

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

**REGISTERED CHARITY NUMBER: 1156762**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
FOR  
TOWNER**

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

**TOWNER**

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FOR THE YEAR ENDED 31 MARCH 2020**

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## **TOWNER**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives & Activities**

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

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

advance the education, enjoyment and appreciation of the public at large of the arts by the establishment and/or maintenance of a museum and/or art gallery; advance the education, enjoyment and appreciation of the public at large of the arts through Towner's art collection; pursue such other charitable purposes analogous to any of the above as the trustees in their absolute discretion shall determine.

#### **Overview of activity**

The financial year 2019/20 was critical in the implementation of a new vision and mission for Towner. It was also a moment of celebration following a decade since the completion of the new building at Devonshire Quarter. As well as introducing a new structure to the creative programme, this new direction refocused activity around the permanent collection and cemented an ambition to transform the building into a safe and open space at the heart of the community.

To mark the tenth anniversary, a large-scale exterior commission designed by German artist Lothar Götz was opened in June 2019. *Dance Diagonal* has transformed the façade of the gallery building into a vibrant and geometric artwork, which has become a catalyst for this new way of working and has gone as far as to symbolise a new direction for the whole town.

We devoted 75% of the year's programme to exhibiting emerging/mid-career female artists countering their under-representation in the sector and our collection, and to attract a younger audience. As a result, the gallery welcomed record visitor numbers of 165,904 during 2019/20 and being shortlisted for the Art Fund Museum of the Year prize in March 2020. The largest museum prize in the world, the judging panel admired *'Towner Eastbourne's genuine commitment to promoting under-represented artists in its programme, and its newly cemented status as an invaluable asset to Eastbourne'*.

Alongside these milestone achievements, the gallery successfully completed its first full financial year as commercial operator for the onsite catering and cinema offers, both of which returned an operating profit in their inaugural year. Philanthropy and fundraising activity also grew significantly, bringing £370k income in cash and pledges across the year, with increases in our supporter numbers to 54 donors, 755 members and 14 organisations. In addition to this, £559k was secured towards the capital refurbishment programme, phase one of which will focus on improving the ground floor entrance, shop and studio spaces. Business projections for this project, anticipate a profit increase of 107% in commercial income following the completion of the works in mid-2021 in readiness for the gallery's centenary celebration.

## TOWNER

### REPORT OF THE TRUSTEES

#### FOR THE YEAR ENDED 31 MARCH 2020

#### OBJECTIVES AND ACTIVITIES (cont)

Throughout this year, we opened 12 new exhibitions, presented 470 film screenings, produced 99 informal and formal learning engagement events, and acquired 44 new works into the Towner Collection. The exhibition programme included solo exhibitions by artists including South African artist Dineo Seshee Bopape as well as British artists Phoebe Unwin, Carey Young, David Nash, Lawrence Abu Hamden and Alan Grainger. As well as the blockbuster David Hockney and Alan Davie *Early Years*, Collection exhibitions included *TEN*, curated by ten team members who had worked at Towner for ten years or more, and *BRINK*, selected by the politician and environmental campaigner Caroline Lucas. The much-acclaimed solo exhibition *200 Seasons* by David Nash was the most successful exhibition in Towner's history, attracting a record 58,125 visitors.

It was a period of transition for the Learning and Engagement Programme, which experimented with a new programme structure under the title *Towner Art School* before undergoing a significant change in personnel and a move towards closer integration with the collection and exhibitions programme to better support artists, communities and groups. New artist-focused programme like *Summer School* in July/August 2019, saw the ground floor spaces made available to artists to book and use as a shared maker space, which was open to the public. This paved the way for the design approach of the new studios in the upcoming capital redevelopment scheme, making engagement strands visible as you enter the building. A new Learning and Engagement strategy will be developed and signed off by the board in the coming year.

The year has brought significant growth in Towner's profile, especially online, with an increase in online followers of over 23% to 36,743 followers. This has been aided by the completion of a re-brand, working with London-based Fraser Muggeridge Studio. The re-brand incorporated a change of name to Towner Eastbourne, dropping the reference to art gallery and grounding the organisation in its location. A full refresh of the website will now take place in the coming financial year.

At the start of this year, the Board of Trustees supported the investment in a new gallery ICT system, completely independent of the previous setup linked to the Eastbourne Borough Council network. This new state-of-the-art setup has improved security and transformed the team's digital efficiency and ability to work away from the office.

In this period, Towner openly recruited two new positions to its board of trustees, and as a result appointed Jenny Williams and Joseph Jones. This was part of a renewed commitment to equity and transparency in governance, team development and creative programme.

As a result of the global pandemic, Towner closed to the public on 18 March 2020. The Senior Management Team proceeded to minimise expenditure and rearrange the creative programme to limit the financial impact of the closure. Following the announcement of the Covid-19 Job Retention Scheme, the gallery furloughed 30 members of the team to minimise salary costs over the closure period.

The team continues to build strong links with Eastbourne Borough Council (the gallery's largest funder), through the leadership role the organisation plays both locally and regionally. Recognising the wider remit to nurture growth of the creative and visitor economy, whilst continuing to play a key role in health and wellbeing across the town, Towner has strengthened its position as an essential cultural and social hub, building relevance through its programme and activities.

This new focus on Towner's position as a regional leader in the sector has also helped to strengthen the relationship with Arts Council England, which has been very supportive of the changes to the organisation and continues to support the Senior Management Team on this strategy journey.

An ambitious new strategy cementing the gallery as one of the most important cultural institutions in the UK continues to play out over the coming years. At the heart of the strategy is a robust business plan to increase income from venue hire, event production and fundraising to secure our financial sustainability. We are expanding staffing to support these ambitions,

## **TOWNER**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **OBJECTIVES AND ACTIVITIES (cont)**

enabling senior team members to explore new commercial and philanthropic opportunities. This crucial work will set Towner on the next phase of its development as it approaches its centenary in 2023. We are looking forward to marking this landmark anniversary with an inclusive celebration of art and culture for all our communities in and around Eastbourne.

The Board of Trustees is confident that the Towner team under the leadership of Joe Hill, has the vision and capability to deliver a world-class creative programme that supports artistic development of people of all ages and backgrounds and an innovative approach to income growth.

#### **Financial position and Reserves**

Total reserves at the end of the year were £2,503,756 (2019: £2,242,765). The Trustees have set a Reserves Policy, which is a product of strategic planning, budgeting and risk management. The policy requires that the charity's core activity, funded through the unrestricted reserve, could continue for six months during a period of unforeseen difficulty, which is in line with Charity Commission recommendations. The unrestricted free reserves (excluding fixed assets) which totalled £389,827 as at 31 March 2020 did not meet this requirement but since the year end the unrestricted free reserves have increased considerably and now do meet this requirement. Maintaining a six-month operating reserve will support the organisation in trading through potential adversity, taking in to account future commitments and the possibility of lack of financial investment from key public funders. The level of reserves will be monitored and reviewed by the Trustees on a regular basis.

#### **Principal risks and uncertainties**

##### **Going Concern**

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

## **TOWNER**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

### **Recruitment and appointment of new trustees**

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

### **Organisational structure**

Following the appointment of two further trustees, just prior to the year end, there are currently twelve . Trustees have delegated powers to the Executive Director and Senior Management Team to make expenditure decisions within the framework of the approved annual budget.

A Finance and Resources Sub-Committee has been established, consisting of four Trustees. This committee monitors income and expenditure and performance against the approved budget and reports back to the Board. They also approve and monitor Health and Safety policies and the Risk Register.

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

### **Induction and training of new trustees**

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

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

## **TOWNER**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

08803625 (England and Wales)

##### **Registered Charity number**

1156762

##### **Registered office**

Towner Devonshire Park

College Road

Eastbourne

East Sussex

BN21 4JJ

##### **Trustees**

Ms H Bauer	Heritage Museums & Funding Adviser	
Ms D V Casson	Designer	
D Dimbleby	Broadcaster	
G F H King	Publisher	
Ms K Cadell	Presentation Media Consultant	
C F Mckenzie	Freelance Arts Consultant	
M R Moorton	Human Resources Director	
J Williams	Arts Manager	(Appointed on 12 <sup>th</sup> March 2020)
T J W Ashdown	Solicitor	
C R Swansborough	Accountant	
Dr F M Dennis	Senior Lecturer	
J Hill	Gallery Director	
J P Long	University Lecturer	(Appointed on 12 <sup>th</sup> March 2020)

## **TOWNER**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Auditors**

Xynamo 5 Ltd

Chartered Accountants

Registered Auditor

2 Upperton Gardens

Eastbourne

East Sussex

BN21 2AH

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Towner for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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



## TOWNER

### REPORT OF THE TRUSTEES

#### FOR THE YEAR ENDED 31 MARCH 2020

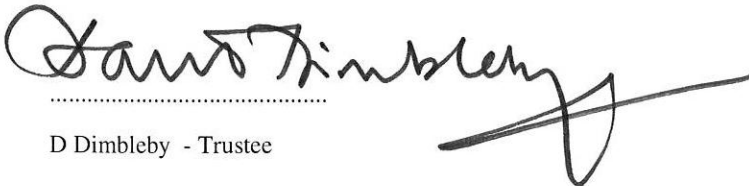
In so far as the trustees are aware:

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

## AUDITORS

The auditors, Xynamo 5 Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors,  
on 26 March 2021 and signed on the board's behalf by:

  
.....  
D Dimbleby - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
TOWNER  
FOR THE YEAR ENDED 31 MARCH 2020**

**Opinion**

We have audited the financial statements of Towner (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
TOWNER (Cont)  
FOR THE YEAR ENDED 31 MARCH 2020**

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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

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

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
TOWNER (Cont)  
FOR THE YEAR ENDED 31 MARCH 2020**

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 Report of the Independent Auditors.

**Use of our report**

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



Andrew Hill FCA (Senior Statutory Auditor)

for and on behalf of Xynamo 5 Ltd

Chartered Accountants

Registered Auditor

2 Upperton Gardens

Eastbourne

East Sussex

BN21 2AH

Date: 27/03/2021

**TOWNER**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 2020**

		2020		2019
		Unrestricted funds	Restricted fund	Total funds
	Notes	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	2	317,602	179,525	497,127
<b>Charitable activities</b>				
Secured funding EBC		413,880	-	413,880
Secured funding Arts Council		359,350	-	359,350
ACCNPF Funding		-	60,000	140,000
Pathways Funding		-	21,000	8,760
South East Creative & Cultural Digital Support		-	10,610	-
Learning activities & funding	3	2,748	53,761	116,141
Exhibition & collection activities & exhibition funding	3	61,497	50,005	105,444
Memberships, Patrons and director's circle		62,693	-	58,115
<b>Trading activities</b>				
Shop, café, cinema, venue hire	4	508,033	1,500	258,335
Other income		4,463	-	2,704
<b>Total</b>		<b>1,730,266</b>	<b>376,401</b>	<b>2,106,667</b>

**TOWNER**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Cont)**

**FOR THE YEAR ENDED 31 MARCH 2020**

		2020		2019
		Unrestricted funds	Restricted fund	Total funds
	Notes	£	£	£
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>	5			
Fundraising & supporters' costs		136,030	9,037	145,067
ACCNPF expenditure		-	31,035	31,035
South East creative & cultural digital support		-	1,688	1,688
Learning		220,054	61,820	281,874
Exhibition & collection activities		694,562	23,119	717,681
Travel & subsistence		8,304	-	8,304
<b>Trading activities</b>				
Shop, café, cinema and venue hire		655,548	3,834	659,382
Other		645	-	645
<b>Total Expenditure</b>		<u>1,715,143</u>	<u>130,533</u>	<u>1,845,676</u>
<b>NET INCOME</b>		15,123	245,868	260,991
<b>Transfers between funds</b>	16	<u>1,300,881</u>	<u>(1,300,881)</u>	<u>-</u>
<b>Net movement in funds</b>		1,316,004	(1,055,013)	260,991
<b>Total funds brought forward</b>		<u>1,016,715</u>	<u>1,226,050</u>	<u>2,242,765</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>2,332,719</u>	<u>171,037</u>	<u>2,503,756</u>

**TOWNER**

**CONSOLIDATED BALANCE SHEET**

**AT 31 MARCH 2020**

				2020	2019	2019
		Unrestricted funds	Restricted funds	Total funds	Total funds Restated	Total funds as reported
Notes	£	£	£	£	£	£
<b>FIXED ASSETS</b>						
Tangible assets	11	556,281	49,665	605,946	546,531	546,531
Heritage assets	12	1,386,612	-	1,386,612	1,049,696	1,049,696
		<u>1,942,893</u>	<u>49,665</u>	<u>1,992,558</u>	<u>1,596,227</u>	<u>1,596,227</u>
<b>CURRENT ASSETS</b>						
Debtors	14	97,305	-	97,305	6,773	6,773
Stock		44,881	-	44,881	32,352	32,352
Cash at bank and in hand		411,878	121,371	533,249	789,225	789,225
		<u>554,064</u>	<u>121,371</u>	<u>675,435</u>	<u>828,350</u>	<u>1,168,012</u>
<b>CREDITORS</b>						
Amounts falling due within one year	15	(164,237)	-	(164,237)	(181,811)	(521,473)
		<u>389,827</u>	<u>121,371</u>	<u>511,198</u>	<u>646,539</u>	<u>646,359</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>						
		<u>2,332,720</u>	<u>171,036</u>	<u>2,503,756</u>	<u>2,242,766</u>	<u>2,242,766</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		<u>2,332,720</u>	<u>171,036</u>	<u>2,503,756</u>	<u>2,242,766</u>	<u>2,242,766</u>
<b>NET ASSETS</b>						
		<u>2,332,720</u>	<u>171,036</u>	<u>2,503,756</u>	<u>2,242,766</u>	<u>2,242,766</u>

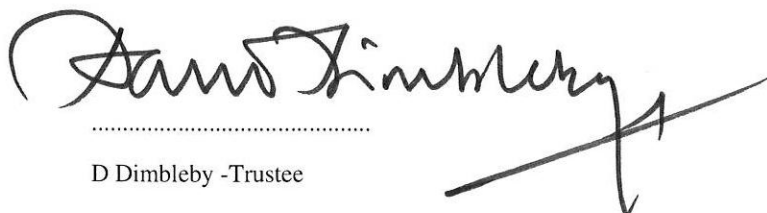
**TOWNER**

**CONSOLIDATED BALANCE SHEET (Cont)**

**AT 31 MARCH 2020**

		2020	2019	2019
		Total funds	Total funds Restated	Total funds as reported
	Notes	£	£	£
<b>FUNDS</b>	16			
Unrestricted funds		2,332,720	1,016,716	1,016,716
Restricted funds		171,036	1,226,050	1,226,050
<b>TOTAL FUNDS</b>		<u>2,503,756</u>	<u>2,242,766</u>	<u>2,242,766</u>

The financial statements were approved by the Board of Trustees on 26 March 2021 and were signed on its behalf by:

  
 .....  
 D Dimbleby -Trustee



**TOWNER**

**BALANCE SHEET**

**AT 31 MARCH 2020**

			2020	2019	2019
		Unrestricted funds	Restricted fund	Total funds	Total funds as
	Notes	£	£	£	restated
					reported
					£
<b>FIXED ASSETS</b>					
Tangible assets	11	556,281	49,665	605,946	546,531
Heritage assets	12	1,386,612	-	1,386,612	1,049,696
Investments	13	1	-	1	-
		<hr/>	<hr/>	<hr/>	<hr/>
		1,942,894	49,665	1,992,559	1,596,228
					1,596,227
<b>CURRENT ASSETS</b>					
Debtors	14	486,281	-	486,281	341,303
Cash at bank and in hand		(39,193)	121,371	82,178	472,009
		<hr/>	<hr/>	<hr/>	<hr/>
		447,088	121,371	568,459	813,312
					813,312
<b>CREDITORS</b>					
Amounts falling due within one year	15	(135,546)	-	(135,546)	(166,774)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<hr/>	<hr/>	<hr/>	<hr/>
		311,542	121,371	432,913	646,538
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/>	<hr/>	<hr/>	<hr/>
		2,254,436	171,036	2,425,472	2,242,766
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>		<hr/>	<hr/>	<hr/>	<hr/>
		2,254,436	171,036	2,425,472	2,242,765
		<hr/>	<hr/>	<hr/>	<hr/>

**TOWNER****BALANCE SHEET (Cont)****AT 31 MARCH 2020**

			2020	2019	2019
	Unrestricted	Restricted	Total funds	Total funds	Total funds as
	funds	fund		restated	reported
Notes	£	£	£	£	£
<b>FUNDS</b>	16		£		£
Unrestricted funds			2,254,436		1,016,716
Restricted funds			171,036		1,226,050
			<hr/>		<hr/>
<b>TOTAL FUNDS</b>			2,425,472		2,242,766
			<hr/>		<hr/>

**TOWNER****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2020**

		2020	2019
	Notes	£	£
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(45,773)	(183,496)
		<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>		(45,773)	(183,496)
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(76,462)	-
Purchase of heritage assets		(133,740)	(30,965)
		<hr/>	<hr/>
<b>Net cash provided by (used in) investing activities</b>		(210,202)	(30,965)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		(255,975)	(214,461)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		789,225	1,003,687
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>		533,250	789,226
		<hr/>	<hr/>

**TOWNER****NOTES TO THE CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2020****1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020	2019
	£	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	260,991	227,522
<b>Adjustments for:</b>		
Depreciation charges	17,047	11,281
Donated works included in income	(203,176)	(235,700)
(Increase)/decrease in debtors	(90,532)	(1,896)
Increase/(decrease) in stock	(12,529)	(946)
Increase/(decrease) in creditors	(17,574)	(183,757)
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>(45,773)</b>	<b>(183,496)</b>
	<hr/>	<hr/>

## **TOWNER**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Income**

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

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Governance costs**

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

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	- 10% straight line
IT Equipment	- 25% straight line

## **TOWNER**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **1. ACCOUNTING POLICIES - continued**

##### **Heritage assets: works of art - "the collection"**

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

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

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

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

##### **Stock**

The stock comprises retail and café supplies valued at the lower of cost and net realisable value. This is held within Towner Enterprises Ltd and not by the Charity.

##### **Taxation**

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

##### **Fund accounting**

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

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

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

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## TOWNER

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 1. ACCOUNTING POLICIES - continued

##### Pension costs and other post-retirement benefits

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

#### 2. DONATIONS AND LEGACIES

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Works donated to collection	203,175	-	203,175	235,700
Donations & grants towards capital projects	-	10,000	10,000	-
Donations & grants towards collection acquisitions	-	133,196	133,196	35,494
Donations & grants towards core costs	114,427	36,329	150,756	128,407
	<hr/>	<hr/>	<hr/>	<hr/>
	317,602	179,525	497,127	399,601
	<hr/>	<hr/>	<hr/>	<hr/>

**TOWNER**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2020**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted	Restricted	2020	2019
	£	£	£	£
<b>Learning activities and funding:</b>				
Income from ticketed activities	2,748	-	2,748	2,911
Restricted grants and donations	-	53,761	53,761	113,230
	<u>2,748</u>	<u>53,761</u>	<u>56,509</u>	<u>116,141</u>
 <b>Exhibition &amp; collection activities &amp; exhibition funding:</b>				
Exhibition tickets	32,318	-	32,318	35,957
Other ticketed events	4,902	-	4,902	1,895
Image licensing & loans	3,157	-	3,157	6,002
Touring income	-	-	-	4,000
Sponsorship	21,000	-	21,000	-
Conservation	120	-	120	-
Restricted grants & donations	-	50,005	50,005	57,590
	<u>61,497</u>	<u>50,005</u>	<u>111,502</u>	<u>105,444</u>



**TOWNER**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2020**

**4. TRADING ACTIVITIES**

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Retail sales	205,393	-	205,393	142,679
Café & catering (incl franchise)	217,299	-	217,299	22,762
Cinema tickets	69,492	-	69,492	50,906
Cinema funding	-	1,500	1,500	1,600
Venue hire (incl. cinema)	15,849	-	15,849	40,388
	<u>508,033</u>	<u>1,500</u>	<u>509,533</u>	<u>258,335</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct staff costs	Other direct costs	Allocated support costs (staff costs)	Allocated support costs (non staff costs)	Total costs
	£	£	£	£	£
Fundraising and supporters' costs	111,306	10,523	-	23,238	145,067
ACCNPF expenditure	7,676	23,272	-	87	31,035
South East Creative and Cultural Digital Support	978	710	-	-	1,688
Learning	92,811	64,904	50,278	73,881	281,874
Exhibition & collection activities	267,394	214,034	50,278	185,975	717,681
Travel & subsistence	-	8,304	-	-	8,304
Shop, café, cinema, venue hire	213,214	254,701	50,278	141,189	659,382
Other	-	645	-	-	645
	<u>693,379</u>	<u>577,093</u>	<u>150,834</u>	<u>424,370</u>	<u>1,845,676</u>

**TOWNER****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2020****6. GOVERNANCE COSTS**

	Total
Governance costs comprise:	£
Staff costs	20,543
Audit costs	6,500
Regulatory costs	26
	<u>27,069</u>

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	6,500	6,450
Depreciation - owned assets	17,047	11,281
Other operating leases	<u>3,142</u>	<u>1,080</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

**TOWNER**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2020**

**9. STAFF COSTS**

	2020	2019
	£	£
Wages and salaries	764,722	597,081
Social security costs	51,123	46,186
Other pension costs	28,367	22,829
	<u>844,212</u>	<u>666,096</u>

The average monthly number of employees during the year was 46 (2019: 36)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was nil (2019: nil)

**TOWNER****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2020****10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds	Restricted fund	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	399,601	-	399,601
<b>Charitable activities</b>			
Secured funding EBC	413,880	-	413,880
Secured funding Arts Council	359,350	-	359,350
ACCNPF Funding	-	140,000	140,000
Pathways Funding	-	8,760	8,760
Learning activities & funding	-	116,141	116,141
Exhibition & collection activities & exhibition funding	65,950	39,494	105,444
Memberships, Patrons and director's circle	58,115	-	58,115
<b>Trading activities</b>			
Shop, café, cinema and venue hire	258,335	-	258,335
Other income	2,704	-	2,704
	<hr/>	<hr/>	<hr/>
<b>Total</b>	1,557,935	304,395	1,862,330

**TOWNER**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2020**

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (Cont)**

	Unrestricted funds	Restricted fund	Total funds
	£	£	£
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Fundraising & supporters' costs	111,080	-	111,080
ACCNPF expenditure	-	271,711	271,711
Learning	291,137	-	291,137
Exhibition & collection activities	504,051	7,533	511,584
Travel & subsistence	11,904	-	11,904
<b>Trading activities</b>			
Shop, café, cinema and venue hire	427,147	10,245	437,392
<b>Total</b>	<b>1,345,319</b>	<b>289,489</b>	<b>1,634,808</b>
<b>NET INCOME</b>	<b>5,943</b>	<b>221,579</b>	<b>227,522</b>
<b>Transfers between funds</b>	<b>10,076</b>	<b>(10,076)</b>	<b>-</b>
<b>RECONCILIATION OF FUNDS</b>			
Net movement in funds	16,019	211,503	227,522
Total funds brought forward	1,000,696	1,014,547	2,015,243
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>1,016,715</b>	<b>1,226,050</b>	<b>2,242,765</b>

**TOWNER****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2020****11. TANGIBLE FIXED ASSETS**

	Improvements to property	Fixtures, fittings & equipment	Totals
	£	£	£
<b>COST</b>			
At 1 April 2019	441,933	123,057	564,990
Additions	62,717	13,745	76,462
At 31 March 2020	<u>504,650</u>	<u>136,802</u>	<u>641,452</u>
<b>DEPRECIATION</b>			
At 1 April 2019	-	18,459	18,459
Charge for year	-	17,047	17,047
At 31 March 2020	<u>-</u>	<u>35,506</u>	<u>35,506</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>504,560</u>	<u>101,296</u>	<u>605,946</u>
At 31 March 2019	<u>441,933</u>	<u>104,598</u>	<u>546,531</u>

**12. HERITAGE ASSETS**

<b>MARKET VALUE AND NET BOOK VALUE</b>	<b>Total</b>
At 1 April 2019	1,049,696
Revisions re prior years	(9,084)
Additions – donated	212,260
Additions – purchased	<u>133,740</u>
At 31 March 2020	<u>1,386,612</u>

# TOWNER

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2020

#### 13. FIXED ASSET INVESTMENTS

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

	2020	2019
	£	£
Turnover	509,533	258,335
Expenditure	(431,248)	(192,720)
Profit for the Year	<u>78,285</u>	<u>65,615</u>
Amount gift aided to the Charity in the year	<u>65,615</u>	<u>163,433</u>
The assets & liabilities of Towner Enterprises Limited were:		
Total assets	500,845	354,700
Total liabilities	(422,560)	(289,084)
Net assets	<u>78,285</u>	<u>65,616</u>
Represented by:		
Share capital & reserves	<u>78,285</u>	<u>65,616</u>

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

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	17,102	15,258	6,740	1,641
Amounts owed from subsidiary	-	394,193	-	339,662
Other debtors	26,603	23,230	33	-
Prepayments and accrued income	53,600	53,600	-	-
	<u>97,305</u>	<u>486,281</u>	<u>6,773</u>	<u>341,303</u>

**TOWNER**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2020**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	47,697	35,773	60,980	45,943
Other creditors	2,396	-	-	-
Tax & social security	21,875	10,948	1,831	1,831
Accruals & deferred income	92,269	88,825	119,000	119,000
	<u>164,237</u>	<u>135,546</u>	<u>181,811</u>	<u>166,774</u>

**16. MOVEMENT IN FUNDS**

	At 1/4/19	Net movement in funds	Transfers in funds re: opening position	Transfers between funds during year	At 31/3/20
	£	£		£	£
<b>Unrestricted funds</b>					
General fund	1,016,716	15,123	1,187,841	113,040	2,332,720
<b>Restricted funds</b>					
Restricted fund	<u>1,226,050</u>	<u>245,867</u>	<u>(1,187,841)</u>	<u>(113,040)</u>	<u>171,036</u>
<b>TOTAL FUNDS</b>	<u><u>2,242,766</u></u>	<u><u>260,990</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,503,756</u></u>

The main elements of the transfer from restricted funds to unrestricted with respect to the opening position are:

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



**TOWNER****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2020**

The main elements of the transfer from restricted funds to unrestricted during the year are:

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

**16. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	1,730,266	(1,715,143)	15,123
	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>			
Restricted fund	376,401	(130,533)	245,868
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	2,106,667	(1,845,676)	260,991
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**TOWNER**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2020**

**Comparatives for movement in funds**

	At 1/4/18	Net movement in funds	Transfers between funds	At 31/3/19
	£	£	£	£
<b>Unrestricted Funds</b>				
General fund	1,003,476	3,163	10,076	1,016,715
Designated fund	(2,780)	2,780	-	-
<b>Restricted Funds</b>				
Restricted fund	1,014,547	221,579	(10,076)	1,226,050
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<b>2,015,243</b>	<b>227,522</b>	<b>-</b>	<b>2,242,765</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	1,162,919	(1,159,756)	3,163
Designated fund	2,780	-	2,780
<b>Restricted funds</b>			
Restricted fund	503,910	(282,331)	221,579
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<b>1,669,609</b>	<b>(1,442,087)</b>	<b>227,522</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## **TOWNER**

### **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **17. EMPLOYEE BENEFIT OBLIGATIONS**

For staff who transferred from the Eastbourne Borough Council, the charity operates a pension scheme providing defined benefits based on pensionable pay. The assets of the scheme are held separately from those of the charity, being part of the East Sussex Pension Fund. Pension contributions are determined by a qualified actuary on the basis of triennial valuations. The latest such valuation was carried out as at 31 March 2019.

Under an agreement with the Borough Council, Towner's liability is limited to an employer contribution rate of 19.2% of pensionable pay. Other staff have the option of joining a defined contribution scheme under auto enrolment provisions.

#### **18. RELATED PARTY DISCLOSURES**

Towner employed the services of King & McGaw Ltd, the value of the work carried out totalled £12,621 (2019 £5,044) and Towner also received sponsorship of £4,000 towards exhibition costs (2019 £nil). King and McGaw is a company owned by Mr G King, a trustee of Towner.

#### **19. MEMBERS' LIABILITY**

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