

## QUESTIONS SUBMITTED BY MEMBERS IN ADVANCE OF THE AGM

### FROM MR PATRICK CLINTON

SAS Trustees' Report and Financial Statements for the period ended 31 March 2021

I have the following queries on the content of the above and, for ease of reference, where appropriate, have referenced page numbers/section numbers.

Page 3 – b Strategies for achieving objectives.

Will the refreshed version of the “new strategy” be made available to members and when is the anticipated publication date. Given the comments on page 9 e Charity governance code, where it states “our commitment to openness and accountability remains a priority. The Council has identified key stakeholders etc etc”, I would expect that the “Strategy” will be made available to members.

***Absolutely. The new Strategy will be fully available to Members. Indeed, formulation of the Strategy will involve members directly - requiring their input and contribution as central to the process. Our Membership Survey issued on October 7<sup>th</sup> is one of the first steps.***

Page 5 – b Review of activities.

I see (para. 4) that an “audience development and visitor experience professional has been engaged”. In view of the recent positions advertised for Sussex Past, including Heads of both, Properties & Marketing, which will be a minimal additional annual cost totally circa £100k, how is it intended to fund these positions.

***The Audience Development and Visitor Experience professional is an external consultant, engaged to work with us for a fixed period and fully funded by the Cultural Recovery Fund. Colin Mulberg Consulting has over 25 years practice in developing audiences and creating visitor offers for a wide range of high-profile cultural organisations, including the V&A.***

***Colin is supporting the Society with a focus on the following key areas to increase resilience & sustainability:***

- ***Audience development to help inform visitor motivations and patterns***
- ***Visitor Offers – defining key audiences, shaping offers and sharing that expertise across the Society***
- ***Identifying potential income streams***
- ***Identifying the benefits to our audiences and creating compelling reasons to visit***
- ***Reviewing and auditing our current visitor experience and modelling the visitor journey.***

***The positions of Head of Historic Properties and Head of Marketing & Communications are funded and affordable within the approved 2021-22 operating budget and longer-term financial projections. This is achieved through a funding mix of savings from the restructuring of vacant posts and the additional revenues projected to be secured through delivery of new commercial initiatives led by these post-holders.***

Para 8 – refers to “replacement external play area equipment” for Michelham Priory – how much did this cost and when was this work completed.

***The external play equipment referred to here is costing £7,454 in total and is fully funded by the Cultural Recovery Fund which will be drawn down in the 21-22 financial year. This particular investment is currently held in the manufacturer’s warehouse in Germany, with delays related to shipping. We are looking forward to receiving the equipment very soon and seeing it installed and in use in time for spring ‘22.***

***It is important to note that the Trustees’ Report necessarily discusses activities that take place both pre and post the financial period-end, up to and including the date of signature of the accounts. The Trustees’ Report is in turn inspected by our auditors, Kreston Reeves and verified by them.***

Page 7 – b Reserves policy – I note that the Trustees are, rightly, “working with the Chief Executive on a recovery strategy to 2025”. When is this critical piece of work to be completed and will this be shared with Members.

***Our dedicated Council of Trustees has most rightly been engaged in securing the survival and stabilisation of the Society across the past 18 months - critical work that was necessary as a result of (a) sizeable and unaddressed historic deficits accumulated by the Society across a period of many years and (b) the impact of the recent Covid pandemic.***

***With the Society in a more stable place financially, our new Chief Executive and Council of Trustees have commenced formulation of a 2025 strategy for recovery. Not only will the new strategy be shared with our members, but members will be actively encouraged to participate in its development. Our Membership Survey issued on 7<sup>th</sup> October is one of the first steps in this process.***

Page 9 – e Charity governance code – In view of your “commitment to openness and accountability” to key stakeholders – how do you intend to do this. With what frequency and through what communication methods will be used.

In view of the importance of a Charity’s Governance Code, will this be made available to stakeholders.

***Openness and accountability mean much more than simply making something ‘available’ but rather, ensuring all stakeholders are fully involved and included when designing what the future will be.***

***We have already commenced this work through strengthening partnerships with a number of stakeholders including our staff, our members, our key funders and supporters, other significant partner organisations and the wider public. We are actively engaging for the first time in many years with a variety of organisations including by way of example, the South Downs National Park Authority, East Sussex Cultural Leaders Network, Association of Leading Visitor Attractions, the Sussex Wildlife Trust and the Council for British Archaeology.***

***Stakeholder engagement is a multi-layered process involving a breadth and depth of activities including, but not limited to, active participation and engagement on both regional and national forums, conferences and events, meetings, activities, surveys, focus groups and ongoing and regular communications.***

Page 10 Plans for future periods – Will the “new organisational structure” be shared with members so that we can better understand the workings of the Charity. This is important given how reliant the Society is on its members, (many of whom are also volunteers) to the Society.

***Absolutely. The Society is currently going through a necessary period of substantial change and modernisation which will result in new structures and ways of working. Information regarding our new operating structure and staffing will be provided on our website once this is in-place.***

‘Para 3 – You intend to have a “deeper engagement with our existing members” – how is this to be achieved. In view of the lost opportunity to gain legacies in recent years, this engagement is critical for the possibility of future “donations”. Deeper engagement cannot be achieved just through surveys.

***We wholeheartedly agree that there have been a number of ‘lost’ opportunities across the workings of the entire Society in the past, particularly in respect of fundraising. We are encouraged however that so many supporters continue to generously donate and as evidenced through gifts and legacies received during the 20-21 financial period.***

***As previously stated, stakeholder engagement is a multi-layered process involving a breadth and depth of activities.***

Page 11 – Plans for future periods (continued) – Reference is made to the “Celebrating 175 Years” fundraising campaign – where it is stated that this has raised in excess of £500,000. How has this figure been calculated given that the Donate page on the Sussex Past website shows less than £40k has been raised. Where has the £460k come from.

***The Donate link on the Society’s website is a means of donating specifically via our Total Giving page. The total donated via this platform to date is £37,751. Total Giving is only one of a number of ways to contribute to our Appeal. Other kind supporters have generously done so via legacies and sizeable donations directly to the Society and to whom we are enormously grateful. The total raised to date across the entirety of our campaign is £531K This figure has been inspected and verified by our external auditors, Kreston Reeves.***

Page 15 – Auditors’ responsibilities for the audit of the financial statements – for the 6<sup>th</sup> bullet point – could you advise as to how many “significant and unusual transactions” were reviewed. Obviously, the details are confidential, but the numeracy of such items are of legitimate interest to “stakeholders”.

For the 7<sup>th</sup> bullet point – the auditors “identifying and testing journal entries” is a key control check and in a similar way to the point above, how many of these required “testing”.

***Given this question relates to the report from our auditors (Kreston Reeves) we referred this question to them, and they have provided the following response:***

***The statement below the title Capability of the audit in detecting irregularities, including fraud is a new section within the audit report driven by International Standard on Auditing (ISA) (UK) 700 (Revised November 2019). This revised ISA requires the Auditor to detail the tests completed to detect irregularities, including fraud. The wording is tailored for each client depending on the tests we have completed during the audit. We reviewed all journals posted during the 15 month period and concluded whether they were as expected, trivial or outside of our expectation. If the transaction was outside of our expectation, we obtained an explanation and were satisfied that they were posted for bona fide reasons. With our knowledge of the Society’s activities, we reviewed all material transactions within the nominal ledger for the 15 month period and did not identify any transactions of concern. More information about the role of the auditor can be found here: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%e2%80%99s-responsibilities-for>***

Page 16 – Para immediately above Use of our report, refers to reporting of “significant audit findings” including “significant deficiencies in internal control”. How many of each category were identified and reported to Trustees and was an agreed timetable for remedial action completed at the time of the audit. Audit recommendations and the appropriate timely implementation of remedial actions are key indicators of good corporate governance.

***We again referred this question to our auditors (Kreston Reeves) who have provided the following response:***

***The body of the Auditor’s report is standard narrative for all clients (as required by International Standard on Auditing (ISA) (UK) 700 (Revised November 2019)). This is not a specific reference made to the Society having significant deficiencies. We are required to report our audit findings to the Trustees and those charged with Governance on an annual basis and have communicated all issues via our Key Audit Findings document. We can confirm that no significant deficiencies were discovered.***

Page 23 – 2.2 Going concern. The first para. Refers to the £713,124 of additional funding – how much of this was specifically related to Furlough Payments made to staff during the reporting period.

***The total amount of Coronavirus Job Retention Income received in the period ended 31 March 2021 was £513,630. This was paid in its entirety to staff during the financial period. £713,124 is the Society's total surplus (and net increase in funds) for the same financial period.***

Page 24 – 2.3 Income, para 6, refers to Gift Aid. Specifically, how much Gift Aid income did the Charity receive for the 15 month accounting period – as it is not clear how much was raised from the figures available.

***Gift Aid received for the period ended 31 March 2021 totalled £23,167.***

Page 36 Cost or valuation refers to additions of £65,971 – what items were purchased.

***Additions of £65,971 comprise: a replacement boiler at Fishbourne Roman Palace and work-in-progress as at the balance sheet date on electronic donation points across all sites and on a new Society website. All three were funded by the Cultural Recovery Fund and the NLHF Emergency Fund. The final accounting return for this grant has been submitted and fully accepted by NLHF who are delighted with our progress.***

Page 38 – Below the list of properties reference is made to the “East & West Sussex Records Offices” – These sites no longer exist. So where are the “collections of artefacts” now held and can relevant “artefact” inventories be accessed for research purposes by members.

***There are several archives on deposit from the Society at East Sussex Records Office, now The Keep ( Woollards Way, Brighton BN1 98D ) largely transferred from the Library at Barbican House – these include the Society's first minute books, historic correspondence regarding properties and other material. These are accessible to the public and Society members – [www.thekeep.info](http://www.thekeep.info)***

***The West Sussex Records Office does still hold a small amount of documentary material that broadly relates to Fishbourne Roman Palace and its excavations.***

Page 41 - 19 Creditors – Why have Trade Creditors increased by £100k in 15 months.

***Trade Creditors have increased by £62,694 compared to the balance as at 31 December 2019. They relate to amounts due to suppliers for work undertaken in the normal course of the Society's business and for which invoices have been received but not yet paid as at the Balance Sheet date.***

***It should be noted that the Society's business is highly seasonal and so the creditor profile as at 31 March is not directly comparable to the same profile as at 31 December in any given year. 20-21 was also an exceptional year worldwide and so any analytical review undertaken to compare results to a previous period should be undertaken with some caution.***

Page 42 – Restricted funds – The line “NLHF Emergency Funding” states that of the £250,000 income, £125,439 remains unspent. Has this balance been assigned to specific projects and

are these due to start and complete in the 2021/2022 financial year. If not assigned, what are the NLHF terms and conditions over use of the balance.

***Yes. NLHF Emergency Funding is fully assigned to specific projects in consultation and agreement with them. Where some project elements are committed as at the Balance Sheet date but not yet installed and operational, accounting standards require that these are only included in the financial statements when fully completed. The final accounting return for this grant has been submitted and fully accepted by NLHF who are delighted with our progress.***

Page 51 – 28 Related party transactions – I note that there was a Service Level Agreement between the Charity and Brighton Dome & Festival Limited in place from 2019 to, possibly, 31 March 2021. Can it be confirmed that this arrangement has now ceased. If this is to be an ongoing arrangement what Budget Provision has been made over the coming financial year.

***The Council of Trustees entered into a Service Level Agreement with Brighton Dome & Festival Limited for the provision of HR services in December 2019, and a Service Level Agreement for the provision of Finance services in February 2021. This agreement is in place until November 2021. These agreements were entered into after quotations were received from a variety of operators.***

***It is a matter for the Chief Executive to decide how he wishes to staff his support services moving forward. Service Level Agreements are commonplace across a range of organisations in the Cultural sector, particularly where high-level, professional skills are required but not easily affordable.***