

lighthouse

Arts & Entertainment | Poole

Annual Report and Financial Statements



YEAR ENDED 31 MARCH 2023

| Different every day

Contents

Introduction – Chairman1

Introduction – Chief Executive2

Trustees’ Report.....3

Management of strategic goals and achievements for 2023/245

Financial review12

Structure, Governance & Management17

Reference and Administrative Details.....23

Directors’ responsibilities for financial statements.....24

Independent auditor’s report to the members of Poole Arts Trust Limited25

Consolidated statement of financial activities for the year ended 31 March 202328

Company statement of financial activities for the year ended 31 March 202329

Consolidated balance sheet at 31 March 202330

Company balance sheet at 31 March 202331

Consolidated cash flow statement for the year ended 31 March 202332

Notes to the financial statements33

Introduction – Chairman

I was honoured to become Chair of Poole Arts Trust Ltd in October 2022, having joined The Board during the covid pandemic, and since then I have been hugely impressed by how the organisation has rallied, recovered and reached new heights.

This has been a tough three years for the cultural sector. Not only in terms of pandemic impacts; the pressure on Arts Funding and the cost-of-living squeeze on our audiences, but also in relation to the costs of doing business: putting on performances, attracting talent, hiring staff and literally keeping the lights on.

Yet Lighthouse continues to rise to these ongoing challenges, winning back most of our audiences and attracting new ones with a fantastically wide-ranging programme of Arts, Entertainment and Culture across all of our venues and an array of new initiatives and programmes that reach out into local communities whether they be audiences, artists or local businesses. I have been amazed at the wonderful things I have discovered in all corners of the programme. I've also been delighted to see how incredibly valuable our venues are to local artists, groups and students, giving them space to learn, rehearse, create and convene. I'm particularly looking forward to seeing how some of the Artist Development and Education initiatives like the Sanctuary programme and The Lighthouse Academy grow and thrive.

I have a strong conviction that engagement with the Arts is healthy for individuals and communities and am pleased that our wonderful local area, blessed in so many ways, also has a thriving audience for culture. But in challenging times these relationships and habits can be fragile, and I think it's incumbent on us to actively provide the excitement, vibrancy, variety, and value for money that a great evening at Lighthouse promises. So, I was delighted with our inspiring new strapline Different Every Day which reflects our offer so well.

We must deliver all this while protecting our ongoing resilience in the face of considerable economic uncertainty. So it is indeed a fascinating time to lead our Board and I am grateful to all The Trustees who give so generously of their time and expertise. Sadly, we say goodbye to Spencer Clarke, who has stepped down after 5 years. Spencer has provided much support to both the Board and to the Executive and we are truly grateful to him for his significant contribution.

Our strong relationship with BCP Council continues and we really value their continued support despite their own challenges. The relationship with resident orchestra BSO continues to flourish and I am grateful to their Chair Andrew Flockhart and CEO Dougie Scarfe OBE for their partnership and alliance.

Finally, my thanks to our wonderful Executive team led by CEO, Elspeth McBain whose dedication and leadership ensures that Lighthouse continues to be a nationally important and locally vital organisation.

MT Rainey OBE, Chair

Introduction – Chief Executive

I am very happy to be able to report on a full year of activities where we presented 487 live performances, 520 film screenings and hosted over 100 rehearsals and recordings. Whilst it has been back to 'usual' in many ways, the year hasn't quite been as we had anticipated.

Just as cultural organisations began to stabilise post pandemic, the price of fuel rocketed, increasing transport costs, food prices and energy tariffs went through the roof. All of this impacted on not only our business partners but also our customers and audiences. We have also felt the consequence of Brexit, which was obscured during the Covid years. Artists must now secure expensive and difficult-to-achieve visas for touring in Europe. Domestic unrest with strikes across public sectors and train transport has added to the pain. The impact this has had on our organisational delivery has been significant: increased costs in all areas, challenges with recruitment, rising wages, and audiences not yet back to pre-pandemic levels.

Despite these continuing challenges, Lighthouse has seen higher audience return rates than many other venues, and has presented a terrific artistic programme. Highlights include iconic musicals, *The Rocky Horror Show*, *Blood Brothers*, and the new musical *Fantastically Great Women Who Changed the World*. Dance from The Ballet Boyz, concerts by Ladysmith Black Mambazo, Wilko Johnson, Bryn Terfel, Nu Civilisation Orchestra, Gareth Malone, Sophie Ellis Bexter, and The Levellers. Innovative theatre from Gecko Theatre Company with their new production *Kin*, English Touring Opera, choral music from Bournemouth Symphony Chorus – *The Four New Seasons*, and comedy with Jason Manford, Frankie Boyle and Jimmy Carr. And of course, our resident orchestra BSO whose concert season was delivered in full, alongside the digital streaming of their programme that was so effectively created during 2020/2021.

Our in-house production of *Cinderella* smashed all records, with audiences clearly delighted to be able to let their hair down and hiss and boo. We are particularly delighted that Lighthouse was nominated for three coveted UK Panto awards, winning Best Ugly Sisters and being pipped at the post for Best Spiritual Being (Fairy Godmother) and for the prestigious Best Panto. Sadly, and rather annoyingly, we were up against Sir Ian McKellen's production of *Mother Goose*, otherwise we would surely have been victorious!

Our Creative Engagement programme has really begun to flourish, and our new team of Creative Engagement Manager and Creative Engagement Producer are doing great work developing Lighthouse Academy. This programme engages with and supports cultural participation with schools, our community, and artists who we continue to support in many ways – but particularly through our Sanctuary Programme which has developed into a really important part of our work.

As the commercial event side of the organisation continues to recover, we are delighted to have been awarded the Best Business Events Venue at the South West Tourism Awards 2023. It is a highly prized award and a real badge of quality.

Lighthouse works to a complex income model, with over 80% earned through our activities. To present a broad and diverse range of arts and educational activities, we need to raise the remainder through fundraising and sponsorship. We are so grateful to have been chosen by The Arts Council to be part of its national portfolio of organisations (NPO's) that receive guaranteed funding over the next three years. Their continued support and endorsement of our work is of immense value to us.

Culture is highly valued by residents and visitors alike and is a vital asset for regional economic competitiveness and attractiveness and has been widely acknowledged and valued by our local authority. The continued support from the local authority, BCP Council, is also gratefully acknowledged – particularly at a time of turmoil and financial challenge for them.

Support from individual donors and sponsors has given us much needed funds for our learning and education work, as well as continued updates to our building and equipment. Our Christmas appeal once again exhibited the generosity of our local community and funds raised have enabled thousands of young people and local families to access performances and participation in the arts. We are continually delighted and humbled by people's generosity, even when facing uncertain finances themselves.

Our Board of Trustees offer their expertise and time to Lighthouse voluntarily and we are hugely grateful to all that they do for us. Our new Chair, MT Rainey MBE, has taken on the role with gusto and aplomb supported by a brilliant group of people. Sadly, my Deputy CEO and Head of Sales and Marketing, Sara St George is leaving us after 15 years. My personal thanks to her for her huge contribution to Lighthouse and support over the many years we have worked together.

All our staff work tirelessly, with skill, humour, and enthusiasm to ensure that Lighthouse continues to evolve as a nationally respected venue, and to make what we provide for our community possible. This is a team effort and the senior management team have as always, been wonderful colleagues to work alongside.

Thank you to every one of our Lighthouse family, friends, audiences, partners, donors and funders.



Elspeth McBain, Chief Executive

Trustees' Report

The Board of directors of Poole Arts Trust Limited and Subsidiary Company present its annual report and financial statements for the year ended 31 March 2023. The directors of the trust are its trustees for the purpose of charity law and throughout this report are collectively referred to as its directors.

Reference and administrative details

Poole Arts Trust Limited is a charitable company limited by guarantee. It is registered as a charity (no. 275961 England and Wales) and as a company (no. 01368325). The address of its registered office, details of directors and principal external advisers are shown on page 23.

Objectives and activities

The objects of The Trust are to present a rich and well-balanced artistic and entertainment programme to help develop the tastes and expectations of the people of Poole and its surrounding areas. The Trust also aims to provide audiences with opportunities to experience, learn and participate in a wide variety of complementary activities.

Vision

A nationally significant and regionally important multi-arts venue that is one of the cultural gems of Dorset, at the heart of our community and locally loved. A dynamic, vibrant place where people feel inspired, entertained, welcomed, and where artists and performers feel supported and empowered to do their best work.

Mission

To provide the community of Poole and the wider region with a vibrant, diverse, and relevant cultural programme of live performances, film, engagement, and participation, that entertains, moves, surprises, and challenges our audiences through an ever-changing programme which stretches from the popular and familiar to the eclectic and innovative, reflecting and respecting the breadth of their interests and their trust in us.

To enable and encourage artists who are established, emerging, experimental, to create, rehearse and perform their work, using Lighthouse and its world class facilities to inspire and delight those who encounter it and support the national arts ecology.

To be an active and collaborative partner with other creative organisations to support the local cultural strategy by delivering a world class cultural offer to our community and establish the region as a vibrant cultural place to live, work and visit.

To maintain a leading-edge iconic venue, with the latest digital, broadcast, streaming and ticketing technology and a bright, safe, and environmentally responsible facility, with a range of attractive amenities.

Values

We have reviewed and updated our values in consultation with our whole staff team and developed three key principles that we apply to all that we do.

Aspirational

We passionately believe in the power and the value of Lighthouse. We believe that bold, audacious arts can enrich and inspire the lives of our community through shared cultural experiences. We are up for it!

Welcoming

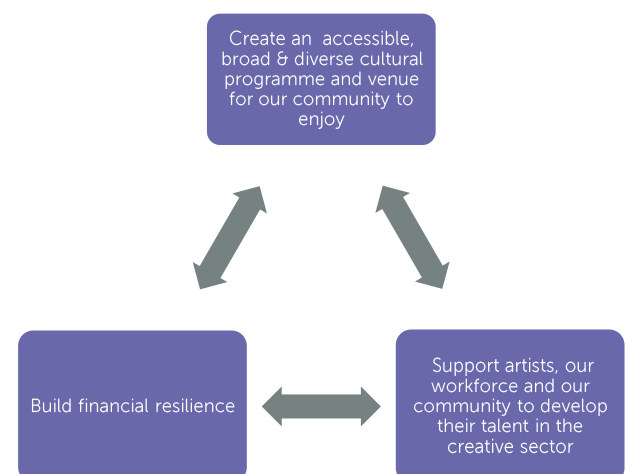
We are a friendly and inclusive organisation that is collaborative, open, and responsive. We welcome our staff, volunteers, artists, audiences, partners, and our community and work together effectively and safely, ensuring that teamwork is at the heart of everything we do.

Excellence

We strive for excellence in every aspect of the work we create and present, our workforce and our delivery, to ensure quality remains high and consistent.

Principle Aims

Lighthouse's principle aims are to:



Strategic Priorities

Our current business plan covers the five years from April 2022 to March 2027. These are the areas we will be focussing on over the next few years:

- Delivering a wide-ranging and great arts programme
- Retaining, building, diversifying, and growing our audiences
- Developing creative people through Lighthouse Academy
- Connecting with our community
- Improving Equality, Diversity, Inclusion & Belonging
- Financial resilience and effective resources
- Delivering an environmental sustainability strategy

These will be achieved by:

- Supporting the cultural strategy of the region
- Building our profile
- Maintaining a world-class facility
- Increasing fundraising & commercial income
- Developing digital content and IT provision

Public benefit

The wide variety and diversity of a high-quality live arts programme enriches local cultural life and individual growth and development while feeding community interaction, economic prosperity and the national and international profile of Poole, Dorset, and the wider region.

During these difficult times, where the cost-of-living and inflation crisis has impacted post-COVID recovery so fundamentally, the ongoing importance of Lighthouse as providing all of these things continues to be emphasised. The venue and organisation's connection to its audience, staff team and performers has been galvanised in such a way that the benefits will be ongoing for a considerable period.

Poole Arts Trust continues to be committed to providing an ever more accessible programme; this is delivered through a number of initiatives and policies. The performance and meeting spaces offer local artists, community organisations and commercial businesses a unique facility in which to perform and meet, with a significant proportion of the programme dedicated to community performances.

Ongoing investment in our website, ticketing system, staff teams and café facilities enabled the audience base to continue to grow prior to the onset of COVID-19. The installation of cinema equipment in the Theatre (the launch of 'Stage on Screen' represents Dorset's largest and highest spec independent cinema), the development of the Lighthouse: Outside amphitheatre and the installation of all the facilities needed to stream the unique events from within the building to the wider world continued this trend during 'the COVID years'. It is

important to acknowledge, however, that the organisation and its audience has not fully recovered following this period, with an estimated just under 15% of audiences yet to return.

Our audience has always been both urban and rural. Poole has both high wealth and areas of significant deprivation with 32% of the town's population in the lowest socioeconomic groups in the country. Accessible ticket prices, good communications, a growing Learning & Participation Team, and an increase in the use of digital tools are enabling us to reach further into these communities. The organisation has always been careful to maintain affordable ticket pricing to ensure that access to its events and programme are not restricted. In the year ended 31 March 2022 the average ticket price was £22.64.

Pre-pandemic the organisation invested in a ticketing and sales review with the aims of both maximising earned income and improving accessibility. The result of this investment was that some tickets have become more expensive, but a significant proportion have become cheaper. The overall result is a more resilient, forward-looking organisation, and when the pandemic hit the financial position was the best in recent memory.

Creative Engagement and Learning & Participation, under the Lighthouse Academy banner, are key parts of our vision, enabling us to extend our reach to the local community, meet the needs of specific local groups, and build local and regional partnerships to constantly refresh our programme and to develop audiences' year on year.

During this year we have provided 711 (2022: 287) sessions for over 17,812 (2022: 4,049) participants aged 0-19. Please see further details re. Achievement 2 – Retaining, Building, Diversifying & Growing our Audiences on page 7.

The organisation has always worked closely with schools, colleges and universities offering talks, mentoring and project participation opportunities. We have issued 5,245 tickets for schools (2020: 5,011) together with 369 free teacher tickets (2020: 329). Historically, over 25% of our work is targeted specifically at children and young people, and this year has bounced back to a comparable level.

We operate, and continue to grow and develop, a comprehensive access policy, ensuring that all sectors of the community can experience our building and programme. We have taken advantage of the time afforded by the pandemic to engage consultants in this field to help shape the next iteration of our plans. During the year, a specific outcome of the policy was the launch of the new website and a new approach to online booking of tickets under the accessible tickets scheme. At the end of March over 600 new members had signed up to the scheme and the number is currently doubling on a bi-monthly basis.

Our participation in the Access to Leisure and Learning scheme will ensure financial barriers are reduced for many on low incomes. Ordinarily, nearly a quarter of all

Report of the Directors

our visitors benefit from specifically subsidised or discounted tickets during the year. We also provided 1,731 (2020: 1,892) free companion seats for disabled patrons. Specific activities would include 11 dementia film screenings and a relaxed concert with BSO, for concertgoers with autistic spectrum conditions, sensory, communication or learning difficulties and anyone who would benefit from a less formal environment. We have supported two further initiatives with BSO cake concerts and BCP's tea dances for socially isolated older people and fully expect these events will return post-pandemic.

In the year Lighthouse enabled three newly commissioned pieces of work, specifically targeted and developed for our audiences and the benefit of the region. We also made space available for a number of artist residencies, as we seek to lead in growing both talent and Poole's cultural identity and to ensure the building is utilised even while closed to the public.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives they have set.

Management of strategic goals and achievements for 2023/24

Throughout the ongoing challenges of the current year, we have continued to pursue the organisation's current strategic goals. We report on these goals as follows:

- Delivering a wide-ranging and great arts programme
- Retaining, building, diversifying, and growing our audiences
- Developing creative people through Lighthouse Academy
- Connecting with our community
- Improving Equality, Diversity, Inclusion & Belonging
- Financial resilience and effective resources
- Delivering an environmental sustainability strategy

With the ongoing inflation / cost-of-living crisis, it's impact on costs and recruitment, the organisation's post-COVID recovery has been hard won and remains fragile. We are enormously grateful to all those who have supported Lighthouse financially to weather this storm and invest so far in the measures needed to proceed and thrive in the new environment.

Achievement 1 – Delivering a wide-ranging and great arts programme

Historically, our programme is significant, broad, and diverse and our '80/20 Vision' underpins how we deliver this. Through this vision we continue to take more ownership of the work we present; 80% of our work is received, but at least 20% is self-produced or enabled by Lighthouse. Lighthouse is well-known for its diverse programme and high-quality output.

Even before the pandemic, the impact of the economic downturn that commenced in 2008 forced many companies to change and adapt their business models to survive. One way that Lighthouse responded was by actively supporting work from exciting non-mainstream companies developing opportunities for new talent with real ambition, expanding the programme for younger audiences whilst also honing our own producing and creating skills.

The successes Lighthouse had achieved despite financial challenges were because the work delivered met the needs of audiences by providing access to the best national work within their locality.

Even in the broader context of reopening and attempted recovery, the pandemic hit hard. The obstacles to full recovery are significant and attendance in the year remains under 90% of what it would normally be.

Nevertheless, we aimed to continue delivering work in line with our aims and supported many artists and performers to create work in and for our spaces during this period. Thankfully, in amongst these challenges, and in line with the reduction in risk from COVID, event cancellations were far less of an obstacle; in previous years up to 92 events were cancelled after initially being expected to go ahead.

BSO are one of these companies and the good working relationship with the orchestra continues and is underpinned by the Residency and Service Level Agreements which reflect both the financial pressures on Lighthouse following several years of diminishing grant from BCP Council as well as the BSO's changing circumstances. These have been renewed this year. We have been delighted to continue to support the orchestra's adoption of streaming to engage with and grow new audiences.

The year started -following on from Hairspray at the end of March 2022 – with a successful visit by the Rocky Horror Show. Other artists and companies we have worked with this year include Angel Exit, Gecko Theatre, Stuff & Nonsense, DorsetBorn, Dante or Die (*Odds On*), Levantes (*Run, Rabbit, Run*) and Bournemouth Symphony Chorus.

We were also delighted to be able to present our second completely self-produced traditional Christmas pantomime, *Cinderella*, which was heartily welcomed back by audience members keen to enjoy live entertainment despite the gloomy outlook.

| Report of the Directors

The pantomime achieved three nominations at the National Pantomime Awards; Best Pantomime, Best Ugly Sisters, and Best Magical Being (for the Fairy Godmother), and won the award for Best Ugly Sisters at the star-studded London awards show. We were narrowly (!) beaten for Best Pantomime by Ian McKellen in *Mother Goose*.

Global events led to the first Lighthouse: Outside season in the outdoor amphitheatre Summer 2020. This returned in Summer 2021 and for a third time in Summer 2022, and each time was welcomed with similar enthusiasm by audiences keen to get back to the theatre while enjoying the relative comfort of the outdoor space. Of all the events that took place, there were a number that stood out - Ninebarrow, Coastal Comedy, Comedy Club 4 Kids, Live & Unheard: Bit on the Side, A Summer Night at the Opera, Osibisa, The James Taylor Quartet and Rum Sundays.

Achievement 2 – Retaining, Building, Diversifying and Growing our Audiences

Our ongoing programme is specifically designed to appeal to a diverse range of visitors from across Poole and the South-West. Children and Young People and people of diverse backgrounds are a priority. We also continue to enable several organisations who offer training opportunities to young people to operate from the venue.

We always aim for a strong programme of family friendly work, particularly in the Theatre and Studio, often aimed at very young children. 25% of our programme is aimed at Children and Young People and Families.

The Big Sing returned once more this year, and we are working with BCP Council to establish the feasibility of continuing to run a successor to the Light Up Poole digital art festival on an annual basis.

Our in-depth work with Arts Council England's Audience Finder project profiles audience data annually. This maps our target audiences to support art-form and organisational benchmarking against other venues, consortia, and geographical areas. Approximately 40% of our users are based in Poole, with the remaining 60% largely travelling from across the South Coast and Southwest. Clearly, this information will be increasingly helpful once audiences are able to return in numbers. In future years, we are optimistic that Arts Council England's successor platform, Illuminate, in place for 2023-24 will provide ever greater insight.

The central desire to be a genuinely inclusive venue at the service of the community is reflected both in our ticket prices and our continued commitment to ensure everyone, locally and regionally, has access to the unique and vibrant experience Lighthouse has to offer.

We traditionally record nearly 20,000 new bookers in a given year and are fully committed to seeing a return to and further development in this area once the programme returns as we capitalise on the ongoing investment in the organisation and life returns to 'normal'.

With such a broad range of events, genres, scale, and spaces our continuing challenge is to maintain our existing audiences, who are strong, loyal repeat attenders, whilst both finding new audiences and encouraging them to stay with us and encouraging repeat bookings from one-time visitors.

Previous data analysis shows that bookers from the BH area equates to a 23% household penetration rate. Filling all available capacity would require 50% of the adult population within a 45-minute drive time to attend at least once a year. The challenge following this year's suspension of activities is to improve this penetration of the local catchment.

Our new business plan considers the impact of digital technology on the reach of our audience development strategy. See *Achievement 10 – Transforming Through Digital*.

Achievement 3 – Developing Creative People: Lighthouse Academy

The Lighthouse Learning and Participation programme goes from strength to strength and we continue to develop our relations with schools and stakeholders in a much more proactive way. As well as a fascinating programme of outreach from visiting artists, workshops and pre- and post-show talks we have developed a range of bespoke new programmes of our own.

The Young Writers and Young Technician's programmes are now celebrated mainstays of our annual calendar. With both schemes helping incredibly talented young people develop their skills.

We also continued our work with Angel Exit Theatre Company to produce *SALT: A Community Play for Poole*, which will be delivered with over 100 volunteers and a small professional company in July 2023.

As normal service steadily resumes, we have continued to develop the 'Partner Schools' programme – a formalised, two-way, relationship between the organisation and applicant schools to bring participation and education opportunities to local youngsters and have invested in an additional team member to support this and the wider creative engagement programme. This has proved enormously valuable, with a notable uptake in the level of commitment and engagement, inspiring pupils and connecting them with the extraordinary work Lighthouse has to offer. In the current year we again increased the number of participating schools.

| Report of the Directors

We also continue to support Extraordinary Bodies whose Young Company who are resident at Lighthouse and who have premiered several new pieces of work this year. Their show, *Delicate*, was particular testament to the strength of this partnership.

We were excited to deliver the launch of Lighthouse: Sanctuary with initial support from the Weston Culture Fund in 2021/22. This marked a sea change in the depth of both our Artist Development and Creative Engagement work.

This year the Sanctuary programme welcomed artists as diverse as Moneypenny & Tuffrey, Outland Opera, SISATA, Tilted Wig and Treehouse Opera. It will return again in Summer 2023.

The weekly 'Training Tuesday' supports the development of young performers as well as older visual artists and singers with six independent groups accessing heavily subsidised space to provide workshops each week.

The expanded and rebranded Lighthouse Academy will be formally launched at a reception on 21 June 2023.

Please see *Achievement 1 - Delivering a wide-ranging and great arts programme* for a wider list of commissions and co-producing partners.

Lighthouse has a unique position to provide significant cultural experiences to our communities, to support young people and children to access the arts and to ensure that our BCP region is culturally vibrant and residents, visitors and those who work here can access high quality arts and culture within their own neighbourhood.

To this end we continue to invest in our Creative Engagement Manager and her team; from the forthcoming Community Play, *Salt*, to Lighthouse Academy, the partner schools programme and beyond, these are increasingly vital parts of our work. Further additional funding is necessary to bring the programme to its full fruition and the Fundraising Team are working hard to support this ambitious programme.

Achievement 4 – Connecting with our Community

Lighthouse provides a significant range of opportunities for people of all backgrounds within our community to take part in a wide range of cultural activities, see inspiring, entertaining, thought provoking and exciting performances through a high-quality cultural programme. Our audiences are engaged, curious and eager to get closer to the artists, the creation process and the ideas that are presented. The pandemic has increased our resolve to ensure that Lighthouse is relevant to and provides opportunities for and in our community. We will offer unique opportunities to engage with the artists and creatives who make this work and develop a deeper understanding of the arts.

We are mindful that while we have some projects that are delivered away from the actual building, most of our work has been contained to activities within the venue and to the many regular arts organisations that use it. We are actively expanding our outreach programme as we are committed to responding to the needs of our community, extending the activities that we offer and developing new connections and collaborations with communities that we have not yet had links with, and the diverse communities who have an established cultural programme across the BCP region.

Our aim is that Lighthouse will be the creative heart of the local community through a broad and far-reaching cultural provision that is relevant, targeted and particularly supports young people to connect with cultural activities and experiences.

Achievement 5 - Improving Equality, Diversity & Inclusion

The arts as a whole and Lighthouse in particular are actively confronting the inequalities that exist within the sector, particularly around race and disability. Lighthouse understands that it has a fundamental responsibility to ensure that representation from the wider UK demographic is seen both within the staff and volunteers as well as the artists and creatives it presents and engages. During the prior year, Lighthouse commissioned an independent review into its inclusion and engagement with people from ethnically diverse backgrounds, including staff, volunteers, audiences, and stakeholders.

The review consisted of analysing current strategic documents and policies; one to one interview with internal and external stakeholders; anonymous staff survey; and exploratory workshops with both staff and the charity's board. The independent analysis and recommendations will provide a robust springboard to develop the organisation's strategic action plan for equality, diversity, and inclusion (EDI).

Our focus will initially be on race and disability, and we are taking a positive step in strategically re-evaluating our resources and processes to strengthen our contribution in supporting the UK arts national ambition, to be truly inclusive for all.

The Senior Management Team have been working with the AMA's Breakthrough programme to build real measurable change in this area by December 2023.

We are committed to ensuring that our work represents the cultural diversity of the UK as a whole, notwithstanding the comparative levels of diversity in the region itself, which is increasing. 7% of our received work might be considered targeted for the global majority. Lighthouse has formed a dedicated Board sub-group to lead on the EDI agenda and report to the Board of Trustees on progress. Recognising that there is much progress to be made in EDI we have aspirational aims to increase diversity in the Board and across the workforce and build on relationships with local groups and communities to support the work that Lighthouse delivers. We are aiming for 12 % of our team to be from a non-white ethnic background by the end of this planning cycle.

Nationally, one of Arts Council's key priorities is diversity in programme, artists, staff, and audiences. This covers a wider range of protected characteristics, including race and Lighthouse is doing all it can to build capacity in this area. A new action plan has been completed in line with the new business plan, which we hope and expect to show initial progress even within the coming 12 months.

Lighthouse joined the Dorset Race Equality Council and the LGBT Dorset Equality Network in 2019.

Achievement 6 – Enabling through Financial Resilience

The financial impact of continued and wider austerity has been felt across all aspects of the business since 2008. This has been most pronounced in terms of funding levels but has also continued to exert significant pressure on labour, production, and overhead expenses. Even austerity, however, has now paled somewhat into insignificance in light of the challenges faced in the last years.

With over half of normal planned venue activity cancelled aiming to build financial resilience in 2020-21 was quickly superseded with the objective to simply survive and, where possible, survive well.

As previously set out, the organisation benefitted from the CJRS, ACE Emergency Response Fund and DCMS Cultural Recovery Fund (1 & 2) support.

In the prior year, Lockdown 3 commenced in the first weeks of 2021, with re-opening thereafter in June, coinciding to some degree with the slowdown in the venue activity that we have come to expect in the summer months.

At this time, Lighthouse received funding from DCMS under the terms of CRF3 Continuity Funding. The organisation also benefitted from the Additional Restrictions Grant, which was central government funding administered by BCP Council in response to the effects of the Omicron variant.

The result of this support funding is that Lighthouse is now in a more resilient position to address the challenges of recovery post-pandemic and the parallel challenge of the cost-of-living and inflation crisis. The organisation is expected to return to its previous financial strategy of building reserves through ongoing and increasing annual surpluses from 2024-25.

Achievement 7 – Being Environmentally Sustainable & Responsible

The global environmental situation is of increasing concern and significance to the artistic community, and we are conscious of our responsibility to play our part in addressing this.

Lighthouse is developing a comprehensive set of actions and targets that are informed by data analysis with a view to reducing our environmental impact and being sustainable in the future. Responding to the arts sectors programme/campaigns on the global environmental situation. Major projects will be planned sequentially over the course of the business plan with smaller projects delivered by other teams across Lighthouse. Every decision we make as an organisation should consider best sustainable practices.

Lighthouse is a large building and we have committed to reducing our energy and carbon outputs wherever possible. We have made all practical improvements in reducing our carbon footprint and our building continues to surpass benchmark expectations for our industry sector in terms of its energy efficiency.

We continue to monitor the feasibility of installing photovoltaic panels on the roof of the venue as well as other environmentally sustainable measures, particularly in relation to water usage. Environmental sustainability will continue to remain at the heart of all business decisions once we are able to resume everyday activity.

We will also continue to phase out single-use plastics in our retail areas, replacing them with wooden or paper alternatives and increasing our use of polycarbonate, multi-use plastics. This is particularly the case in the Beacon where Beacon-branded reusable cups are now available for sale with all take away drinks. We also continue to phase out non-LED lighting units as they become redundant. These are then replaced, where possible, with movement sensors to minimise wastage.

We also aspire to introduce a form of renewable power if new developments in wind technology, water or solar power are economically viable.

Training and development will be provided for all our staff and board that highlight our commitment to the environment and celebrates our successes.

This year, the organisational procurement policies will be updated to ensure internal processes prioritise sustainable and environmental practices and we have commenced a high level review of what specific technologies may be targeted to implement significant change in the organisation's carbon footprint.

Achievement 8 – Maintaining a World-Class Facility

The award-winning building¹ remains the focus of all our activity and is recognised as an invaluable facility which directly benefits the community locally and across the region.

As the shift in emphasis brought about by the last year gathers pace, we will be actively seeking to deliver work via digital technology and to expand, in our planning, what it means to operate a geographically rooted venue in a digital environment.

The extensive 2015-17 capital project was driven by a desire to make Lighthouse more open to the local community whilst at the same time significantly enhancing the facilities for the performing artists. The wide range of educational projects and community activities undertaken following the completion of the project is testament to its huge success. The refurbishment has ensured that Lighthouse will enjoy a bright future at the heart of the local community.

Having retained and progressed in our Investors in People (IIP) accreditation, our staff continue to receive detailed training and mentoring, with a variety of specific programmes in place to ensure – in line with our newly relaunched values – the customer experience at Lighthouse is second-to-none. Lighthouse is working hard towards achieving silver accreditation at our next assessment.

We have continued to support internships in the Marketing team, as well as recruiting three entry-level staff under the Kickstart scheme and we are pleased to see our interns go on to build further on their training with us or with employment elsewhere in the sector. We have not been able to host as many work experience students this year as we would usually do but have plans in place for next year.

Purple Seven analytics has long been a key element of our customer feedback process. This system captures feedback on both performances and the venue and has given tremendous insight. This feedback and the related investment in training, facilities and mentorship is proving vital in growing customer service and is seeing the Lighthouse offer go from strength to strength. We also continue to monitor social media to evaluate performances, including Facebook, Twitter, and Trip Advisor, amongst others.

Since the end of mandatory COVID testing in May 2021, Lighthouse has maintained its own rigorous COVID-safe working practices, to provide a venue that is safe for audiences, artists, and staff alike.

The pandemic has been a significant time of learning for everyone. As a result, a staff wellness programme was introduced in June 2021 and the organisation appointed its first two Mental Health First aiders in November 2021. A second and third intake have now been inducted, and are providing an invaluable role throughout the organisation.

Achievement 9 – Supporting the Cultural Strategy of the Region

The cultural strategy for the region continues to evolve with the merger of local authorities that now combine to make up BCP Council. Lighthouse has taken a central role in working to ensure arts and culture in Poole remains central to the new council's objectives.

To this end, Lighthouse and BSO proposed the joint working programme with the local authorities and Arts Council which was sponsored by ACE as the Cultural Enquiry, and evolved into a separate, formal, 'Cultural Compact' across the whole conurbation and wider region. This process was delayed by Coronavirus crisis, but an interim 'Cultural Action Group' maintained the existing momentum and an experienced executive team has now been appointed.

BCP council is subject to significant ongoing challenges but is continues to develop its new strategy for the region in which Lighthouse and its other local partners will play a central part.

Achievement 10 - Transforming through Digital

The pandemic accelerated many digital aspects of our business and indeed the cultural sector. Using technology, we will embed digital into all our plans to drive organisational productivity and environmental sustainability to improve communications, efficiency, and accessibility and so enhance our credentials as a digitally dynamic organisation.

We will explore, and develop digital approaches to drive our growth, create efficiencies, find new ways of working, build seamless integration between systems that can talk to each other, continuously improve customer experiences, find new ways to connect with artists and audiences and develop new artistic outputs.

Training, policies, software and hardware tools, recruitment, induction, professional development, and performance management will all be part of the required digital transformation of the organisation.

Our digital strategy supports the overall business objectives and ensures our plans can be delivered

¹ Southwest Community Building Category, 2018 Royal Institute of Chartered Surveyors (RICS) awards.

| Report of the Directors

efficiently and effectively, using digital methods and new technology where appropriate. It will support our desire to improve environmental, staff and financial efficiency, increase access for audiences and artists, and be an area of development and training for professional growth.

In 2022, we completed the upgrade of the internal servers, firewall and internet connectivity.

Our new, and re-branded website launched autumn / winter 2022.

Our new HR system, BreatheHR, has come online in the year and the next steps – in line with the anticipated retail review – will be ongoing staff training and the introduction of integrated EPOS and Time & Attendance systems.

Initially delayed by the pandemic and wider issues with equipment imports, 'Stage on Screen' was launched in April 2021, and this year presented 4 (2022: 14) high-calibre events in the year, on the region's largest and best-equipped independent cinema screen.

The capacity to film our own work has also been introduced, with *Beauty & The Beast* the first show to benefit from this treatment.

The organisation also continues to support BSO streaming from the Concert Hall.

We have engaged with Arts Council England's Digital Culture Network (DCN), and this promises to be a fruitful relationship as we seek to achieve our digital ambitions.

Financial review

Year ended 31 March 2022

The Consolidated Statement of Financial Activities (SOFA page 28) for this year shows incoming resources from unrestricted operations totalling £5,436,333 (2022 - £4,459,060) and total unrestricted resources expended totalling £5,455,458 (2022 - £4,276,492). This resulted in a deficit of £19,125 (2022 – surplus of £182,568) before transfers.

The deficit, together with transfers reanalysed from a variety of expiring funds, was added to unrestricted reserves resulting in unrestricted reserves carried forward of £1,396,432 (2022 - £969,251).

In line with the overall strategic planning of the organisation, the board acknowledges these results are an important staging post in the ongoing process of growing and maintaining full financial resilience and look forward to the further results adding to this position in subsequent years, following the current cost of living crisis.

Turnover (i.e., total incoming resources not including voluntary and investment income) for the year ended 31 March 2023 was £4,608,189, compared to £3,454,049 in the prior year.

In respect of the events programme, the SOFA reports that unrestricted income was £3,360,348 (2022 - £2,571,579) which, after deducting the cost of the events programme of £4,693,340 (2022 - £4,833,005) leaves a trading deficit of £1,332,992 (2022 - £2,261,426). We are grateful for grant income support from our principal stakeholders of £785,994 (2022 - £785,618) which, along with our trading income, was matched against this deficit.

The organisation has been successful in being retained as a 'National Portfolio Organisation' of Arts Council England for the periods ending 2023-2027. Support is provided at a standstill due to the effect of overall cuts in funding by the Department of Culture, Media, and Sport. We are grateful for their continued support.

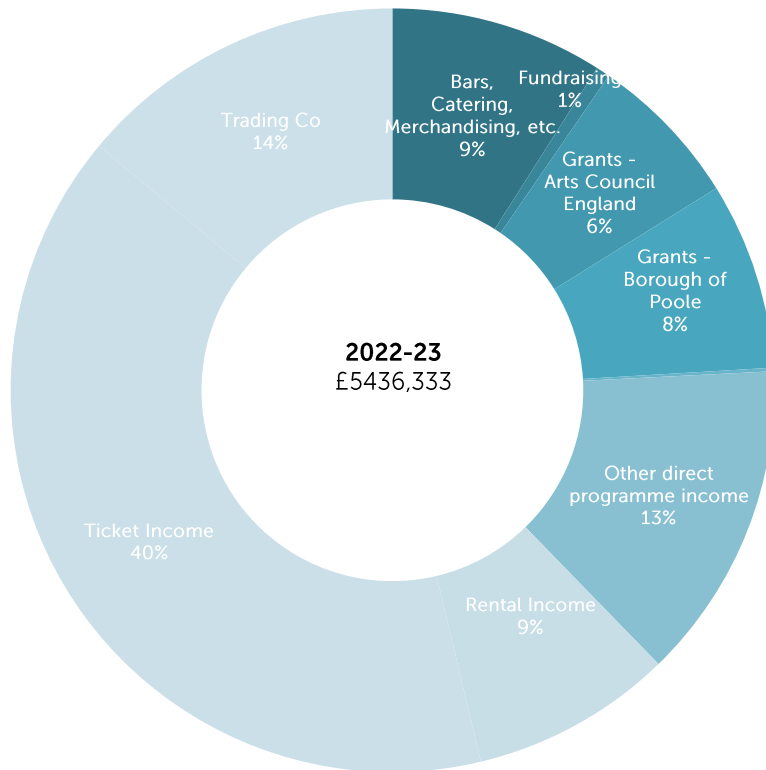
We also remain a key asset to the BCP Council who is our other major funder, who have also confirmed a grant funding, on a standstill basis, for the year commencing 1 April 2023.

Our delivery aims, remain robustly centred on delivering each of these primary funders' cultural objectives.

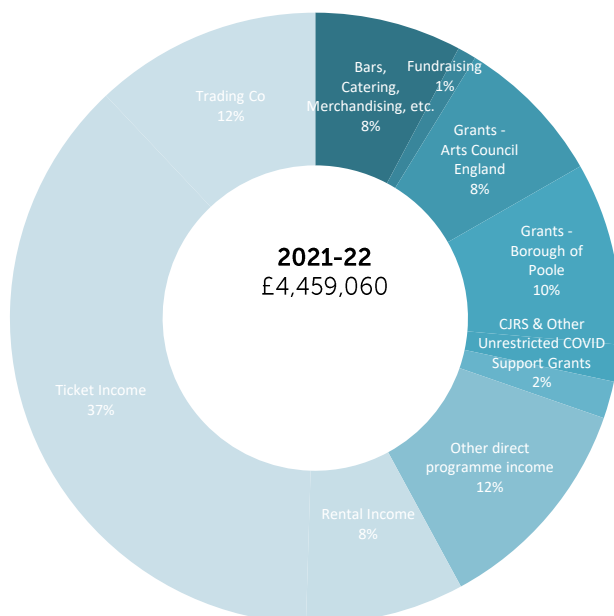
161,394 The number of tickets sold for events at Lighthouse (2022: 110,181)

367,553 Number of seats available (2022: 305,755)

Income

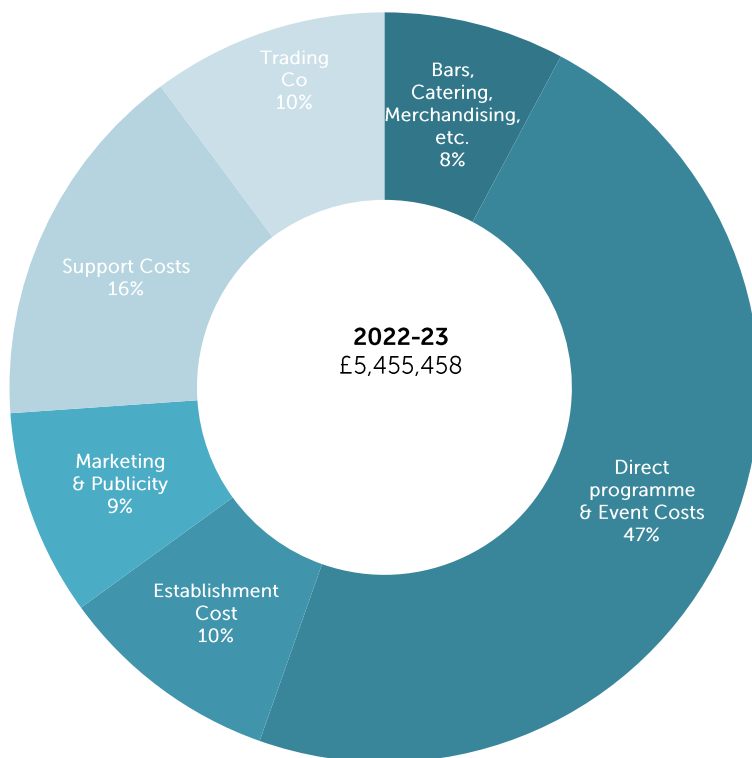


2022-23
Total income:
£5.446m
of which unrestricted:
£5.436m

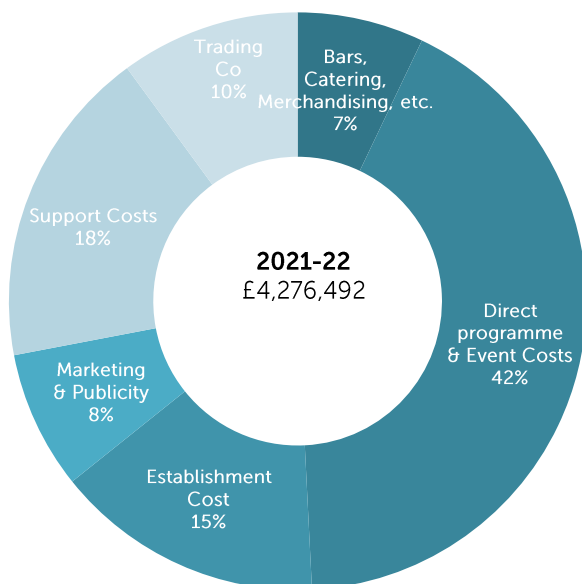


2021-22
Total income:
£5.606m
of which unrestricted:
£4.459m

Expenditure



2022-23
Total expenditure:
£5.673m
of which unrestricted:
£5.455m



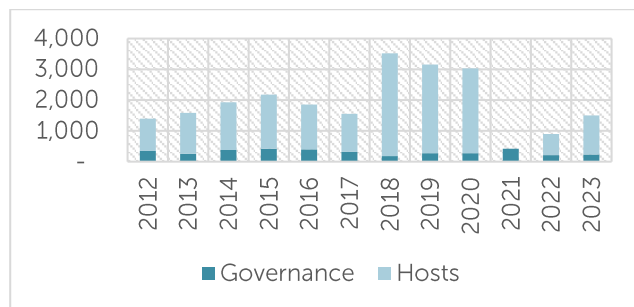
2021-22
Total expenditure:
£5.566m
of which unrestricted:
£4.276m

Report of the Directors

The Trust is, as always, very grateful for the support and efforts of its volunteers. During the year, in the light of the ongoing health and safety challenges of the pandemic, the volunteer Front of House team were called upon to a lesser degree than previously. However, the board did continue to meet, largely remotely, and to support at important decision points. The table below estimates that 1,953 volunteer hours were provided during the year (2022: 904). If this is very conservatively valued at £70 per hour for Board members and £10.00 for other volunteers this amounts to £33,210 (2022: £22,000).

	Hours
Board members	228
Volunteer Stewards	1,725
Total	1,953

Comparison of annual volunteer hours:



Poole Arts Trust (Trading) Limited

Subsidiary address:

Lighthouse, Poole's Centre for Arts
Kingland Road
Poole
Dorset BH15 1UG

Results:

We are grateful to our ongoing hirers for their loyalty, patience, and support during this year's extended period of closure and look forward to welcoming them back to Lighthouse in the new financial year.

The activity of the controlled company consists primarily of room rentals and related hospitality. These are a vital part of our earned income stream and though minimal, are shown in the consolidated results as in previous years.

Another year on from the effects of Lockdown 3 and the Omicron wave the year's trading total turnover increased notably from £535,762 to 758,331.

The surplus for the year, after accruing for a gift aid distribution to Poole Arts Trust Limited of £203,189 (2022: £Nil) amounted to £Nil (2022: £105,550).

Plans for the future.

Challenges, aims & objectives for 2023-24

- The continued challenge for 2023-24 will be to continuing rebuilding demand post-pandemic, in the midst of a significant cost-of-living and inflation crisis, aiming all the while to deliver on our overall business plan. We are particularly concerned about the role utilities costs will play in the overall cost base, and the necessity for substantial fundraising to fully deliver on the promise of Lighthouse Academy.
- To invest substantially in the diversity of the organisation, its programme, staff, and audience. We recognise there is always more to do in making Lighthouse accessible to everyone, audiences, staff and artists, we would aspire and hope to reach.
- To successfully launch Lighthouse Academy as the new umbrella for all Creative Engagement and Artist Development activity for the organisation. This includes the appointment of two new members of staff and the delivery of an enhanced programme of work.
- Developing and maximising engagement and fundraising opportunities, to further support the creation and development and delivery of Creative Engagement programmes for the benefit of future generations of practitioners, audiences, and staff.
- Maintaining cash reserves to further mitigate business risks and support overall charitable objectives. The current situation has served to underscore the relative frailties of this ambition, but it remains a core aim of the organisation to build and maintain reserves to provide resilience and grow as an organisation.
- Maintaining the building and improving fabric, access, and facilities. This will include investment in the Concert Hall, technical equipment, the Beacon Eatery and Front of House areas.
- Completion of a detailed retail review to identify improvements and opportunities in our Front of House offering. This will help to mitigate very significant cost increases elsewhere in the business model.
- Consolidate this year's comprehensive re-branding project – led by the Sales and Marketing Team.

Capital Project 2016-17

This exciting project, which took place in partnership with our colleagues at Arts Council England, BCP Council (previously Borough of Poole) and Bournemouth Symphony Orchestra, gave the building its first major refurbishment since 2002. We have seen the clear benefit of this investment and we have been privileged to grow our relationships with the local business community and our patrons as we seek to further develop a world-class facility for Poole and the South-West.

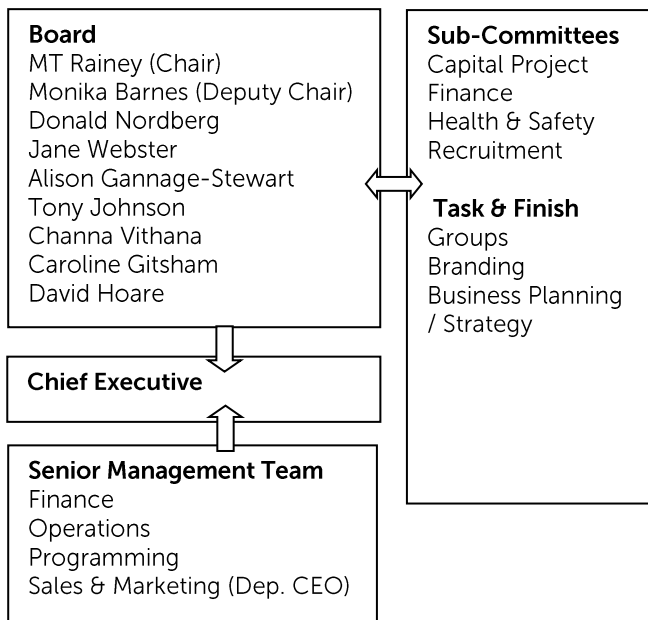
The project has enabled Lighthouse to become more sustainable and more resilient. A better resourced, more efficient, and more flexible building has put the organisation in a better position to subsist in the current economic environment. Final settlement of the main constructor's final account was finalised, after much discussion, during the year 2020-21.

Structure, Governance & Management

Organisational Structure

The directors who have served during the year and since the year end are set out below. Directors are appointed for a period of three years and are then eligible for re-appointment for a further three years. If a director holds a second period of office, then on the expiration of that second period of office the director shall not be eligible for re-election for at least one year unless a third term is exceptionally requested or required. Lighthouse's current chair is MT Rainey MBE, who succeeded Mark Powell on 11 October 2022. The Deputy Chair is Monika Barnes.

The Chief Executive is responsible for the day-to-day management of Lighthouse and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by four senior managers.



Report of the Directors

We continue to seek significant operational improvements post re-opening and to implement innovative solutions in many areas where we have traditionally operated with a significantly reduced staffing level.

In recent years we have introduced new operating procedures including a new Health and Safety Policy, renewed Access Policy, Equality, Diversity & Inclusion Action Plan, Environmental Policy, Staff Handbook and Risk Register, which are updated on an ongoing basis. Each of these will be subject to revision following the learning curve of the past year and the changes in the wider world.

Our staff handbook has always supported the organisational change programme of recent years and provides a firm foundation for future staff development. Whilst the formal training budget is necessarily limited, the change management programme has been maintained and we continue to find opportunities for ensuring continued investment and development opportunities for our team.

We continue to invest wherever we can in developing and supporting our people and hope to benefit from the new Kickstart scheme this year. The formalisation of the Recruitment Sub-Committee at board level will help to facilitate the identification and recruitment of board members with the appropriate skills and diverse backgrounds to support the challenges facing the organisation over the coming years.

We are pleased to have once again retained our *Investors in People* (IIP) award. We will strive to ensure that we continue to meet the IIP Standard structure and benchmark for improvement, to help our teams to be the very best they can be and to maintain their overall wellbeing.

Governance

The company is governed by its Memorandum and Articles of Association which were originally adopted on 13 May 1978. The Memorandum and Articles of the charity were last updated and adopted by the board on 2 October 2012. For the trading company, these were last updated and adopted by the Board on 22 July 2014.

Trustee recruitment and training

When a vacancy arises potential trustees with appropriate skills are sought using a variety of open recruitment methods. The board, with the support of the recruitment sub-committee, identifies candidates with relevant skills and experience to ensure a balanced range of expertise. In recent years, we have increased the strength of the board, with new members having backgrounds in construction, law, education, architecture, and operational management.

Appointments to the Board of Poole Arts Trust are made within national guidelines of best practice for charitable

organisations. Any positions that become available are reviewed against a core skills matrix which is aligned with the business plan and our diversity and equality policies. Posts are advertised, and applicants are invited to complete applications prior to interview. The Board may consider direct recommendations to specifically skilled posts or secondments where particular expertise may be required for a limited period. The recruitment process is supported by Lighthouse HR with oversight from the Board Recruitment Sub-Committee. Final appointments are approved by the Board.

In the prior year, the board proceeded with its aspiration to develop successive generations of specialist Arts board members by the appointment of a young board member, Kate McStraw, initially in an observer role. Kate has now stepped down and we are actively seeking a replacement in this role.

The board met five times (plus subgroups) in the year, and we thank Spencer Clarke who has resigned since the last annual report. We also welcome David Hoare who was appointed on 11 October 2022.

Management policies

Reserves and financial policies

As a result of the events of the previous two years, the organisation has reviewed its reserves policy and has made changes to re-designate the appropriate balances.

The approach now is to maintain unrestricted reserves at a level sufficient to cover a weekly multiple of lost turnover in light of the overall risks facing the organisation and to maintain designated reserves to support both exceptional maintenance costs and to underwrite specific artistic risks as authorised by the board, in line with the charity's overall objects.

As at the year-end cash on deposit totalled £2,252k and net current assets was £1,249k. The total of unrestricted and designated funds was £2,037k.

The directors have identified the benchmark for free reserves set by DCMS during the Cultural Recovery Fund process of eight weeks projected turnover is a helpful starting point and have re-articulated the organisation's reserves policy accordingly.

Turnover in the year was £4,608k. Notwithstanding the effects of inflation, this is in line with general expectations for a standard year. To maintain free reserves at a level of eight weeks of turnover of this level is £709k.

After transfers to designated funds, unrestricted funds carried forward are £1,396k and excluding unrestricted funds represented by Tangible Fixed Assets of £836k the balance of free reserves was £560k (6 weeks).

For comparison, the organisation maintains a detailed risk register with risks value on the basis of impact and

Report of the Directors

probability. The current total valuation of the risk register is £1,256k, with high and medium risks valued at a total of £1,199k.

Unrestricted Reserves

As at 31 March 2023, consolidated unrestricted reserves totalled £2,036,512 (2022 - £1,559,331), comprising £1,396,432 (2022 - £969,251 surplus) on the undesignated element and a surplus of £640,080 (2022 - £590,080) on the designated reserves (see below).

During the year, the directors have reviewed the Reserves Policy and have re-examined the Trust's requirements for free reserves in the light of the predominant risks to the organisation and its working capital.

As a result, the directors believe that the free reserves position, being equal to eight weeks of anticipated turnover (see above), on unrestricted reserves is adequate. This view is informed by the ongoing financial strategy to build financial resilience across the organisation and the board's view of progress to date.

Designated reserves

As at 31 March 2023 the balance on designated reserves totalled £640,080 (2022: £590,080).

These reserves are set aside to assist in the twofold purpose of mitigating the predominant risks to the organisation over the coming periods and to underwrite specific artist risks as the board may agree to pursue in line with the charity's objects.

Generally, where designated reserves are used to underwrite artistic risk, this would be with a clear understanding of potential ROI and the board's minuted approval.

The general risk reserve relates to those risks affecting the ongoing resilience of the venue and organisation, in the particular light of continued uncertainty over inflation and cost pressures (for both the organisation and audiences), consistency of statutory funding streams and the ongoing ambition to maintain Lighthouse as a world class facility within Poole and the Southwest.

Investment policy

In formulating an investment policy, the Trust has recognised that whilst it may generally have surplus funds to invest, these are likely to be called upon in the short term. On a day-to-day basis surplus funds are collected each evening by our bank and placed on deposit at zero risk.

In 2012/13 the charity opened a Virgin Charity Bank Account in order to take up the opportunity of earning a higher rate of interest on any cash balances not required for day to day operating where this can be achieved. With the ongoing low prevailing rates of interest, there is little opportunity in this area and in the current circumstances this account is not in use.

During the prior year the organisation was encouraged under the terms of the Business Banking Switch to leave Royal Bank of Scotland. Co-operative Bank now provide the organisation's current account facilities.

The increase in the Bank of England base rate, and it's associated impact on general banking has meant that the organisation is now in a position to benefit from earned interest on its cash holdings.

Creditor payment policy

It is the Trust's policy to pay creditors in accordance with payment terms agreed. Remembering its responsibilities to small local suppliers in the geographic area in which it operates, this group of suppliers are generally paid before large national or multinational companies. We have been fortunate to have been able to maintain this commitment to date.

Funding

The directors are satisfied that the Trust's assets are available and adequate to fulfil its obligations for both restricted and unrestricted funds.

Programme risk policy

A new method of assessing programme risk was introduced a number of years ago. This has proven immensely valuable to the building of the programme.

The promotion of our own events is identified as the highest risk. Each received show or event is categorised within a five-step range of very high risk to low risk. The programming team have again planned for reduced programme risk in 2023-24, but with some areas of higher expected return.

In order to deliver the range and quality of events, there will always be a degree of risk that cannot be mitigated or diversified away. This is recognised by way of the grants provided by our core funders, BCP Council and Arts Council England.

People and organisation policies

Culture and Values

We have a motivated and committed team, an exciting arts programme and real and increasing confidence stemming from our clear business strategy, supportive team, and achievements during recent months.

We aim continue to strengthen the programming, artistic and operations teams, resulting in improved programme performance, customer experience and secondary income. Each of these appointments has been enabled by the long-term redefinition of roles set out in our change-management programme.

Over the year, leading up to the pandemic, we had been working as an entire staff team to refresh and clarify our organisational values. A detailed process, with everyone engaged, resulted in a clear new set of values, which were formally launched in late Spring 2020, and which now underpin all of our behaviours and organisational approach:

Aspiring
Welcoming
Excellent

During the COVID-19 lockdowns, weekly all-staff meetings, a weekly newsletter, and remote social events such as quizzes have become the new main ways of staying in touch and have proved vital in maintaining the togetherness and shared purpose of the team.

Staff communications have always been a high priority, with a planned programme that includes annual organisational meetings, quarterly CEO updates, monthly senior management team meetings (currently weekly in light of the ongoing crisis management scenario) and a weekly bulletin that is designed for all team members including volunteers, but this has become even more important this year.

We are proud to continue to retain our Investors in People status and work hard to ensure our team continue to feel valued and fully supported in their roles.

As a local employer and cultural leader, we have developed our provision of learning opportunities – offering paid internships, and fully-programmed work experience placements for local schools, as well as the wider learning and participation programme.

Equality, Diversity, Inclusion & Belonging (EDIB)

Lighthouse's Equality, Diversity, Inclusion & Belonging Policy positively communicates our commitment to promoting these values in the community, in service delivery and in employment practice. Nearly 40% of our work in a normal year has a direct focus on growing and maintaining diversity and equality.

We recognise the key part we have to play within the arts in Poole and the South-West in addressing social

inequality and injustice and, supported by the Cultural Recovery Fund, commissioned a study early in the year to give insight into how Lighthouse can improve its provision to a wider range of diverse communities. There have been some very helpful recommendations, which we will action over the next few months and years.

We are committed to ensuring that our arts programme represents the cultural diversity of the UK, notwithstanding the comparative levels of diversity in the region itself. Previously, approximately 7% of our received work might be considered targeted for BAME audiences and we are targeting a 2% increase in employees from a non-white ethnic background over the coming years.

We aspire to continue a programme of audio described and captioned performances as well as touch tours. We offer relaxed performances where the environment has been specifically adapted for families with children with an Autistic Spectrum Condition, individuals with sensory and communication disorders, those with learning disabilities and anyone who would benefit from a more relaxed environment. This includes both pantomime and orchestral performances, amongst others.

A key development in our HR Strategy in recent years has been a programme of internships that will create meaningful career pathways into the arts, for school leavers and unemployed young people initially facilitated by a grant from the Creative Employment Programme. We continue to be accredited under the "Positive about Disability" scheme and are committed to offering people with a disability fair access to employment opportunities. We were active participants in the Government's Kickstart scheme with five placements across the organisation, during the COVID period and immediate afterwards.

Our Access policy includes affordable ticketing and many subsidised events for under 26's. Our 'Live 4 Five' programme offers tickets for £5 to young people under the age of 26 and hundreds of tickets are issued under this scheme each year. This has been developed this year as we return to the building and refresh our overall approach to accessibility.

We will also continue to develop our informal relationships with community groups such as the Dorset Blind Association, Poole Council Mental Health Forum, and Poole Stroke Survivors Group to whom we have always offered a regular place to meet and socialise.

We are members of the RADAR national key scheme as well as the Poole Community Toilet Scheme.

Together with BCP and the Alzheimer's Society, we have also continued to build an audience for cinema screenings tailored for audience members suffering from dementia and their carers, working with local groups to reach and engage audiences.

Health & Safety

The health and safety of staff, volunteers, visiting artists, contractors, visitors and visiting members of the public is of paramount importance to Poole Arts Trust.

Report of the Directors

These policies are actively managed throughout the business. These policies are subject to continuous review and are re-published annually together with the staff handbook.

The requirement to be 'COVID-secure' prior to any level of re-opening was a challenge we took extremely seriously and the team have worked enormously hard in recent months to address this. Our hope is that, in communicating this, audiences will feel increasingly confident to return as a result of the investment in this area. This includes, but is not limited to hand sanitising stations, transparent screens at all service points, additional air purifiers and enhanced flow in AHU systems, discrete and friendly signage, electronic ticket and temperature scanners and improved automatic doors. We have continued many of the approaches taken during this period to maintain the underlying level of health and safety.

We are delighted that in the last year, there have again been no reportable Health & Safety incidents at Lighthouse. There continue to be no major incidents, and, throughout the business, the team recognises the application of good practice in Health & Safety as a key component in achieving our objectives as a venue and as an employer.

Pay Policy for Senior Staff

The Senior Management Team are the key management personnel of the charity in charge of directing and controlling, running, and operating the Trust on a day-to-day basis. All the Trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 5 and 12 to the accounts.

The pay of all staff, including the senior management team, is reviewed annually by the board in its role as remuneration committee and is normally increased in line with inflation. In view of the nature of the charity the organisation benchmarks against other arts centres of a similar size and applies appropriate weightings in the light of additional responsibilities and /or the marketability of the role.

Fundraising Standards

All fundraising undertaken by Lighthouse is carried out in-house and led by our internal Head of Fundraising. We are fully registered and regulated by the Fundraising Regulator who maintains oversight in this area.

The protection and quality of life of vulnerable people and other members of the public is central to Lighthouse's values and mission. We are hugely careful to ensure fundraising prospects are ethically identified and stewarded and this is always done on an individual basis. Where a more general fundraising scheme is in place, we are careful to ensure marketing materials do not represent an intrusion, persistent or otherwise, in the privacy of any member of the public.

Environmental Sustainability

The Board and Management of Poole Arts Trust are committed to championing sound environmental and sustainable values, principles, and practices in all we do. We recognise the fine balance between endeavour and sustainability on our natural environment.

Lighthouse's environmental sustainability policy and action plan is updated annually. This clearly set out our impacts on the environment as a diverse business and our commitments to reducing these impacts. We are focussed on managing and reducing our energy consumption, water, waste, supply and use of resources and services. It is anticipated that this plan will be subject to a significant level revision in the next round of overall business planning.

We were pleased to be the first public building to receive accreditation under BCP Council's – now-ceased – environmental business campaign, 'Green Pea'. This scheme was aimed at supporting the Council achieve its target of a 20% reduction in carbon by 2020.

We are also working with Julie's Bicycle (www.juliesbicycle.com) to achieve full industry-standard recognition. Julie's Bicycle completed a full post-capital project assessment of the building and are currently undertaking a further updated building assessment to provide guidance on improvements we can make to the building over the next business plan cycle. Our programme of replacing legacy lighting with LED continues with the entire top floor being replaced over summer 2022. This will see a significant reduction in energy use in this area. We are also revisiting options for photo-voltaic panels on the roof, given changes in the market since the previous review.

The organisation's energy performance rating is, per DECC certification, Grade B45 – placing the organisation positively against the average of 100 points. Prior to the 2015-17 capital project the building was running at 25% below the CIBSE benchmark for electrical energy and 53% below for thermal energy. These figures are now 68% and 80% below the typical benchmark, respectively. This is a significant achievement.

We have seen that as the years progress the benefits of ongoing capital investment will continue to build. In the future these will include improvements in our water system to reduce wastage, on top of – amongst other things – increased use of the opportunities afforded by the changes in building zoning giving rise to greater efficiency throughout the venue.

Risk assessment and internal control

The directors continue to place substantial emphasis on the area of risk assessment, recognising that promoting artistic work is a volatile and unpredictable activity. Business risks within the Trust are considered under the areas of operational, financial, and reputational risks and are reported upon on a frequent basis. The types of risks affecting the Trust are constantly under review. These

| Report of the Directors

are updated where necessary using past experience so that the necessary steps can be taken to lessen these risks.

The directors continue to:

- Clarify the responsibility of management to implement the directors' policy and identify and evaluate risks for their consideration.
- Communicate that employees have responsibility for internal control as part of their accountability for achieving objectives.
- Embed the control system in the Trust's operations so that it becomes part of the culture of the charity.
- Develop systems to respond quickly to evolving risks arising from factors within the Trust and to changes in the external environment.
- Include procedures for reporting failings immediately to appropriate levels of management and the directors together with details of corrective action being undertaken.

The directors are pleased to note that having monitored the internal financial control systems during the year the controls in place continue to conform to guidelines issued by the Charity Commission. The Risk Register continues to be reviewed and updated on an ongoing basis by the board and senior management, with due regard for the level of reserves, insurance and direct organisational change required to mitigate these risks.

Reference and Administrative Details

Registered and principal office

Lighthouse, Poole's Centre for Arts
21 Kingland Road
Poole
Dorset
BH15 1UG

Directors

The present membership of the Board is set out below. All directors served throughout the year except where indicated:

Mark Powell	Retired 11 October 2022
Spencer Clarke	Resigned 17 May 2023
Donald Nordberg	
MT Rainey (Chair)	
Jane Webster (Deputy Chair)	
Monika Barnes	
Alison Gannage-Stewart	
Tony Johnson	
Channa Vithana	
Caroline Gitsham	
David Hoare	Appointed 11 October 2022

Company Secretary

The company secretary is Peter Wilson.

Chief Executive Officer and Senior Management Team

Elsbeth McBain continued to serve as the Chief Executive Officer.

The other members of the senior management team during the year were Martyn Balson (General Manager), Sara St George (Head of Sales & Marketing/Deputy CEO), Tim Colegate (Head of Programming) and Peter Wilson (Head of Finance).

Bankers

The Co-operative Bank
2nd Floor,
St Paul's House,
10 Warwick Lane
London
EC4M 7BP

Auditors

HWB Chartered Accountants
Highland House, Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Solicitors

Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

Registration numbers

Company: 01368325
Charity: 275961

Directors' responsibilities for financial statements

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

Company law requires the directors 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 its subsidiary, and of the incoming resources and application of resources, including the income and expenditure, of the companies for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 its subsidiary, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' interests

Each of the directors is also a member of the company. The company has no share capital, but each member has undertaken to contribute a maximum of £1, if required, in the event of winding-up of the company.

Signed on behalf of the Board

MT Rainey OBE
Chair

Date:

Independent auditor's report to the members of Poole Arts Trust Limited

Opinion

We have audited the financial statements of Poole Arts Trust Limited ('the parent Charity') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheets, the consolidated statement of cash flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.¹

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the parent Charity's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, including the Trustee and Strategic Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustee and Strategic report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustee and Strategic Report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report and strategic report included within the Trustee and Strategic Report.

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

- adequate and proper 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 trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the parent Charity 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 Group and 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 company 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. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities even though the audit has been properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent and group, and the sectors in which they operate. These include but are not limited to compliance with the Companies Act 2006, UK Generally Accepted Accounting Practice and the relevant tax compliance regulations.
- We obtained an understanding of how the company is complying with these frameworks through discussions with management.
- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence, a review of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment,

including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.

- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the company operates in, and their practical experience through training and participation with audit engagements of a similar nature.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

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 parent Charity'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 parent Charity's members 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 parent Charity and the parent Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]

Michaela Johns (Senior Statutory Auditor)
For and on behalf of Hopper Williams & Bell Limited, Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
SO53 4AR

[Date]

Consolidated statement of financial activities for the year ended 31 March 2023

(Incorporating the Group Income and Expenditure Account and Statement of Comprehensive Income)

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
Incoming Resources						
Donations and legacies						
Grant income		784,396	-	9,759	794,155	2,034,410
Donations, legacies and gifts		41,516	-	-	41,516	117,684
Donations and legacies income sub-total		825,912	-	9,759	835,671	2,152,094
Income from charitable activities						
Income from events programme		3,360,348	-	-	3,360,348	2,571,579
Bar, café, and merchandising		489,510	-	-	489,510	346,708
Income from charitable activities sub-total		3,849,858	-	-	3,849,858	2,918,287
Income from other trading activities						
Commercial trading activities	3	758,331	-	-	758,331	535,762
Income from other trading activities sub-total		758,331	-	-	758,331	535,762
Investment income						
Bank interest receivable	2	2,232	-	-	2,232	151
Total incoming resources		5,436,333	-	9,759	5,446,092	5,606,294
Resources Expended						
Cost of generating funds						
Bar, café, and merchandising	1.8	425,270	-	-	425,270	303,030
Commercial trading operations	1.12	555,142	-	-	555,142	430,212
Costs of generating funds sub-total		980,412	-	-	980,412	733,242
Charitable activities						
Costs for events programme		4,475,046	-	218,294	4,693,340	4,833,005
Costs of charitable activities sub-total		4,475,046	-	218,294	4,693,340	4,833,005
Total resources expended		5,455,458	-	218,294	5,673,752	5,566,247
Net income/(expenditure) for the year		(19,125)	-	(208,535)	(227,660)	40,047
Transfers between funds	14	446,306	50,000	(496,306)	-	-
Net movement in funds for the year		427,181	50,000	(704,841)	(227,660)	40,047
Funds brought forward at 1 April 2022	14/15	969,251	590,080	5,085,050	6,644,381	6,404,334
Balances carried forward at 31 March 2023	14/15	1,396,432	640,080	4,380,209	6,416,721	6,644,381

There were no other recognised gains or losses other than the net incoming reserves for the year. All incoming resources and resources expended derive from continuing activities.

The accompanying accounting policies and notes form an integral part of these financial statements.

Company statement of financial activities for the year ended 31 March 2023

(Incorporating the Company Income and Expenditure Account and Statement of Comprehensive Income)

	Note	Unrestricted funds	Restricted funds	Total 2023	Total 2022
		Undesignated £	Designated £	£	£
Incoming Resources					
Donations and legacies					
Grant income		784,396	-	794,155	2,034,410
Donations, legacies and gifts		41,516	-	41,516	117,684
Donations and legacies income sub-total		<u>825,912</u>	<u>-</u>	<u>835,671</u>	<u>2,152,094</u>
Income from charitable activities					
Income from events programme		3,360,348	-	3,360,348	2,571,579
Bar, café, and merchandising		489,510	-	489,510	346,708
Income from charitable activities sub-total		<u>3,849,858</u>	<u>-</u>	<u>3,849,858</u>	<u>2,918,287</u>
Income from other trading activities					
Gift aid from Poole Arts Trust (Trading) Limited	3	-	-	-	-
Income from other trading activities sub-total		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment income					
Bank interest receivable		2,232	-	2,232	151
Total incoming resources		<u>4,678,002</u>	<u>-</u>	<u>4,687,761</u>	<u>5,070,352</u>
Resources Expended					
Cost of generating funds					
Bar, café, and merchandising		425,270	-	425,270	303,030
Costs of generating funds sub-total		<u>425,270</u>	<u>-</u>	<u>425,270</u>	<u>303,030</u>
Charitable activities					
Costs for events programme		4,475,046	-	4,693,340	4,833,005
Costs of charitable activities sub-total		<u>4,475,046</u>	<u>-</u>	<u>4,693,340</u>	<u>4,833,005</u>
Total resources expended		<u>4,900,316</u>	<u>-</u>	<u>5,118,610</u>	<u>5,136,035</u>
Net income/(expenditure) for the year		<u>(222,314)</u>	<u>-</u>	<u>(430,849)</u>	<u>(65,503)</u>
Transfers between funds	14	446,306	50,000	(496,306)	-
Net movement in funds for the year		<u>223,992</u>	<u>50,000</u>	<u>(430,849)</u>	<u>(65,503)</u>
Funds brought forward at 1 April 2022	14/15	<u>863,385</u>	<u>590,080</u>	<u>6,538,515</u>	<u>6,604,018</u>
Balances carried forward at 31 March 2023	14/15	<u>1,087,377</u>	<u>640,080</u>	<u>6,107,666</u>	<u>6,538,515</u>

There were no other recognised gains or losses other than the net incoming reserves for the year. All incoming resources and resources expended derive from continuing activities.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated balance sheet at 31 March 2023

Company number: 01368325

Charity number: 275961

	Not e	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	7		5,168,118		5,115,782
Current assets					
Stock	8	35,633		39,761	
Debtors	9	599,564		627,351	
Cash in hand and at bank		2,251,881		3,151,717	
		<u>2,887,078</u>		<u>3,818,829</u>	
Creditors: amounts falling due within one year	10	<u>(1,638,475)</u>		<u>(2,290,230)</u>	
Net current assets			<u>1,248,603</u>		<u>1,528,599</u>
Net assets	13		<u><u>6,416,721</u></u>		<u><u>6,644,381</u></u>
Funds					
Unrestricted funds:					
Undesignated	14	1,396,432		969,251	
Designated	14	640,080		590,080	
Restricted funds:					
Development project	15	4,331,889		4,500,117	
Capital replacement	15	-		140,309	
Other restricted funds	15	48,320		112,743	
Weston Culture Fund	15	-		79,956	
Cultural Relief Fund	15	-		251,925	
		<u>6,416,721</u>		<u>6,644,381</u>	

These accounts were approved by the Board of Directors on 18 July 2023

MT Rainey OBE
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Company balance sheet at 31 March 2023

Company number: 01368325
Charity number: 275961

	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	7		5,127,883		5,097,173
Current assets					
Stock	8	24,591		30,397	
Debtors	9	605,518		595,954	
Cash in hand and at bank		2,251,381		3,151,217	
		<u>2,881,490</u>		<u>3,777,568</u>	
Creditors: amounts falling due within one year	10	<u>(1,901,707)</u>		<u>(2,336,226)</u>	
Net current assets			<u>979,783</u>		<u>1,441,342</u>
Net assets	13		<u><u>6,107,666</u></u>		<u><u>6,538,515</u></u>
Funds					
Unrestricted funds:					
Undesignated	14		1,087,377		863,385
Designated	14		640,080		590,080
Restricted funds:					
Development project	15		4,331,889		4,500,117
Capital replacement	15		-		140,309
Other restricted funds	15		48,320		112,743
Weston Culture Fund	15		-		79,956
Cultural Relief Fund	15		-		251,925
			<u><u>6,107,666</u></u>		<u><u>6,538,515</u></u>

These accounts were approved by the Board of Directors on 18 July 2023

MT Rainey OBE
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated cash flow statement for the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Net cash inflow/(outflow) from operating activities	18		(540,109)		1,766,055
Cash flows from investing activities					
Interest received		<u>2,232</u>		<u>151</u>	
Net cash inflow from investing activities			2,232		151
Cash flows from financing activities					
Purchase of tangible fixed assets		<u>(361,959)</u>		<u>(204,278)</u>	
Net cash outflow from financing activities			<u>(361,959)</u>		<u>(204,278)</u>
Increase/(decrease) in cash	19		<u><u>(899,836)</u></u>		<u><u>1,561,928</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

Accounting policies for the year ended 31 March 2023

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Poole Arts Trust Limited 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 notes.

Going Concern

We confirm that the financial statements have been prepared on a going concern basis, which assumes that the organisation will continue in operational existence for the foreseeable future. In making our assessment the directors have considered the group's current financial position, the impact of COVID19 and its likely future cash flows.

Consolidation policy

Poole Arts Trust (Trading) Limited is considered to be a subsidiary of Poole Arts Trust Limited because the two companies are under common control and have a unified management.

These financial statements consolidate the results of the charity and its subsidiary on a line-by-line basis, in accordance with the Companies Act 2006.

Incoming resources

Voluntary income including donations, gifts, legacies, and grants that provide core funding or are of general nature are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions that must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This is recognised as the related goods or services are provided. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when:

- Admission fees or performance related grants are received in advance of the performance or event to which they relate.

Resources expended

Expenditure is recognised when a liability is incurred and is accounted for net of VAT. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the staging of concerts, stage productions, art exhibitions and educational programmes and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been entirely allocated to event programme costs on the basis that this is our core activity, and that further allocation would not be meaningful.

Fund accounting

Restricted funds are used for specific purposes laid down by the donor. Expenditure for those purposes is charged to those funds.

Unrestricted funds are grants and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds that have been designated for specific purposes by the directors.

The nature and purpose of each fund is described on pages 44-45 in the reserve notes.

Key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Tangible fixed assets

Tangible fixed assets are stated at cost, being purchase price less accumulated depreciation.

Individual fixed assets costing £500 or more are capitalised at cost. This would also apply to a group of assets that form part of a suite and have a combined value of £500 or more.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments.

The periods applicable are:

	No. of years
Leasehold property	Up to 20/30 years
Equipment	5 years
Furniture	10 years
Fixtures	5 to 10 years

Assets are only depreciated once brought into use.

Stocks

Stocks are valued at the lower of cost, being purchase price, and net realisable value, and comprise bar stocks, food, confectionery, and consumables.

Financial instruments

The trust 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.

Liquid resources

Liquid resources include amounts in bank deposits that are immediately accessible by the Trust.

Recognition of liabilities

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Contributions to pension funds

Defined Contribution Scheme

The pension costs charged in the year represent the amount of the contributions payable to the group personal pension plan in respect of the accounting period. The assets of the scheme are held separately from those of the trust in an independently administered scheme.

Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary gift aid any available profits to the parent charity. Theatre tax relief is calculated as a proportion of the income and core expenditure incurred, within the trading subsidiary, on the theatre production in respect of the accounting period.

1. Surplus / (deficit) for the year

	Note	2023 Total £	2022 Total £
Incoming Resources			
Turnover			
Ticket income		2,161,136	1,671,990
Other direct programme income		734,584	525,046
Rental income		464,628	374,543
Bars, catering, merchandising, etc.		489,510	346,708
Trading company	3	758,331	535,762
Fundraising		28,507	38,265
Interest receivable	2	2,232	151
Other donations		-	73,463
Other restricted donations		-	5,956
Legacies		5,009	-
Sponsorship income		8,000	-
Turnover		4,651,937	3,571,884
Grant Income			
Arts Council England, Southwest		354,806	354,806
Additional Restrictions Grant (BCP Council)		-	41,000
Job Retention Scheme Grant		-	87,179
BCP Council		431,188	430,812
Cultural Recovery Fund (DCMS)		-	1,073,771
Other Grants		585	4,000
RBS Bank Switch		-	25,000
DCCI Kick Starters		2,876	17,842
National Theatre Connections		4,700	-
Grant Income		794,155	2,034,410
Total Incoming Resources		5,446,092	5,606,294
Resources Expended			
Cost of Sales			
Direct programme and event costs		2,647,131	2,129,127
Trading company	3	555,142	430,212
Bars, catering, merchandising, etc.		425,270	303,030
Total Cost of Sales		3,627,543	2,862,369
Administrative Expenditure			
Establishment costs		524,110	760,750
Marketing and publicity		485,123	391,284
Support costs		868,748	906,943
Other restricted costs		-	17,556
Total Administrative Expenditure		1,877,981	2,076,533
Total Resources Expended before Restricted Depreciation		5,505,524	4,938,902
Net Surplus / (Deficit) before Restricted Depreciation		(59,432)	667,392
Restricted depreciation		(168,228)	(627,345)
Net Surplus / (Deficit) after Restricted Depreciation		(227,660)	40,047

2. Interest receivable

	2023 £	2022 £
Bank interest	<u>2,232</u>	<u>151</u>

3. Income from commercial trading activities

The trading subsidiary is Poole Arts Trust (Trading) Limited, which is incorporated in the United Kingdom (company number 01368368). Poole Arts Trust (Trading) Limited operates all commercial trading operations carried on at the Poole Arts Trust Limited premises. A summary of the trading results is shown below.

	Note	2023 £	2022 £
Turnover	1.11	699,256	523,599
Cost of sales and administration costs	1.12	(555,142)	(430,212)
Theatre Tax Relief	1.11	<u>59,075</u>	<u>12,163</u>
Net profit		<u>203,189</u>	<u>105,550</u>

The assets and liabilities of the subsidiary were:

Fixed assets	40,235	18,609
Current assets	394,556	143,324
Current liabilities	<u>(125,736)</u>	<u>(56,067)</u>
Total net assets	<u>309,055</u>	<u>105,866</u>

4. Staff costs

	2023 £	2022 £
Wages and salaries	1,671,920	1,403,380
Social security costs	124,343	96,738
Pension costs	41,502	37,958
	<u>1,837,765</u>	<u>1,538,076</u>

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2023 Number	2022 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

The average number of (full time equivalent – FTE) employees during the year were made up as follows:

	2023	2022
	FTE	FTE
Management and administration	18	17
Marketing and publicity	6	5
Establishment	15	13
Bars, catering, and merchandise	14	10
Direct programme and event	10	9
Total FTE	<u>63</u>	<u>54</u>
Average number of employees	<u>122</u>	<u>103</u>

Key management personnel compensation:

2023					2022				
Gross wages £	NI Ers £	Pension £	Benefits £	Total £	Gross wages £	NI Ers £	Pension £	Benefits £	Total £
305,806	37,815	23,728	3,582	370,931	273,060	30,844	25,941	3,229	333,074
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. Directors

No director or person with a family or business connection with a director received remuneration in the year, directly or indirectly, from the charity. Enil travelling expenses were reimbursed to the directors during the year (2022: Enil).

6. Operating surplus for the year

The operating surplus for the year is stated after charging:

	2023 £	2022 £
Auditors' remuneration:		
Audit services	18,900	15,850
Non-audit services	6,070	800
Depreciation of tangible fixed assets	<u>309,043</u>	<u>692,474</u>
 Audit services in respect of Poole Arts Trust (Trading) Limited	 <u>3,000</u>	 <u>2,500</u>

7. Tangible fixed assets

Group

	Improvements to long leasehold property £	Furniture, fixtures and equipment £	Assets under construction £	Total £
Cost				
At 1 April 2022	14,617,286	1,215,248	-	15,832,534
Additions	78,169	277,370	6,420	361,959
Disposals	-	(580)	-	(580)
At 31 March 2023	<u>14,695,455</u>	<u>1,492,038</u>	<u>6,420</u>	<u>16,193,913</u>
Depreciation				
At 1 April 2022	9,911,166	805,586	-	10,716,752
Provided during the year	176,684	132,359	-	309,043
At 31 March 2023	<u>10,087,850</u>	<u>937,945</u>	<u>-</u>	<u>11,025,795</u>
Net book value				
At 31 March 2022	<u>4,706,120</u>	<u>409,662</u>	<u>-</u>	<u>5,115,782</u>
At 31 March 2023	<u>4,607,605</u>	<u>554,093</u>	<u>6,420</u>	<u>5,168,118</u>

Charity

	Improvements to long leasehold property £	Furniture, fixtures and equipment £	Assets under construction £	Total £
Cost				
At 1 April 2022	14,617,286	1,188,737	-	15,806,023
Additions	78,169	251,032	6,420	335,621
Disposals	-	(580)	-	(580)
At 31 March 2023	14,695,455	1,439,189	6,420	16,141,064
Depreciation				
At 1 April 2022	9,911,166	797,684	-	10,708,850
Provided during the year	176,684	127,647	-	304,331
At 31 March 2023	10,087,850	925,331	-	11,013,181
Net book value				
At 31 March 2022	4,706,120	391,053	-	5,097,173
At 31 March 2023	4,607,605	513,858	6,420	5,127,883

All of the above assets are used to further the primary objects of the charity.

8. Stocks

	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
Consumables	11,119	11,119	13,051	13,051
Goods for resale	24,514	13,472	26,710	17,346
	35,633	24,591	39,761	30,397

9. Debtors

	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
Trade debtors	141,663	104,644	161,574	147,016
VAT recoverable	-	76,307	-	-
Other debtors	51,602	48,925	24,326	23,006
Prepayments and accrued income	406,299	375,642	441,451	425,932
	599,564	605,518	627,351	595,954

10. Creditors: amounts falling due within one year

	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
Trade creditors	427,925	418,846	760,877	752,356
Other creditors	341,558	315,013	427,101	407,554
Taxation and Social Security	13,805	-	43,937	15,938
Deferred income	215,500	215,500	215,876	215,876
Amounts owed to group undertakings	-	312,661	-	102,063
	998,788	1,262,020	1,447,791	1,493,787
Box office receipts in advance	639,687	639,687	842,439	842,439
	1,638,475	1,901,707	2,290,230	2,336,226

Deferred income as at 31 March 2023 consists of grant income which is specifically allocated for use in future accounting periods and will be released accordingly in the subsequent period.

	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
Box office receipts in advance analysis:				
Opening balance	842,439	842,439	590,343	590,343
Tickets sold for events	3,218,089	3,218,089	2,832,656	2,832,656
Tickets transferred to SOFA	(3,420,841)	(3,052,704)	(1,953,688)	(1,631,605)
Tickets transferred to subsidiary	-	(368,137)	-	(322,083)
Tickets transferred to third parties	-	-	(626,872)	(626,872)
	639,687	639,687	842,439	842,439

11. Related party transactions

The charity has taken advantage of the exemption not to disclose transactions with group undertakings, all of which are eliminated on consolidation in these financial statements.

12. Members' liability

The Trust is limited by guarantee and has no share capital. Each of the directors is also a member of the company. At the year ended 31 March 2023 there were 9 members (9 members at 31 March 2022), each of whom has undertaken to contribute a maximum of £1, if required, in the event of the winding up of the company.

13. Analysis of net assets between funds

Group	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
Development project	4,331,889	-	-	4,331,889
Other restricted funds	-	48,320	-	48,320
Restricted total	4,331,889	48,320	-	4,380,209
Unrestricted fund	836,229	2,198,678	(1,638,475)	1,396,432
Designated fund	-	640,080	-	640,080
Total	5,168,118	2,887,078	(1,638,475)	6,416,721

Charity	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
Development project	4,331,889	-	-	4,331,889
Other restricted funds	-	48,320	-	48,320
Restricted total	4,331,889	48,320	-	4,380,209
Unrestricted fund	795,994	2,193,090	(1,901,707)	1,087,377
Designated fund	-	640,080	-	640,080
Total	5,127,883	2,881,490	(1,901,707)	6,107,666

14. Unrestricted funds

Group	Undesignated funds £	Designated funds £	Total unrestricted funds £
Income	5,436,333	-	5,436,333
Expenditure	(5,455,458)	-	(5,455,458)
Transfers	446,306	50,000	496,306
Surplus for the year	427,181	50,000	477,181
Balance at 1 April 2022	969,251	590,080	1,559,331
Balance at 31 March 2023	1,396,432	640,080	2,036,512

In the previous year group undesignated funds had total income of £4,459,060, total expenditure of £4,276,492 and a surplus for the year of £182,568.

Charity	Undesignated funds £	Designated Funds £	Total unrestricted funds £
Income	4,678,002	-	4,678,002
Expenditure	(4,900,316)	-	(4,900,316)
Transfers	446,306	50,000	496,306
Surplus for the year	223,992	50,000	273,992
Balance at 1 April 2022	863,385	590,080	1,453,465
Balance at 31 March 2023	1,087,377	640,080	1,727,457

In the previous year, charity undesignated funds had total income of £3,932,298, total expenditure of £3,846,280 and a surplus of £77,018.

See reserves and financial policies notes in the directors' report for details.

Designated funds consist of the following distinct balances:

	Artistic Risk Reserve £	Risk Reserve £	Total £
Balance at 1 April 2022	196,693	393,387	590,080
Transferred in (out)	-	50,000	50,000
Balance at 31 March 2023	196,693	443,387	640,080

In reviewing the Reserves Policy, the trustees have determined a new approach to designated funds is required in order to support the organisation mitigating the risks identified in continuing to deliver the charity's objects to the highest level. As such, funds have been redesignated as a general risk and an artistic reserve. These funds will help to underwrite in ever-increasing risk of operations and the high up-front outlay of ambitious, high-quality work on our stages, respectively. The former anticipates the ongoing cost of maintaining a, now ageing, building and the latter the need to deliver work, on occasion, for which prior experience does not provide an accurate indication of return on investment.

15. Restricted funds

Total restricted funds (Group and Charity)

The following restricted funds are held:

	Development Project £	Capital Replacement £	Other Restricted Funds £	Weston Culture Fund £	DCMS Culture Recovery Fund £	Total £
Balance at 1 April 2022	4,500,117	140,309	112,743	79,956	251,925	5,085,050
Income	-	-	9,759	-	-	9,759
Expenditure	(168,228)	-	(50,066)	-	-	(218,294)
Transfer	-	(140,309)	(24,116)	(79,956)	(251,925)	(496,306)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March 2023	4,331,889	-	48,320	-	-	4,380,209
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15. Restricted funds

Total restricted funds (Group and Charity) (continued)

This year group and charity restricted funds had total income of £9,759, total expenditure of £218,294 and a deficit of £208,535 before transfers. Transfers totalling £496,306 were made to the undesignated funds where it was noted that restricted grants had been expensed in previous years, or in the case of the Capital Replacement fund, it was deemed that there were no restrictions over the funding originally received.

Capital Development Project

In 2014 the trust received development funds from Arts Council England, Borough and Poole and Bournemouth Symphony Orchestra of £56,000, £55,000, and £25,000 respectively. In 2014 Lighthouse directly committed £47,000 of its own reserves to the development stage of the project. This was funded by the prudent accumulation of the designated maintenance fund in preceding years.

In 2015 the trust received development funds from Arts Council England, Clive and Sally Sherling, Garfield Weston Charitable Trust and Equity Charitable Trust of £62,059, £100,000, £100,000, and £6,000 respectively.

The initial receipt of an Arts Council England Stage One capital funding signalled a high degree of confidence in the organisation's capital development plans. Borough of Poole then confirmed further funding of up to £595,000. Arts Council England then awarded Stage 2 Capital Grant funding for just under £3.9m. Further donations were received from private donors to complete the project.

Other Restricted Funds

Other restricted funds include:

- Grants from the Theatres Trust in respect of accessibility improvements and equipment for COVID safe operation.
- Donations from private individuals to enable the purchase of accessibility and auditoria lighting equipment.
- An award from the National Theatre to support the May 2023 NT Connections Programme
- Our own fundraising to support creative engagement work for children and young people
- Our own fundraising during the annual Christmas appeal to support those suffering disadvantage to be able to engage with the work of the organisation.

16. Contingent liabilities

The directors recognise that under the terms of the lease, the Trust has an obligation in respect of the building and to this end the building is maintained to a high standard. The Borough of Poole has required that no allowance be made for replacement of the Borough's assets in the grant that the Trust receives from the Borough. The amount of any contingent liability regarding this obligation cannot be quantified at the present time. If the directors are unable to raise alternative sources of finance to meet any such liability that may arise, the Borough has indicated that it would consider each request for replacement of the Borough's assets on its merits at the time.

17. Pension commitments

The Trust has a pension scheme for all eligible employees. The Trust operates a group personal pension plan and there are, therefore, no possible unforeseen liabilities.

	2023 £	2022 £
Trust premiums paid to this scheme	<u>41,502</u>	<u>37,958</u>

Contributions totalling £4,535 (2022: £4,798) were payable to the scheme at the year end and are included in creditors.

18. Net cash inflow / (outflow) from operating activities

	2023 £	2022 £
Reconciliation of operating surplus to net cash inflow / (outflow) from operating activities:		
Net unrestricted incoming/(outgoing)resources for the year	(10,700)	182,568
Net designated incoming/(outgoing)resources for the year	-	-
Net restricted incoming/(outgoing) resources for the year	<u>(216,960)</u>	<u>(142,521)</u>
Net incoming/(outgoing) resources for the year	(227,660)	40,047
Interest receivable	(2,232)	(151)
Depreciation on fixed assets	309,043	913,645
Loss on disposal of fixed assets	580	-
(Increase)/decrease in stock	4,128	(21,823)
(Increase)/decrease in debtors	27,787	(201,034)
Increase / (decrease) in creditors	<u>(651,755)</u>	<u>1,035,371</u>
Net cash inflow / (outflow) from operating activities	<u><u>(540,109)</u></u>	<u><u>1,766,055</u></u>

19. Analysis of changes in net funds

	2022 £	Cash flow £	2023 £
Cash at bank and in hand	<u>3,151,217</u>	<u>(899,836)</u>	<u>2,251,381</u>

20. Ultimate control

The ultimate controlling party is the Board of Directors.

In respect of the provisions of the Small Business Enterprise and Employment Act 2015, the directors do not consider that any one person or legal entity (or combination thereof) aside from the Board itself, has significant influence over the company.