to-use scheme to increase income. In addition, a patron scheme will be introduced for supporters who wish to donate and engage at a higher level. The development for these schemes is ongoing and will be implemented in September 2023.

## **Individual Giving**

We are very grateful for the generous support we received from donors: online and in person donations of £24,256 and Gift Aid of £4,934. In addition, we received £7,699 of restricted donations from the Creative Futures Campaign as stated above. We also received £11,513 from our WTM Membership Scheme.

## **Trusts, Foundations and Other Funding**

In 2022/23 we also received the following funding:

- Holiday Activities and Food Programme for Christmas and Easter (£6,191)
- WBC/Worthing Town Centre Initiative for Spin Out 2022 (£6,160)
- South East Museum Development / Royal Pavilion & Museums Trust -
  - Organisational Health Check Grant (£2,000)
  - Collections Care Grant (£1000)
- Independent Cinema Office (£750)
- Warm Spaces (£500)

## **Sponsorship**

We secured £5,800 in sponsorship for our Pantomime, Jack and the Beanstalk from Group 1 Worthing MINI Headline Sponsors (£4,000) and The Cow Shed/Number 24 (£1,800).

We established and continue to cultivate relationships with Jones' Coffee Co.; Classic Collections; Jacob Steel; A Plan Insurance; Mangiamo; MAK; Casa Ciro; Lancing Trade Association; Lancing College Worthing Prep; Michael Jones; Robert Luff; Nationwide.

We have increased the core Fundraising Team to enable us to grow and secure funds in future years for this young charity. We are looking forward to benefitting from our full strength team post-covid.

## **Health & Safety**

At the beginning of the year, we still had COVID measures in place with fogging of the venues twice a week until May and then weekly until January 2023. We have retained the hospital standard air purifiers and continue to have them operational in the staff areas and activated when the public are in the buildings. Our Perspex screens stayed in place at points of sale until February.

LOLER inspections have been completed and a plan of works actioned.

The gantry in the Connaught main house has had remedial work completed by WBC.

The Head of Technical, Productions and Buildings and the Buildings Manager attended a three-day IOSH Health & Safety Course to keep their knowledge current.

## **Access and Inclusion**

*Access for All UK* completed the Access Audits for all the buildings, and we have begun to make changes. The Connaught Theatre now has a fully accessible dressing room and shower room with easy access to the stage for wheelchair performers. We have made the front doors to the Studio Theatre automatic to aid access. We are now developing a detailed action plan including a fundraising strategy.

We have increased the number of signed and relaxed performances, held our first captioned pantomime performance and given the staff deaf awareness training. The programme has focused on developing the diversity of events giving the lesser heard sections of our communities a voice and the opportunity to see themselves on stage or film.

## **Venue Improvements**

We have placed the order for new seating for the Pavilion which will be installed in July 2023 at a cost of £178K. This is long overdue, and we have had negative feedback in relation to the seats for some time, but it has taken time to raise the necessary money. This will allow us to move the relatively new 300 seats to the Assembly Hall which has seats that were purchased in the 1980's.

We made the Connaught Studio doors automatic which will reduce the heating bills and gives improved security for the building.

We returned the Pavilion main toilets back to separate Ladies and Gents in September 2022 when we no longer needed a one-way system. This has been welcomed by our audiences. We have made the foyer toilets gender neutral to make sure we are providing a suitable service to all our customers.

We worked with The Sand Project, giving a budget to a group of young people to redesign the number one dressing room at the Pavilion. This has been a great success and we hope to repeat the project in our other venues.

Digital poster frames were installed on the Pavilion Theatre this year removing the need for large paper posters and enabling us to showcase a range of shows and events. We plan to add further digital signs to our other buildings over the next three years.

## **Sustainability and environmental achievements**

WTM is committed to developing an environment action plan with sustainable initiatives that underpin our charitable work. To this end WTM and Worthing Borough Council are working together to become carbon neutral by 2030, one of the biggest projects being the Ground Source Heat Scheme. WTM have also supported Worthing Borough Council with the installation of solar panels on the Assembly Hall. We have replaced 80% of the existing general lighting with environmentally friendly LED bulbs and are determined to change more of the stage lighting to modern LED options when funding becomes available.

We now have a programme to monitor the use of heating and electricity which has enabled us to reduce the usage and make sure there is no unnecessary usage when the venues are dark.

Worthing Borough Council have started the process of replacing the windows in the Connaught which will decrease the amount of heat escaping from the building and mean that the heating in the Connaught can be decreased due to better insulating double glazed windows. this should be in place by autumn 2023.

We have installed digital poster screens on the external walls of the Pavilion which reduces the use of paper posters and allows us to scroll through multiple events at each location.

Our Customer Experience Team has introduced reusable plastic cups to help cut down our single use plastics across the venues.

# Financial Review

## Overview

2022/23 was always going to be our most challenging year from a financial perspective without the COVID-19 specific financial support we had received during the previous two years (mainly from the Government, Local Council and Arts Council) to get us through the pandemic and with audience confidence and habits still not fully recovered (particularly with Film). In addition, in line with other organisations UK wide, we faced the added challenges of the cost-of-living crisis, high inflation and soaring energy costs. Taking all this into consideration, our year end results are much better than we had expected.

Our original forecast for the year was for a trading deficit of £70K before any reserves movements. We finished the year with a smaller deficit of £37K so a £33K improvement. After reserve movements (which include moving our ticket levy income to our Restoration Levy Reserve) we finished with a deficit of £90K compared to an original forecast deficit of £159K - £69K better than expected. After moving £48K to a new reserve for a new website, the final deficit figure for the year was £138K.

As we move into 2023/24, we are confident that we can finally benefit from a full-strength team and use the momentum from the latter half of 2022/23 to move us forwards into a stronger financial position.

Thankfully, the reserves that we have built up in our first 3.5 years have allowed us to be resilient in the current challenging financial climate.

## Income and Expenditure

Our total unrestricted income for the year was £4,670K and our total unrestricted expenditure for the year was £4,707K (excluding LGPS in service costs and interest). After transferring £89K from specific designated funds, we ended up with an operating surplus of £52K. Moving the ticket levy income we received of £142K to the Restoration Levy Reserve and £48K to a new reserve for a new website, leads to a deficit of £138K which will be covered by the unrestricted free reserves brought forward from 2021/22 (£263K).

The Council service fee made up a lesser proportion of our operating income (31.4% compared to 38.7% in 2021/22) as audience confidence levels continued to return following the pandemic.

Despite the challenges of recruitment with skills shortages we managed to fill all job vacancies, finishing the year with a full complement of staff for the first time since March 2020. 2023/24 will be the first year since WTM spun off from Worthing Borough Council that we will benefit from a full complement of staff for the whole year.

## Restricted Funds

Restricted funds received and spent are not included in the above figures.

Restricted funding received included West Sussex County Council (WSSCC) funding for the Holiday Activities & Food Programme (HAF) at Christmas (£3.3K) and Easter (£2.9K). We received funding (£5K) towards the SpinOut programme from Worthing Borough Council (WBC) who also contributed £500 towards the Warm Spaces initiative. Our Creative Futures campaign generated £7.7K in restricted donations. We received grants for the Museum from the South East Museum Development Service (£3K). We received a further £750 from the Independent Cinema Office towards the London Film Festival. Finally, we continued to qualify for the Google Ads Grants programme (free Google ads for non-profit organisations) allowing us to benefit from £38K worth of free Google ads.

All the restricted fund opening balances and majority of amounts received throughout the 2022/23 year were spent during the 2022/23 year with £9.6K of funds carried over and expected to be spent in 2023/24.

## Cashflow

We continue to benefit from a healthy cashflow with £2.6million in the bank as at 31st March 2023. It is worth noting that significant amounts of this balance are made up of the advanced payment of our Council Service Fee (£719K for 6 months) and a healthy advanced ticket and customer account/unredeemed gift voucher balance (£507K). We paid back the CBILS (Coronavirus Business Interruption Loan Scheme) loan on 17th August 2022 (Balance was £238K as at 31st March 2022) as we could no longer justify the interest payments. (It was taken out as a precautionary measure to safeguard against further losses due to the pandemic).

## Government and Local Authority

The COVID-19 linked funding provided by the Government, Local Authority and Arts Council England (ACE) did not continue beyond 2021/22 but we still benefited from the following support from Worthing Borough Council in 2022/23:

- **Council Service Fee** - our contracted service fee from the council to deliver the services required under the SLA agreement between WTM and WBC.
- **Business Rates Charitable Relief** - As a charity, we automatically benefit from an 80% reduction of our Business Rates:
- **Discretionary Rates Relief** - we also qualified for further discretionary relief with WBC for some of our buildings equating to the following, in addition to the standard **80%** charitable relief:
  - Assembly Hall, Pavilion Theatre, Connaught Theatre & Studio - **15%** (**95%** relief in total)
  - Museum and South Chapel Store - **20%** (**100%** relief in total)

## Local Government Pension Scheme (LGPS) net liability

WTM operates a defined benefit pension scheme for staff transferred from the Council under the Transfer of Undertaking (Protection of Employment) (TUPE) regulations. WTM is an Admission Body and Worthing Borough Council is the scheme employer.

As part of WTM's Agreement with Worthing Borough Council (WBC) our employer contribution rate is capped at 17.9% for the duration of the Agreement and WBC funds any surplus contributions. The Fund has confirmed that the employer rate for the 3-year period April 2023 - March 2026 is 17.5%. The Council pays any excess over 17.9% employer contributions. WTM has included future contributions at this agreed capped rate in our business plan and forecasts from April 2027 onwards.

The Council Members agreed at Committee in December 2022 to amend the current pass-through agreement and for WBC to assume the exit risk. They also agreed to provide a guarantee for the duration of the Management Agreement. We are in the final stages of the new agreement which will be reflected in our report for 2023/24.

### III Health Retirement Insurance

Pension strains due to ill health retirements and early retirements through redundancy will remain a cost to WTM as detailed in the Council Management Agreement. WTM took out insurance for ill health retirement in October 2022 and are continuing with this cover. Until the end of March 2023, the Fund included an element in the employer rate to cover ill health retirement. October 2022 - March 2023 the Fund reduced WTM's employer contribution by 1.55% which equated to the ill health retirement contribution, which made the insurance cost neutral. However, from April 2023 the Fund no longer includes an element of ill health retirement in the employer percentage and therefore the insurance cost must be funded from WTM's revenue budget.

### 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 £12,407 (2021/22: £7,475). Contributions totalling £6,104 (2021/22: £5,147) were payable to the fund at the balance sheet date and are included in creditors.

### Reserves

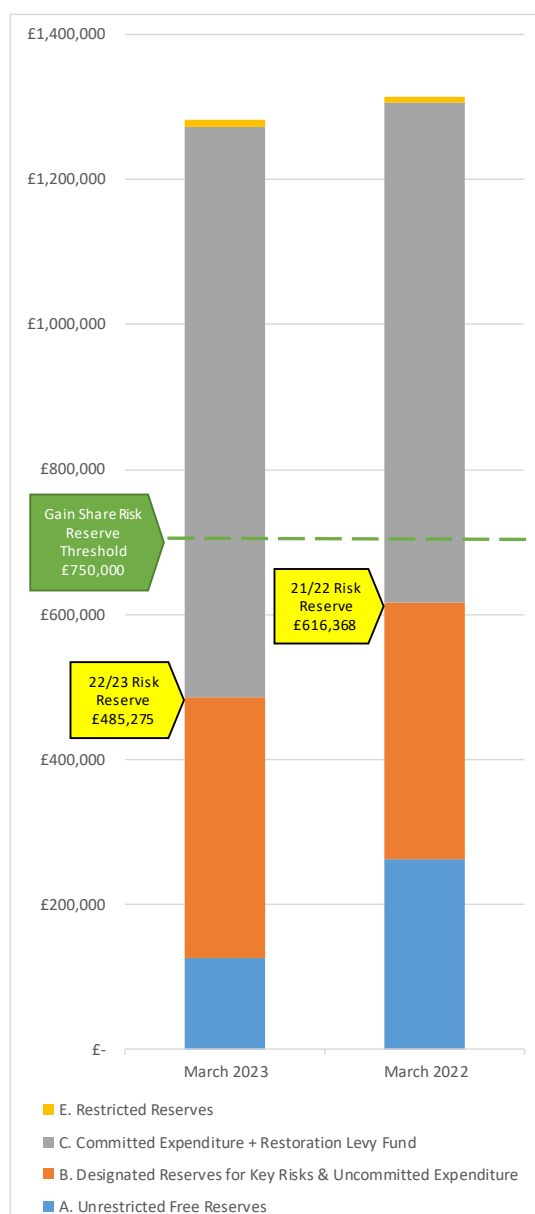
For the sake of clarity, we are grouping our designated reserves into two new categories:

- **Committed Expenditure Reserve** includes designated reserves that have been committed or earmarked for specific spend. We also include the Restoration Levy fund here as it is earmarked for the upkeep and improvement of our business-critical equipment and furniture. The major change from 2022/23 is the increase of our Restoration Levy fund by the amount received in 2022/23 (£142K).
- **Key Risks & Uncommitted Expenditure Reserve** includes designated funds for more general risks and unforeseen circumstances. The only significant changes to these reserves in 2022/23 are the reduction of the Buildings Access Reserve (to cover buildings access improvements to the Connaught Studio electronic doors, a new accessible dressing room at the Connaught Theatre, new digital signage at the Assembly Hall and Pavilion Atrium bars and the refurbishment of a dressing room at the Pavilion Theatre in partnership with The Sand Project), and the introduction of a new reserve for a new website which we hope to complete by early 2024/24.

Our Unrestricted Free Reserves have been reduced to £125K at 31st March 2023 (by the 2022/23 deficit of £90K and £48K for a new website from £263K at 31st March 2022).

## WTM Accumulative Reserves Analysis

	31st March 2023	31st March 2022
<b>Unrestricted Free Reserves</b> <b>A</b>	<b>£ 125,064</b>	<b>£ 262,568</b>
<b>Designated Reserves for Key Risks &amp; Uncommitted Expenditure</b>		
Ticket Income Reserve	£ 115,000	£ 115,000
New Equipment	£ 74,800	£ 74,800
Maintenance	£ 50,000	£ 50,000
Insurance Claim Shortfall	£ 12,000	£ 12,000
HR Reserve	£ 12,000	£ 12,000
Pension Strain	£ 20,000	£ 20,000
Buildings Access Improvements	£ 28,413	£ 70,000
Essential Website Development & Data Cleansing	£ 48,000	£ -
<b>Sub-Total Designated Reserves for Key Risks &amp; Uncommitted Expenditure</b> <b>B</b>	<b>£ 360,213</b>	<b>£ 353,800</b>
<b>Sub-Total Risk Reserve (for Gain Share)</b> <b>A+B</b>	<b>£ 485,277</b>	<b>£ 616,368</b>
<b>Committed Expenditure + Restoration Levy Fund</b>		
Restoration Levy Fund	£ 344,641	£ 202,971
Reserve for Future Depreciation of Fixed Assets	£ 251,156	£ 267,089
Theatre Auditorium Seats	£ 177,714	£ 166,000
Museum Cases	£ 10,947	£ 13,200
Museum Lighting	£ 4,000	£ 4,000
Spin Out 2022	£ -	£ 22,710
We Are Here 2022	£ -	£ 13,450
Ringfenced Staff Costs	£ -	£ 785
<b>Sub-Total Committed Expenditure + Restoration Levy Reserves</b> <b>C</b>	<b>£ 788,458</b>	<b>£ 690,205</b>
<b>TOTAL Designated Reserves</b> <b>D (B+C)</b>	<b>£ 1,148,671</b>	<b>£ 1,044,005</b>
<b>Restricted Reserves</b>		
Royal Pavilion & Museums Trust	£ 2,412	£ 412
BFI Grants	£ -	£ 4,596
Kickstart Grant	£ -	£ 2,826
Creative Futures	£ 4,809	£ -
Holidays, Activities & Food programme (HAF)	£ 2,349	£ -
Restricted Museum Donations	£ 100	£ -
<b>TOTAL Restricted Reserves</b> <b>E</b>	<b>£ 9,670</b>	<b>£ 7,834</b>
<b>TOTAL Funds (before any LGPS Liability)</b> <b>F (A+D+E)</b>	<b>£ 1,283,405</b>	<b>£ 1,314,407</b>



The Reserve for the Future Depreciation of Fixed Assets of £251K will be used over 7 to 10 years, in line with the expected life span of the various fixed assets being depreciated.

The Restoration Levy Fund (£346K) is the total of all ticket levies received and is earmarked for business-critical equipment and furniture in the long-term future.

The Theatre Auditorium Seats Reserve (£178K) is for new seating for the Pavilion Theatre. We committed to these seats in March 2023 and expect them to be delivered and fitted in July 2023.

We have two small reserves for Museum Display Cases (£13K) and Lighting (£4K). We are awaiting the outcome of the major refurbishment of the Museum (Let the Light in Project) before we commit this expenditure.

The other designated reserves totalling £360K are not earmarked for immediate use, but we feel it is prudent to build these up to cover the eventual inevitable replacement of furniture & equipment and unforeseen circumstances. They include the Ticket Income Reserve (£115K) which is to offset significant failure of ticket income, the financial impact of cancellation of productions or increased costs. Combining these with our accumulated free reserves of £125K leads to a total of £486K, which is a significant amount towards our uncommitted reserves target of £750K but still leaves a remaining target of £264K for us to aim to build up at every opportunity in the coming years. We will also be reviewing the £750K target to take into account inflation and other increases in running costs.

### **Gain Share Agreement**

We have a gain share agreement with Worthing Borough Council (WBC) whereby our annual service fee is reduced in the next service fee instalment payment by their share of any trading surplus (as defined in the agreement with WBC dated 19th September 2019). The basis of calculation of the values of the attributed value of the gain share is set out in schedule 18 of the agreement. All gains are retained by WTM until a “Risk Reserve” of £750K has been built up. Risk Reserves are made up of unrestricted free reserves together with reserves for Designated Key Risks & Uncommitted Expenditure.

### **Going Concern**

The Trustees have considered the continued impact of the economic crisis on the current pressures of inflation both in terms of audience confidence, disposable income, and the impact on operating costs for WTM 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 continued healthy long term cashflow forecast and the ongoing support of Worthing Borough Council are both 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, by further streamlining operations, seeking best value to minimise expenditure, and reinforcing reserves at every opportunity.

In light of the recent significant increases in running costs (due to inflation, energy costs and cost of living increases) we will be reviewing the level of reserves we aim to have to ensure financial stability.



## **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:

### **Audience Levels and Cost of Living Crisis**

Although we are seeing a return in audience confidence following the pandemic, the current cost of living crisis presents a major risk of reduced audience numbers. There have also been on-going shifts in audience behavioural patterns especially with regards to cinema audiences where streaming services such as Netflix have impacted the demand for cinema.

### **Reputation**

The ever increasing use of social media exposes organisations, including arts and theatres to significant risks of damage to reputations. Mitigation needs to be constantly reviewed, with clear key processes in place to ensure we are in control of our participation in social media platforms.

### **Reduction of Council Service Payment**

WTM currently has a five-year five-month financial agreement with WBC (Nov 2019 - March 2025). The Charity is submitting a Business Plan to cover the next five-year financial period (April 2025 - March 2030) along with its five-year service payment request. A key risk is a non-inflationary increase or reduction in the Council Service Payment from our key stakeholder.

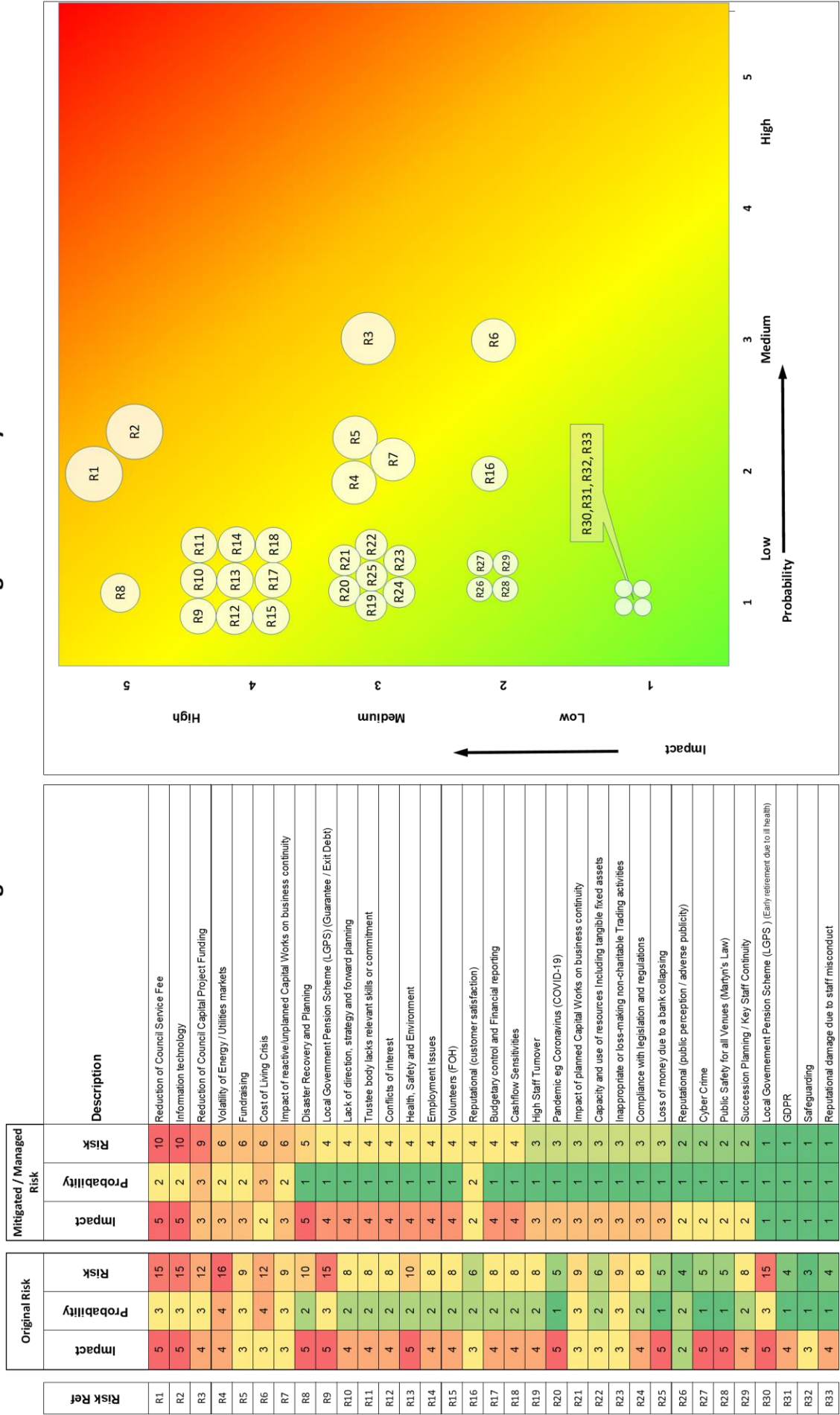
### **Information Technology**

Although WTM has a robust IT infrastructure, largely provided through the SLA with WBC, we need to ensure we are constantly reviewing this risk and updating our disaster recovery procedures and online security.

### **Reduction of Council Capital Funding**

Although WTM has confirmed existing projects in the Council's capital programme, there is a risk if further requested Council funding for key capital projects are not approved.

## Worthing Theatres & Museum Risk Register Summary



## **Structure, Governance and Management**

### **Constitution**

Worthing Theatres & Museum became a Charitable Incorporated Organisation (CIO) (CE018745) on 5th September 2019 and started trading from 1st November 2019, taking over the management and development of Worthing Borough Council's cultural assets.

### **Board of Trustees and Executive Management Team**

The Executive Management team are guided and supported by an experienced Board of Trustees who are experts in theatre, museums, business, finance, hospitality, regeneration, legal, HR, PR / marketing and equality and diversity. In 2022/23 two Trustees resigned, two new Trustees were appointed in May 2023 and one new Trustee was appointed in June 2023. One Trustee resigned in June 2023.

At the start of 2022/23 the Trustees began work on diversifying our governance in terms of age, culture, and disability, actively seeking Trustees from more diverse cultural and socio-economic backgrounds. Towards the end of the year the Trustees prioritised working on the skills of the Board in order to increase Board engagement and effectiveness for this young charity, carrying out a recruitment drive to strengthen the Board. In May 2023 the Trustees unanimously approved a resolution to change the maximum number of Trustees from 12 to 16 in order to further increase Board engagement and to provide flexibility to cover any short-term absence.

In 2023/24 the Board will work on recruiting a local youth board member who is between 18 and 30 years old.

### **Organisational Structure and Decision Making**

The Executive Team reports to the Board of Trustees five times a year including full financial reporting, overview of programming and projects and the risk register. Senior Managers provide presentations as and when required. The Executive Team works with the Board of Trustees to establish key performance indicators for all aspects of the charity's activities which are monitored and reviewed regularly throughout the year. Progress and actions taken are communicated at each Board meeting through written and verbal reports and through formal reporting to Worthing Borough Council. There is also an annual away-day attended by Trustees, Executive Team, and Senior Management Team. Each year we publish an Annual Report that contains key information about the charity's performance.

The Board met 5 times in 2022/23 and the annual Away Day took place in May.

The Trustees have delegated some of their powers and functions to committees and have determined the terms and conditions on which the delegation is made.

### **Methods of Appointment of Trustees and Terms of Office**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the CIO constitution. The CIO must have at least three charity Trustees and the maximum number was twelve, but the Trustees passed a resolution in May 2023 to increase the maximum number to 16 in order to increase Board engagement and to cover short term absence. The process of recommending the appointment of Trustees to the Board is carried out by the Nominations Committee and the Board reviews and assesses the skills, knowledge and experience of the recommended candidates needed for the effective administration of the charity. The Board will do all

in its reasonable power to appoint and retain (for designated terms) Trustees of the highest calibre. Trustees are expected to attend a high percentage of Board and Committee meetings.

Every appointed Trustee is appointed for a term of three years, and they may offer themselves for re-election for a second and third three-year term. A Trustee who has served for three consecutive terms may not be reappointed for a fourth consecutive term but may be reappointed after an interval of at least one year.

## **Committees**

Committees have Terms of Reference. WTM has five committees, which report regularly to the Board. The Trustees create temporary Action Groups when required.

### **Finance and Audit Committee**

The Finance and Audit Committee is responsible for financial management, audit, internal control, and risk management. The Committee met six times in 2022/23.

### **Nominations Committee**

The Nominations Committee considers and makes representations to the Board on its composition and balance and identifies, reviews, and makes recommendations for potential appointments.

The Nominations Committee also has responsibility for recommending to the Board Director appointments for the Trading Subsidiary.

### **Remuneration Committee**

The Remuneration Committee determines and agrees with the Board the framework or broad policy for the remuneration of the Executive Team and the Senior Management Team working within the TUPE and WTM Pay and Reward Policy, which includes pay and grading posts using the Greater London Provincial Council (GLPC) Job Evaluation Scheme. The Committee may benchmark salaries against similar organisations. The Committee acting responsibly has the authority to appoint remuneration consultants and to purchase or commission any reports which it deems necessary within any budgetary restraints imposed by the Board.

### **Capital Projects Committee**

WTM aspires to complete a series of capital projects to enhance its cultural offering and to meet the Objects of the Constitution. The Capital Projects Committee has the responsibility of overseeing the development of the capital projects, subject to limitations which remain decisions for the Board, and where relevant in partnership with Worthing Borough Council. On the two larger scale Museum and Connaught redevelopment capital projects relating to the Council properties the Committee will form a partnership with WBC capital projects teams.

### **Fundraising Campaign Committee**

The Fundraising Campaign Committee is responsible for the ongoing fundraising strategy for revenue, special projects, events, and capital projects. As WTM had only operated as a charity for five months (following spin out from the Council) when the pandemic started, the organisation does not have much of a fundraising track record. Therefore, the Committee this year started to work with the wider Board

of Trustees to help maximise on opportunities to develop the fundraising strategy.

### **Policies Adopted for the Induction and Training of Trustees**

New Trustees undergo an induction to brief them on their legal obligations. They receive a copy of the Constitution and the CIO's latest Trustees' Annual Report and Statement of Accounts as well as background and Charity Commission guidance on public benefit, committee and decision-making processes, the business plan and information on recent financial performance.

### **Risk Management**

The charity has a formal risk management process through which the Executive Team and Senior Management Team identifies the major risks to which the organisation may be exposed. These risks are categorised and ranked by their 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.

### **Non-charitable Trading**

The Charity has a wholly owned trading subsidiary company which was activated during the 2021/22 financial year to carry out activities which do not directly further the CIO's charitable purposes, but which will raise funds for the CIO (including Bars/Kiosks/Venue Hire and Retail).

The Trading Subsidiary (Worthing Theatres & Museum (Trading) Limited) has its own Board of Directors comprising of Charity Board Trustees and separate independent Directors. The Trading Subsidiary accounts form part of the consolidated figures.

### **Our Team's Equality, Diversity and Inclusion**

WTM values diversity and promotes unity providing an environment where differences and what we have in common are celebrated. We are committed to developing our inclusivity to ensure all voices are heard and represented in our workforce. We believe that diversity makes us stronger and actively work to attract applicants from underrepresented groups. We hold ourselves accountable by being a Disability Confident Committed employer, and working to further develop our support for this aspect of the workforce. We will be developing Mental Health support and awareness for staff including: training, more mental health first aiders, a policy and the Mind Mental Health at Work Commitment.

### **Our Charity and Trading Subsidiary Boards**

WTM currently has 11 Trustees on the Charity Board, two of whom also serve on the Trading Subsidiary Board and one Director who is independent of the Charity.

**Strengths:** WTM is proud to have a board where 50% identify as female, a wide variety of socio-economic backgrounds and we are also pleased to see further diversity in ethnicity, disability and neurodiversity.

**Challenges:** There is representation amongst all age groups except for those under 30 and WTM plans to address this challenge in the future by recruiting a Youth Trustee to better represent the interests of younger people.

## **Our Staff**

WTM currently has (at May 2023), 122 staff, around 45% of which are casual.

Similar to the Board the staff team identifies as about 50% female, a fairly equal spread in age with a much stronger representation in the 18-30 bracket. We can also see developing representation amongst staff in regard to disability and neurodiversity.

## **Our Volunteers**

### **Developing diversity through Volunteering -**

Out of 60 volunteers WTM currently engages there were 41 respondents included in the data, WTM uses Volunteers in a variety of roles, some of which are regular and others on an ad hoc basis. The roles include: Customer Experience Volunteers both at the Theatres and Cinema and at the Museum, Distribution and Engagement Volunteers, Curatorial and Conservation Volunteers and from Summer 2023 we can proudly add our 100% Project participants to the list. We have a valued and loyal volunteer base that is primarily weighted towards those aged over 66 with a large percentage of these being women. We hope that the 100% Project will open a pathway for a more diverse range of volunteers to join WTM and reap the benefits of volunteering in the arts sector.

## 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 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 27 July 2023 and signed on their behalf by:

*scott marshall*  
.....

**Scott Marshall**

Acting Chair

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WORTHING THEATRES AND MUSEUM

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### Opinion

We have audited the financial statements of Worthing Theatres and Museum for the year ended 31<sup>st</sup> March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the charity balance sheet, the Consolidated Statement of Cash Flows 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 group's and of the parent charity's affairs as at 31<sup>st</sup> March 2023 and of the group's net movement in funds 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 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. 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 Auditor's 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 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 group'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 Trustees' Annual Report, the Chair's statement, and the Executive Team Report. 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 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent] charity; or
- sufficient accounting records have not been kept; or
- the parent charity 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 for the Financial Statements**

As explained more fully in the Trustees' responsibilities statement set out on page 25 the Trustees 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and consider other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to year end cut off and journal postings. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of Our Report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



**Richard Weaver (Senior Statutory Auditor)**

**for and on behalf of Haysmacintyre LLP, Statutory Auditor**

**10 Queen Street Place**

**London**

**EC4R 1AG**

2 August 2023

**Date:** .....

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**WORTHING THEATRES AND MUSEUM**  
**SUMMARY INCOME & EXPENDITURE REPORT**  
**NOT FORMING PART OF THE STATUTORY ACCOUNTS**  
**for the year ended 31st March 2023**

	<b>2023</b> £	<b>2022</b> £
<b>Income from:</b>		
Donations and legacies	87,749	734,337
Charitable activities	3,917,889	3,021,588
Other trading activities	696,733	588,460
Investments	26,172	1,940
<b>Total income</b>	<b>4,728,543</b>	<b>4,346,325</b>
<b>Less: expenditure on</b>		
Raising funds	847,520	1,163,155
Charitable activities	4,095,024	2,620,707
<b>Total expenditure</b>	<b>4,942,544</b>	<b>3,783,862</b>
Less:		
Other non-operating items	-	(211)
Movement on restricted funds	(1,836)	(1,819)
Arts Council funding to reflate reserves	-	131,181
Transfer to/(from) designated funds	(100,451)	416,473
<b>Operating surplus / (loss)</b>	<b>(111,716)</b>	<b>16,839</b>
<b>Adjustment for Local Government Pension Scheme (LGPS) valuation</b>		
Actuarial gains/(losses)	1,211,000	80,000
In year costs	(183,000)	(219,000)
<b>Total adjustment for Local Government Pension Scheme (LGPS) valuation</b>	<b>1,028,000</b>	<b>(139,000)</b>
Add back:		
Other non-operating items	-	(211)
Movement on restricted funds	(1,836)	(1,819)
Arts Council funding to reflate reserves	-	131,181
Transfer to/ (from) designated funds	(100,451)	416,473
<b>Net movement in funds</b>	<b>813,999</b>	<b>423,463</b>

WORTHING THEATRES AND MUSEUM

**GROUP STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating the Group Income and Expenditure Account and**  
**Statement of Total Recognised Gains and Losses)**  
**for the year ended 31<sup>st</sup> March 2023**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2023 £</b>	<b>Total 2022* £</b>
<b>Income from</b>					
Donations and grants	3	29,191	58,557	87,748	734,337
Charitable activities	4	3,917,889	-	3,917,889	3,021,588
Trading activities	5	696,733	-	696,733	588,460
Investments	6	26,172	-	26,172	1,940
<b>Total income</b>		<b>4,669,985</b>	<b>58,557</b>	<b>4,728,542</b>	<b>4,346,325</b>
<b>Expenditure on</b>					
Raising funds	7	847,520	-	847,520	1,164,872
Charitable activities	8	4,038,303	56,721	4,095,024	2,837,990
<b>Total expenditure</b>		<b>4,885,823</b>	<b>56,721</b>	<b>4,942,544</b>	<b>4,002,862</b>
<b>Net income</b>		<b>(215,838)</b>	<b>1,836</b>	<b>(214,002)</b>	<b>343,463</b>
Transfers between funds		-	-	-	-
Actuarial (losses)/gains on defined benefit pension schemes		1,028,000	-	1,028,000	80,000
<b>Net movement in funds</b>		<b>812,162</b>	<b>1,836</b>	<b>813,999</b>	<b>423,463</b>
<b>TOTAL FUNDS AT 1 APRIL 2022</b>	20	<b>461,573</b>	<b>7,834</b>	<b>469,407</b>	<b>45,944</b>
<b>TOTAL FUNDS AT 31 MARCH 2023</b>	20	<b>1,273,735</b>	<b>9,670</b>	<b>1,283,406</b>	<b>469,407</b>

The group statement of financial activities has been prepared on the basis that all operations are continuing operations.

\*A breakdown of these comparative figures is shown on page 61.

The notes on pages 39 to 59 form part of these financial statements.

WORTHING THEATRES AND MUSEUM

*Charity Registered Number 1185189*  
**GROUP BALANCE SHEET**  
**at 31st March 2023**

	<b>Note</b>	<b>2023</b> £	<b>2022</b> £
<b>FIXED ASSETS</b>			
Tangible assets	14	251,155	267,089
<b>CURRENT ASSETS</b>			
Stock	15	37,512	36,217
Debtors	16	232,578	174,298
Cash at bank and in hand		2,638,868	3,201,741
		<hr/>	<hr/>
		2,908,958	3,412,256
CREDITORS: Amounts falling due within one year	17	(1,876,707)	(2,177,438)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		1,032,251	1,234,818
CREDITORS: Amounts falling after more than one year	18	-	(187,500)
		<hr/>	<hr/>
<b>NET ASSETS excluding pension liability</b>	19	1,283,406	1,314,407
Defined benefit pension scheme liability		-	(845,000)
		<hr/>	<hr/>
		1,283,406	469,407
		<hr/>	<hr/>
<b>ACCUMULATED FUNDS</b>			
<b>Restricted funds</b>	19	9,670	7,834
<b>Unrestricted funds</b>			
General funds	19	125,065	262,568
Designated funds	19	1,148,670	1,044,005
Pension reserve		-	(845,000)
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		1,283,406	469,407
		<hr/>	<hr/>

The financial statements were approved by the board of Trustees on 27 July 2023  
and signed on its behalf by

*scott marshall*

..... **Scott Marshall (Acting Chair)**

WORTHING THEATRES AND MUSEUM

*Charity Registered Number 1185189*  
**CHARITY BALANCE SHEET**  
**at 31<sup>st</sup> March 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	14	251,155	267,089
<b>CURRENT ASSETS</b>			
Stock	15	-	-
Debtors	16	217,258	247,887
Cash at bank and in hand		2,581,458	3,050,244
		<hr/>	<hr/>
		2,798,716	3,298,131
CREDITORS: Amounts falling due within one year	17	(1,766,465)	(2,063,312)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		1,032,251	1,234,819
CREDITORS: Amounts falling after more than one year	18	-	(187,500)
		<hr/>	<hr/>
<b>NET ASSETS excluding pension liability</b>		1,283,406	1,314,408
Defined benefit pension scheme liability		-	(845,000)
		<hr/>	<hr/>
		1,283,406	469,408
		<hr/>	<hr/>
<b>ACCUMULATED FUNDS</b>			
<b>Restricted funds</b>	19	9,670	7,834
<b>Unrestricted funds</b>			
General funds	19	125,065	262,569
Designated funds	19	1,148,670	1,044,005
Pension reserve			(845,000)
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		1,283,406	469,408
		<hr/>	<hr/>

The financial statements were approved by the board of Trustees on 27 July 2023 and signed on its behalf by:

*scott marshall*  
 ..... **Scott Marshall (Acting Chair)**

# WORTHING THEATRES AND MUSEUM

The notes on pages 39 to 59 form part of these financial statements.

## GROUP STATEMENT OF CASH FLOWS for the year ended 31<sup>st</sup> March 2023

	Note	2023 £	2022 £
<b>Net cash provided by/ (used in) operating activities</b>	A	(525,512)	482,429
<b>Cash flows from investing activities:</b>			
Interest from investments		(26,172)	(1,940)
Purchase of tangible fixed assets		(23,149)	(100,090)
		11,960	
<b>Net cash provided by/ (used in) investing activities</b>		(37,361)	(102,030)
<b>New borrowings</b>		-	-
Change in cash and cash equivalents in the reporting period		(562,873)	380,399
Cash and cash equivalents at the beginning of the year		3,201,741	2,821,342
<b>Cash and cash equivalents</b>		2,638,868	3,201,741

### ***A: Reconciliation of net movement in funds to net cash flow from operating activities***

	2023 £	2022 £
Net income / (expenditure)	813,999	423,463
Depreciation charges	27,123	24,109
Interest from investments	26,172	1,940
Increase in Stock	(1,295)	(19,059)
(Increase) / Decrease in debtors	(58,280)	16,945
Decrease in creditors	(488,231)	(103,969)
(Decrease) / Increase in LGPS liability	(845,000)	139,000
<b>Net cash used in operating activities</b>	(525,512)	482,429

### **B. Analysis of changes in net debt**

	At 31 March 2022 £	Cash flows £	At 31 March 2023 £
Cash	3,201,741	(562,873)	2,638,868

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> March 2023**

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**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.

**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<sup>st</sup> 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<sup>st</sup> 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.

**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



**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31<sup>st</sup> March 2023**

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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.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31<sup>st</sup> March 2023**

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Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> March 2023**

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deposit or similar account.

**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.

## **2.15 Critical accounting estimates and areas of judgement**

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.

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2023

3. INCOME FROM DONATIONS AND GRANTS

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Donations	29,192	-	29,192	25,104	-	25,104
Grant Income	-	58,557	58,557	131,081	262,234	393,315
Government Grants	-	-	-	315,918	-	315,918
	<u>29,192</u>	<u>58,557</u>	<u>87,749</u>	<u>472,103</u>	<u>262,364</u>	<u>734,337</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2023 £	2022 £
Theatres <sup>2</sup>	2,427,259	1,525,874
Museum <sup>3</sup>	24,340	17,814
Service Fee	1,466,290	1,477,900
	<u>3,917,889</u>	<u>3,021,588</u>

*All income from charitable activities in 2023 and 2022 was unrestricted.*

5. TRADING INCOME

	2023 £	2022 £
Venue Hire and Rental	186,338	154,471
Retail	29,097	15,870
Bars and Catering	474,716	283,511
Other	6,582	134,608
	<u>696,733</u>	<u>588,460</u>

*All trading income in 2023 and 2022 was unrestricted.*

<sup>2</sup> Please note that in previous Financial Statements "Theatres" was split between Live Events and Film

<sup>3</sup> Please note that in previous Financial Statements "Museum" was split between Museum and Education

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31<sup>st</sup> March 2023

6. INVESTMENT INCOME

	2023 £	2022 £
Interest receivable	26,172	1,940
	<u>26,172</u>	<u>1,940</u>

*All investment income in 2023 and 2022 was unrestricted.*

7. EXPENDITURE ON RAISING FUNDS

	Fundraising Costs £	Other Expenditure on Raising funds £	2023 £	2022 £
Direct costs	1,818	184,051	185,869	127,582
Staff costs	65,938	230,106	296,044	165,086
LGPS Pension Finance costs	6,264	13,740	20,004	1,717
Support costs	15,360	330,243	345,603	870,487
	<u>89,380</u>	<u>758,140</u>	<u>847,520</u>	<u>1,164,872</u>

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Support costs £	2023 £	2022 £
Theatres <sup>4</sup>	2,621,830	844,808	3,466,638	2,424,113
Museum <sup>5</sup>	282,783	345,603	628,386	413,877
	<u>2,904,613</u>	<u>1,190,411</u>	<u>4,095,024</u>	<u>2,837,990</u>
		<i>Direct costs £</i>	<i>Support costs £</i>	<i>2022 £</i>
<i>Theatres</i>		<i>1,205,431</i>	<i>1,218,682</i>	<i>2,424,113</i>
<i>Museum</i>		<i>212,290</i>	<i>201,587</i>	<i>413,877</i>
		<u><i>1,417,721</i></u>	<u><i>1,420,269</i></u>	<u><i>2,837,990</i></u>

<sup>4</sup> Please note that in previous Financial Statements "Theatres" was split between Live Events and Film

<sup>5</sup> Please note that in previous Financial Statements "Museum" was split between Museum and Education

**WORTHING THEATRES AND MUSEUM**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31<sup>st</sup> March 2023**

**9. ANALYSIS OF DIRECT COSTS**

	Theatres <sup>6</sup>	Museum <sup>7</sup>	2023	2022
	£	£	£	£
LGPS Pension Finance costs	54,967	20,898	75,865	50,359
Staff costs	842,914	168,515	1,011,429	393,709
Equipment	34,260	2,324	36,584	2,080
Insurance	32,780	22,336	55,116	17,778
IT	4,981	-	4,981	1,977
Premises costs	226,919	51,747	278,666	722
Professional fees	-	-	-	20
Marketing	-	-	-	-
Other	57,508	11,348	68,856	63,465
Rates	-	-	-	3,850
Repairs and Maintenance	99,540	4,394	103,934	6,895
Artist fees	1,062,334	-	1,062,334	761,706
Production costs	12,580	1,221	13,801	26,083
Film Rental	193,047	-	193,047	89,077
	<u>2,621,830</u>	<u>282,783</u>	<u>2,904,613</u>	<u>1,417,721</u>
	Theatres <sup>5</sup>	Museum <sup>6</sup>	2022	
	£	£	£	
LGPS Pension Finance costs	25,796	24,563	50,359	
Staff costs	252,244	141,465	393,709	
Equipment	-	2,080	2,080	
Insurance	-	17,778	17,778	
IT	-	1,977	1,977	
Premises costs	-	722	722	
Professional fees	-	20	20	
Marketing	-	-	-	
Other	50,525	12,940	63,465	
Rates	-	3,850	3,850	
Repairs and Maintenance	-	6,895	6,895	
Artist fees	761,706	-	761,706	
Production costs	26,083	-	26,083	
Film Rental	89,077	-	89,077	
	<u>1,205,431</u>	<u>212,290</u>	<u>1,417,721</u>	

<sup>6</sup> Please note that in previous Financial Statements "Theatres" was split between Live Events and Film

<sup>7</sup> Please note that in previous Financial Statements "Museum" was split between Museum and Education

**WORTHING THEATRES AND MUSEUM**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31<sup>st</sup> March 2023

**10. ANALYSIS OF SUPPORT COSTS**

	<b>2023</b>	<b>2022</b>
Support costs consist of the following:	£	£
Bank charges	45,628	30,755
Equipment	15,651	58,394
Insurance	51,196	329
IT	113,270	142,069
Premises costs	8,393	185,662
Professional fees	71,587	71,626
Marketing	210,575	154,093
Other	127,755	261,045
Printing, Postage and Stationery	4,928	4,643
Rates	-	11,153
Repairs and Maintenance	4,521	79,285
Training	18,295	20,969
Travel	1,786	3,084
Other Staff costs	7,770	7,394
Governance costs	33,150	27,492
Depreciation	27,124	24,109
Wages	794,385	1,208,654
	<u>1,536,014</u>	<u>2,290,756</u>

**11. NET MOVEMENT IN FUNDS**

	<b>2023</b>	<b>2022</b>
This is stated after charging:	£	£
Auditors' remuneration: audit	25,000	21,500
Auditors' remuneration: non-audit fees	8,150	4,250
Depreciation of owned fixed assets	27,124	24,109
	<u>          </u>	<u>          </u>



**WORTHING THEATRES AND MUSEUM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> March 2023**

**12. STAFF COSTS**

	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	1,754,834	1,387,105
Social security costs	140,538	92,394
Other pension costs	206,486	340,026
	<u>2,101,858</u>	<u>1,819,525</u>

	<b>2023</b>	<b>2022</b>
	Number	Number
The average monthly number of employees (headcount) during the period was as follows:		
Senior Managers	8	6
Other Staff	54	45
Casual Staff	61	28
	<u>123</u>	<u>79</u>

No remuneration was paid during the period to any member of the Board of Trustees (2022: £Nil).

One Trustee was reimbursed travel expenses totalling £32.40 during the year (2022: £66.60).

One employee received remuneration in the band £60,000 - £69,999 during the year (2022: 1)

One employee received remuneration in the band £80,000 - £89,999 during the year (2022: 0)

Included in the above is expenditure on redundancy and termination payments of £- (2022: £4,444)

	2023	2022
	£	£
Total remuneration of key management personnel	<u>494,988</u>	<u>427,833</u>

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31<sup>st</sup> March 2023

13. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

Subsidiary name	Worthing Theatres & Museum (Trading) Limited
Company registration number	12296105
Basis of control	Ordinary shares
Equity shareholding %	100%

	2023 £	2022 £
Turnover	697,190	391,698
Expenditure	(697,190)	(391,699)
	<u>-</u>	<u>1</u>
Profit on ordinary activities after taxation	<u>-</u>	<u>1</u>
 Total assets as at 31 <sup>st</sup> March 2023	 -	 213,431
 Total liabilities as at 31 <sup>st</sup> March 2023	 -	 (213,432)
 Capital and reserves	 <u>-</u>	 <u>1</u>

**WORTHING THEATRES AND MUSEUM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31<sup>st</sup> March 2023

**14. TANGIBLE FIXED ASSETS**  
*Group and Charity*

	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost:</b>		
At 1 April 2022	291,605	291,605
Additions	23,149	23,149
Disposals	(11,960)	(11,960)
	<hr/>	<hr/>
At 31 March 2023	302,794	302,794
	<hr/>	<hr/>
<b>Depreciation:</b>		
At 1 April 2022	24,516	24,516
Provided during the year	27,123	27,123
	<hr/>	<hr/>
At 31 March 2023	51,639	51,639
	<hr/>	<hr/>
<b>Net book value:</b>	251,155	251,155
At 31 March 2023	<hr/>	<hr/>
At 1 April 2022	267,089	267,089
	<hr/>	<hr/>

**15. Stock**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	£	£	£	£
Catering Stock	37,512	36,217	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	37,512	36,217	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31<sup>st</sup> March 2023

16. DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade Debtors	31,117	18,292	14,978	-
Other Debtors	14,442	40,402	9,300	37,423
Prepayments	140,489	38,362	140,489	38,362
Accrued Income	46,530	77,242	37,128	72,796
Intercompany	-	-	15,363	99,306
	<u>232,578</u>	<u>174,298</u>	<u>217,258</u>	<u>247,887</u>

17. CREDITORS: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade Creditors	128,334	329,014	69,355	281,129
Loan 1yr	-	50,000	-	50,000
Other tax and social security	122,523	96,829	105,274	80,281
Other Creditors	100,071	153,602	99,696	119,159
Accruals	286,689	211,629	264,830	211,629
Deferred income	1,239,090	1,336,364	1,227,310	1,321,114
	<u>1,876,707</u>	<u>2,177,438</u>	<u>1,766,465</u>	<u>2,063,312</u>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	£	£	£	£
Deferred income at 1 April 2022	1,336,364	1,319,211	1,321,114	1,319,211
Resources deferred during the year	1,232,000	1,336,364	1,220,220	(1,336,364)
Amounts released from previous periods	(1,329,274)	(1,319,211)	(1,314,024)	1,319,211
	<u>1,239,090</u>	<u>1,336,364</u>	<u>1,227,310</u>	<u>1,321,114</u>

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<sup>st</sup> March 2023 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<sup>st</sup> March 2023

18. CREDITORS: amounts falling due after one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
CBILS Loan	-	187,500	-	187,500
Included within the above are amounts falling due as follows:				
Between one and two years	-	50,000	-	50,000
Between two and five years	-	137,500	-	137,500
Between two and five years	-	-	-	-
	-	187,500	-	187,500

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 £	Designated funds 2023 £	Pension funds 2,023 £	Restricted fund 2023 £	Total 2023 £
<b>Group</b>					
Fixed assets	-	251,155	-	-	251,155
Current assets	2,001,773	897,515	-	9,670	2,908,958
Current liabilities	(1,876,707)	-	-	-	(1,876,707)
Non-current liabilities	-	-	-	-	-
Pension liability	-	-	-	-	-
	<u>125,066</u>	<u>1,148,670</u>	<u>-</u>	<u>9,670</u>	<u>1,283,406</u>
<b>Charity</b>					
Fixed assets	-	251,155	-	-	251,155
Current assets	1,891,531	897,515	-	9,670	2,798,716
Current liabilities	(1,766,465)	-	-	-	(1,766,465)
Non-current liabilities	-	-	-	-	-
Pension liability	-	-	-	-	-
	<u>125,066</u>	<u>1,148,670</u>	<u>-</u>	<u>9,670</u>	<u>1,283,406</u>
	<b>Unrestricted funds 2022 £</b>	<b>Designated funds 2022 £</b>	<b>Pension funds 2,022 £</b>	<b>Restricted fund 2022 £</b>	<b>Total 2022 £</b>
<b>Charity</b>					
Fixed assets	-	267,089	-	-	267,089
Current assets	2,513,381	776,916	-	7,834	3,298,131
Current liabilities	(2,063,312)	-	-	-	(2,063,312)
Non-current liabilities	(187,500)	-	-	-	(187,500)
Pension liability	-	-	(845,000)	-	(845,000)
	<u>262,569</u>	<u>1,044,005</u>	<u>(845,000)</u>	<u>7,834</u>	<u>469,408</u>

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2023

20. STATEMENT OF FUNDS

Group	At 1 April 2022 £	Income £	Expenditure £	Transfers, Gains and Losses £	At 31 March 2023 £
<b>Restricted funds</b>					
Restricted Museum Donations	-	100	-	-	100
British Film Institute Grants	4,596	-	(4,596)	-	-
Google Ads	-	37,839	(37,839)	-	-
Royal Pavilion and Museums Trust	412	3,000	(1,000)	-	2,412
Creative Futures Campaign	-	7,699	-	(2,890)	4,809
Holiday, Activities & Food programme	-	6,191	(3,842)	-	2,349
Warm Spaces	-	500	(3,390)	2,890	-
Access to Work	-	2,478	(2,478)	-	-
London Film Festival	-	750	(750)	-	-
Kickstart Grant	2,826	-	(2,826)	-	-
	<u>7,834</u>	<u>58,557</u>	<u>(56,721)</u>	<u>-</u>	<u>9,670</u>
<b>Designated Funds</b>					
<b><i>Reserves for Key Risks &amp; Uncommitted Expenditure</i></b>					
Ticket Income Reserve	115,000	-	-	-	115,000
New Equipment	74,800	-	-	-	74,800
Maintenance	50,000	-	-	-	50,000
Insurance Claim Shortfall	12,000	-	-	-	12,000
HR Reserve	12,000	-	-	-	12,000
Pension Strain	20,000	-	-	-	20,000
Buildings Access Improvements	70,000	-	-	(41,587)	28,413
Essential Website Development	-	-	-	48,000	48,000
	<u>353,800</u>	<u>-</u>	<u>-</u>	<u>6,413</u>	<u>360,213</u>
<b><i>Committed Expenditure + Restoration Levy Fund<sup>8</sup></i></b>					
Restoration Levy Fund	202,971	-	-	141,670	344,641
Future Depreciation of Fixed Assets	267,089	-	-	(15,933)	251,156
Theatre Auditorium Seats	166,000	-	-	11,714	177,714
Museum Display Cases	13,200	-	-	(2,253)	10,947
Museum Lighting	4,000	-	-	-	4,000
Spin Out 2022	22,710	5,000	-	(27,710)	-
We Are Here 2022	13,450	-	-	(13,450)	-
Ringfenced Staff costs	785	-	(785)	-	-
	<u>690,205</u>	<u>5,000</u>	<u>(785)</u>	<u>94,038</u>	<u>788,458</u>
Total Designated Funds	<u>1,044,005</u>	<u>5,000</u>	<u>(785)</u>	<u>100,451</u>	<u>1,148,671</u>
Pension reserve	(845,000)	-	(183,000)	1,028,000	-
Free reserves	262,568	4,664,985	(4,702,038)	(100,451)	125,064
General Funds	<u>461,573</u>	<u>4,669,985</u>	<u>(4,885,823)</u>	<u>1,028,000</u>	<u>1,273,735</u>
TOTAL Funds	<u>469,407</u>	<u>4,728,542</u>	<u>(4,942,544)</u>	<u>1,028,000</u>	<u>1,283,405</u>

<sup>8</sup> The majority of Committed Expenditure Reserves is earmarked to be spent in 2023/24 with the exception of the Restoration Levy Fund of £345K (for business-critical equipment and furniture in the long-term future), and the Fixed Asset Depreciation Reserve (£251K) which will cover depreciation of fixed assets over 7-10 years.

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31<sup>st</sup> March 2023

20. STATEMENT OF FUNDS – Comparative Statement

Group	At 1 April 2021 £	Income £	Expenditure £	Transfers, Gains and losses £	At 31 March 2022 £
<b>Restricted Funds</b>					
ACE	-	196,398	(195,613)	(785)	-
Restricted Museum Donations	150	-	-	(150)	-
ACE COVID-19	166	-	(166)	-	-
BFI Grant	4,214	1,053	(671)	-	4,596
Google Ads	-	22,008	(22,008)	-	-
Royal Pavilion and Museums Trust	991	1,200	(1,779)	-	412
Theatres Trust	494	-	(494)	-	-
Institute of Conservations Grant	-	2,080	(2,080)	-	-
Kickstart Grants	-	7,735	(4,909)	-	2,826
Love Through Double Glazing WBC contribution	-	-	(5,000)	5,000	-
Spinout 2021	-	31,760	(36,760)	5,000	-
	6,015	262,234	(269,480)	9,065	7,834
<b>Designated Funds</b>					
COVID-19	150,000	-	-	(150,000)	-
Insurance Claim	12,000	-	-	-	12,000
Restoration Levy Fund	99,264	-	-	103,707	202,971
New Equipment	92,000	-	-	(17,200)	74,800
HR	12,000	-	-	-	12,000
Pension Shortfall	20,000	-	-	-	20,000
Maintenance	50,000	-	-	-	50,000
Future Depreciation of Fixed Assets	191,108	-	-	75,981	267,089
Ticket Income Reserve	-	-	-	115,000	115,000
Theatre Auditorium Seats	-	-	-	166,000	166,000
Buildings Access Improvements	-	-	-	70,000	70,000
Match funding for Creative Projects	-	-	(5,000)	5,000	-
Museum Display Cases	-	-	-	13,200	13,200
Museum Lighting	-	-	-	4,000	4,000
Spin Out 2022	-	6,160	-	16,550	22,710
We are Here 2022	-	-	-	13,450	13,450
Ringfence CRF#3 Staff costs	-	-	-	785	785
	626,372	6,160	(5,000)	416,473	1,044,005
Pension reserve	(706,000)	-	(219,000)	80,000	(845,000)
Free reserves	119,557	4,077,931	(3,509,382)	(425,538)	262,568
General Funds	39,929	4,084,091	(3,733,382)	70,935	461,573
TOTAL Funds	45,944	4,346,325	(4,002,862)	80,000	469,407



**WORTHING THEATRES AND MUSEUM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> March 2023**

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## **21. 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 £12,407 (2022: £7,475). Contributions totalling £6,104 (2022: £5,147) were payable to the fund at the balance sheet date and are included in creditors.

### **LGPS Scheme**

Some of the charity's employees belong to a Local Government Pension Schemes (LGPS) which is a multi-employer defined benefit scheme. The LGPS scheme is managed by the Borough Council of Worthing Pension Fund.

The latest actuarial valuation of the LGPS related to the period ended 31<sup>st</sup> March 2023.

Contributions totalling £14,423 (2022: £20,484) were payable to the scheme at the balance sheet date and are included in creditors.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31<sup>st</sup> March 2023 was £157K (2022: £165K).

<b>Principal actuarial assumptions</b>	<b>2023</b>	<b>2022</b>
Rate of increase in salaries	4.45%	3.65%
Discount rate for scheme liabilities	4.75%	2.75%
Rate of increase in pension in payment	2.95%	3.15%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2023</b>	<b>2022</b>
Retiring today		
Males	21.1	21.9
Females	23.7	24.2
Retiring in 20 years		
Males	21.3	24.2
Females	25.7	25.9

**WORTHING THEATRES AND MUSEUM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> March 2023**

The charity's share of the assets in the schemes were:

	<b>2023</b> £ '000	<b>2022</b> £ '000
Equities	1,757	1,292
Property	373	387
Bonds	852	878
Cash	53	26
Total market value of assets	<u>2,662</u>	<u>2,583</u>

The actual return on scheme assets was (£150K) (2022: (£7K))

**Amount recognised in the Statement of Financial Activities**

	<b>2023</b> £ '000	<b>2022</b> £ '000
Service cost less contributions	158	202
Net interest cost	25	17
	<u>183</u>	<u>219</u>

**Changes in the present value of defined benefit obligations were as follows:**

	<b>2023</b> £ '000	<b>2022</b> £ '000
<b>At 1<sup>st</sup> April</b>		
Opening defined benefit obligation	3,428	3,094
Interest cost	99	69
Employee contributions	50	49
Benefit paid	(9)	-
Actuarial (gain)/loss	(1,745)	(155)
Past service cost	0	3
Current service cost	315	368
<b>At 31<sup>st</sup> March</b>	<u>2,138</u>	<u>3,428</u>

**WORTHING THEATRES AND MUSEUM**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31<sup>st</sup> March 2023

Changes in the fair value of the charity's share of scheme assets:

	<b>2023</b> £ '000	<b>2022</b> £ '000
<b>At 1<sup>st</sup> April</b>		
Opening fair value of scheme assets	2,583	2,388
Employee contributions	50	49
Employer contributions	157	169
Benefits Paid	(9)	-
Other Experience	(43)	-
Interest income	74	52
Actuarial gain/(loss)	(150)	(75)
	<hr/>	<hr/>
<b>At 31<sup>st</sup> March</b>	2,662	2,583

At the year end the scheme was in the following position

	<b>2023</b> £ '000	<b>2022</b> £ '000
Pension Fund	524	(845)
	<hr/> <hr/>	<hr/> <hr/>

## **22. Related Party Transactions**

During the year the charity recharged its wholly owned subsidiary, Worthing Theatres and Museum (Trading) Limited £182,480 (2022: £124,795 for services and management charges. At the year-end Worthing Theatres and Museum (Trading) Limited owed the charity £15,363 (2021: £99,306)

Our Trustee, Andrew Comben is Chief Executive of Brighton Dome & Brighton Festival who provide Worthing Theatres & Museum with Payroll, Accounting and HR support/advice (Value for 2022/23 £37,839). There were no outstanding fees relating to these services as at 31st March 2023.

There were no other related party transactions.

## **23. CAPITAL COMMITMENTS**

As at 31st March 2023 the Charity had committed to the purchase of auditorium seats to the value of £175K. (2022: Nil)

WORTHING THEATRES AND MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2023

**24. Detailed Comparative Statement of Financial Activity**

This is a breakdown by fund of the items shown in the Statement of Financial Activities on page 35.

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2022</b>
		£	£	£
	<b>Note</b>			
<b>Income from</b>				
Donations and grants	3	472,103	262,234	734,337
Charitable activities	4	3,021,588	-	3,021,588
Trading activities	5	588,460	-	588,460
Investments	6	1,940	-	1,940
<b>Total income</b>		<b>4,084,091</b>	<b>262,234</b>	<b>4,346,325</b>
<b>Expenditure on</b>				
Raising funds	7	1,164,872	-	1,164,872
Charitable activities	8	2,568,510	269,480	2,837,990
<b>Total expenditure</b>		<b>3,733,382</b>	<b>269,480</b>	<b>4,002,862</b>
<b>Net income</b>		<b>350,709</b>	<b>(7,246)</b>	<b>343,463</b>
Transfers between funds		(9,065)	9,065	-
Actuarial (losses)/gains on defined benefit pension schemes		80,000	-	80,000
<b>Net movement in funds</b>		<b>421,644</b>	<b>1,819</b>	<b>423,463</b>
<b>TOTAL FUNDS AT 1<sup>st</sup> APRIL 2021</b>	20	<b>39,929</b>	<b>6,015</b>	<b>45,944</b>
<b>TOTAL FUNDS AT 31<sup>st</sup> MARCH 2022</b>	20	<b>461,573</b>	<b>7,834</b>	<b>469,407</b>