

Registered number: 03820001  
Charity number: 1077086

**Sharpe's Pottery Heritage and Arts Trust Limited**

Trustees report and financial statements

for the year ended 31 March 2011



**Sharpe's Pottery Heritage and Arts Trust Limited**  
**(A company limited by guarantee)**

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**Sharpe's Pottery Heritage and Arts Trust Limited**  
(A company limited by guarantee)

**Reference and administrative details of the company, its trustees and advisers  
for the year ended 31 March 2011**

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<b>Trustees</b>	A T Hurrell, Chairman D Ash G Nutt M J Hudson G J Swindell R F Lane J A Williamson J D Batten I C Philliskirk L G Whitaker J Mead H J Coyle (resigned 20 July 2010) J P Harrison (resigned 20 July 2010) J L Lemmon K Gilliver M J Bale R J Spencer S K Foster G Farrington (appointed 20 July 2010) H Timms (appointed 20 July 2010)
<b>President</b>	J S Oake
<b>Chairman</b>	A T Hurrell
<b>Company registered number</b>	03820001
<b>Charity registered number</b>	1077086
<b>Registered office</b>	Sharpe's Pottery Museum West Street Swadlincote Derbyshire DE11 9DG
<b>Auditors</b>	Dains LLP Third Floor Fort Dunlop Fort Parkway Birmingham B24 9FD
<b>Bankers</b>	HSBC Bank Plc 41 High Street Swadlincote DE11 8JE
<b>Solicitors</b>	Rothera Dawson 2 Kayes Walk Stoney Street Lace Market Nottingham NG1 1PZ

**Sharpe's Pottery Heritage and Arts Trust Limited**  
**(A company limited by guarantee)**

**Trustees' report**  
**for the year ended 31 March 2011**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Sharpe's Pottery Heritage and Arts Trust Limited (the company and the group) for the ended 31 March 2011. The Trustees confirm that the Annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**Constitution**

The company and the group is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association 5 August 1999 .

The company and the group is constituted under a Memorandum of Association 5 August 1999 and is a registered charity number 1077086.

**Method of appointment or election of Trustees**

Founder members included local heritage/arts based community groups, the regeneration partnership and South Derbyshire District Council. Those members initially appointed directors and the Board have subsequently been augmented by the co-option and subsequent re-election of community representatives. Four District Councillors are also nominated by the South Derbyshire District Council to serve on the board.

Founder organisations retain the right to nominate directors and additional directors are drawn from the community to provide the desired range of knowledge and skills for effective running of the Trust's affairs. Co-opted directors retire and if appropriate offer themselves for election at the Annual General Meeting following their co-option. In addition one third of the directors retire annually, by rotation. New directors are briefed on their role and responsibilities and the Trust's principal policies and procedures.

**Organisational structure and decision making**

All policy and strategic decisions, including the approval of business plans and budgets are taken at Board level. The full Board meets every two months and the principal officers attend in an advisory capacity.

Day to day management is delegated to the Curator and TIC Manager. Both are line managed by the Chairman.

Other working groups of directors meet as and when required to deal with specific topic areas under delegated authority.

**Risk management**

The directors have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. A full disaster recovery plan is in existence.

Risk assessments are reviewed regularly and policies for minimising and managing risk and insurance against insurable risk are in place and regularly reviewed

**Review of objectives, activities and results for the year**

The Statement of Financial Activities for the year is set out on page 10 of the financial statements. A summary of financial results and the work of the charity are set out below.

The principal activity of the Trust is the management of the Sharpe's Pottery Centre, which is housed in a range of restored and converted Grade II, listed Victorian pottery buildings.

**Sharpe's Pottery Heritage and Arts Trust Limited**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 March 2011**

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The buildings were converted between 1999 and the opening of the Centre in January 2003 at a total cost of some £1.75 million, of which Heritage Lottery Fund contributed £1 million.

The Sharpe's Pottery Centre incorporates a registered museum, coffee shop, multi purpose conference suite, small gift shop, live performance venue in the Kiln Hovel, the principal accommodation of partner charities, Magic Attic Archive and People Express. It also hosts the, South Derbyshire Tourist Information Centre, serving the National Forest. The facilities have been further enhanced by the 'drying' of the kiln and the build of the new coffee shop space.

The principal vision for the Sharpe's Pottery Centre is to be a vibrant, heavily used and much loved community resource. In that respect, we are very heartened that the centre continues to attract large numbers of visitors, in excess of 40,000 in 2010/11.

Whilst our primary market is the local community, our vision includes increasing our part in developing the tourism potential of South Derbyshire by creating a venue that tourists and day visitors will wish to add to their itinerary. We are beginning to see the impact of the National Forest as increasing visitor numbers attend both the museum and TIC from other sites and attractions close by. The impact of the Museum being based at the 'heart' of the forest should not be underestimated.

We want to continue this trend further by delivering this 'free at point of access', community based facility by creating an 'offer' that all can participate in, with particular emphasis on the young and 'hard to reach' groups. We believe the additional facilities now on offer cause us to be well placed for the future.

Our aim is to deliver an accessible and welcoming visitor attraction open to all, ensuring that the museum, catering operation, creative workshops and the retail shop all offer outstanding quality at prices our public find affordable. All these key activities remain under constant review by the board.

The Board is satisfied that the current operational objectives are being realised.

In order to continue to ensure financial viability the Board has continued to review areas of operational activity and this resulted in the cancellation of both security and cleaning contract in the financial year. Insurance and utility contracts were specifically reviewed and renewed.

Both managers have taken on maternity leave this year and that resulted in two temporary members of staff being appointed. Both Ruth, curator and Gail, TIC, have worked hard to maintain progress and offer further innovations and have become useful assets to our staff (Well done both).

Both the museum and TIC continue to receive both regional and national plaudits. Our appreciation and thanks go to staff members and volunteers who have worked tirelessly again this year. Well done and thank you!

Running costs continue to be reduced and this will continue to be vital in a tough economic climate. During this financial year, and following risk assessments, both the cleaning and security contracts were cancelled. Together this will save £15k in future year budgets. The real cost however, will be in additional work carried out by both staff and volunteers. (A likely recurring theme for the times ahead.)

The Coffee Shop continues to be popular and it remained in profit throughout the trading year. We have plans to create a 'new' environment for customers in the 'new build' which is now complete. (We expect the new coffee shop to be open in September 2011.) This again should improve profitability, although trading conditions will again be difficult. Our thanks to the staff involved who have established a unique atmosphere and destination for the people who visit the centre.

Through this difficult financial year it was clear that the continued loss of corporate sponsors was going to be difficult to replace. We have managed to ensure the sustainability of the centre by ensuring the grant previously secured from the South Derbyshire District Council has been sufficient to supplement outgoings in the financial year under review. We are aware that we remain in a difficult trading position but the award of local grants continues to add to income thereby securing the ongoing operation of the Trust. We thank the South Derbyshire District Council for their ongoing support, both financial and in kind.

**Sharpe's Pottery Heritage and Arts Trust Limited**  
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**Trustees' report (continued)**  
**for the year ended 31 March 2011**

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In order to continue compliance with charitable trading regulations, there exists within the trust a wholly owned Charitable Trading Company subsidiary to manage the Tourist Information Centre, retail shop activities and conference room lettings. All of these activities relate more or less closely to our core charitable purpose, but threaten to breach the 'de minimis' concession, if they were to be managed as Trust activities. All profits from the Trading Company are covenanted back to the parent Charity.

The total cost of running the Centre for 2010/11 was £207,931, of which our core public funding from South Derbyshire District Council was £24,400 and funding of the Tourist Information Centre was £48,510. The remaining income is self generated, coming from private and corporate donations, conference room hire, catering profits, event and concert income, retail profits and much valued support from 'friends' and 'volunteers'

Once again there has been sustained support from Friends and Volunteers to the tune of £3,986 without which the Trust would find great difficulty in existing. These key individuals provide the additional benefits that the trust would otherwise find it hard to provide. From hours of invaluable voluntary service to funds for fridges and the like we are deeply indebted to you all. Thank you.

The operational and financial results could not have been achieved without the commitment and dedication of our staff and volunteers. The Board would like to take this opportunity to express their heart felt appreciation for all their efforts.

In this financial year we have:

- Refurbished the Kiln
- Continued to work with partners to complete the new Coffee Shop Facility.
- Manage the Maternity leave of the two managers
- Conducted research to progress further the content and attraction of the museum
- Worked with National Forest company to complete an attraction for young people
- Designed an outside play space to be developed alongside the new Coffee Shop
- Continue to provide a programme of Lecture Brunches to secure a new audience
- Created a series of workshops to generate new visitors, particularly youngsters.
- Continued to listen to our customer in order to provide what they say they want.
- Raise our profile by the extended activity through TIC partners

**Public benefit**

One key responsibility for the Trustees is to meet the 'test' of overseeing a charity that provides 'Public Benefit'. The Charity Commission provides guidance on providing Public Benefit and in their actions the Trustees have taken note of that guidance.

Sharpe's Pottery Heritage and Arts Trust aims to foster a sense of pride in South Derbyshire by protecting, promoting, celebrating and sharing local history, heritage and culture.

Through its management of Sharpe's Pottery Centre has created an excellent and sustainable facility within a treasured landmark building of symbolic significance which it will maintain as a constant and precious link to the past in an area where much has changed.

As a mutually beneficial and interdependent partnership of heritage, arts and cultural organisations the Centre provides home to:

- the Sharpe's Pottery Museum, telling the social and physical history together with personal stories of the clay industry, through it's own collection and loaned items;
- the Kiln as a theatre and performance space for small acts in the round;
- the Magic Attic archive of newspapers, documents and photographs;
- the People Express community arts organisation;
- meeting space for range of community groups;
- exhibition space for local artists, creative talents and other historical groups;
- education work with school groups of all ages, based on structured programmes for children and broader outreach activities;
- work with those who are under privileged or come from target vulnerable groups
- the Tourist Information Centre;

**Sharpe's Pottery Heritage and Arts Trust Limited**  
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**Trustees' report (continued)**  
**for the year ended 31 March 2011**

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- Conferencing Facilities;
- The Coffee Shop.

As a product of the time, effort and thought of local people the Centre supports the local community by bringing it together in a meeting place where volunteers and groups can thrive with a strong sense of ownership, and where formal activities are complemented by social events and private functions. In this way it will serve as a focus for development at the heart of Swadlincote and The National Forest as both attract new audiences, participants and supporters among residents, visitors and new comers to the area.

In meeting the aims and objectives described above the trustees are of the view that the charity meets the 'Public Benefit test' by:

- Giving education
- Giving access to an historic building
- Providing opportunity for recreational pursuits
- Considering and preserving the environment
- Promoting artistic and literary appreciation
- Preserving and Historic building

#### **Financial review**

#### **Reserves policy**

The funds of the charity are administered and applied by the directors to effectively meet its objectives, adhering to any restrictions placed on specific funds. The Board aims to generate a reserve equivalent to not less than six months' income. That high level is the result of acknowledgement of the maintenance cost potential of the listed buildings and has been accepted by the District Council as being appropriate, notwithstanding its variance from the standard reserves policy in relation to funded organisations. However this level is not likely to be achieved in the short term and this will again be reviewed during 2011/12. This remains a key concern for the Board and one continually impacting on strategic decision making. This situation is also a noted concern of our auditors

#### **Plans for the future**

#### **Future developments**

The trust recognizes the current difficult economic conditions but remains positive it can provide a sustainable attraction at the heart of the district:

- We intend to further grow visitor numbers and diversify use of the facilities, retaining both full Museum accreditation and VAQAS (Visitor Attraction Quality Assurance Scheme).
- We intend to re-locate the coffee shop to revitalise its customer base and secure 'new customers. Delivering the new Coffee shop in accordance with the project plan submitted to S.D.D.C. and the funding bodies.
- We will work with SDDC to secure the strategic vision for the West street area of Swadlincote
- We will work to further enhance the 'offer' on the Sharpe's Industrial estate, working alongside partners to secure long term futures for the buildings and surrounding environment.
- We will work with partners to secure the best possible use of the building on the site of the Kiln
- We will offer further training to staff to ensure we build further on our reputation for excellence.
- We will further upgrade the 'conference' offer within existing buildings at the Kiln.
- We will work to redesign the museum attraction
- We will continue to provide a Tourist Information Centre known as a centre of excellence.
- We will further develop a series of workshops for young people
- We will deliver a 'play zone' in the outside space
- We become active members in the newly formed 'Heart of the Forest' Partnership
- We will work with partners to create positive outcome for 'hard to reach' groups

The directors consider that the overall financial position of the charity, whilst fragile, is sound and enables current obligations to be met; although delivery of the growth vision will require uplift in funding.

During 2011/12 we will need to continue to further review funding to ensure the trust can continue to meet its

**Sharpe's Pottery Heritage and Arts Trust Limited**  
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**Trustees' report (continued)**  
**for the year ended 31 March 2011**

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obligations without drawing down funds from following years. We will work to ensure we remain fit for purpose and continue our role as an ambassador for South Derbyshire.

The basis upon which the Tourist Information Centre is run on behalf of the District Council is that the Council funding will cover the costs. The council has repeated that the TIC will be cost neutral and that the review completed during the financial year resulted in an uplift of grant for the year 2010- 2011. That commitment has remained in place for 2011/12

The challenge for the trustees during 2011 -2012 is to ensure the investments made in previous years result in direct benefits to ensure the Trust remains both fit for purpose and true to its aims and objectives. As trading conditions gets tougher we will strive to attract and retain new users, we will remain free at point of entry and we will continue to be a beacon of excellence for the locality. We will do this by providing value for money and by being open and transparent in all we do.

**Trustees' responsibilities statement**

The Trustees (who are also directors of Sharpe's Pottery Heritage and Arts Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Provision of information to auditors**

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

- so far as that Trustee is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.



Sharpe's Pottery Heritage and Arts Trust Limited  
(A company limited by guarantee)

Trustees' report (continued)  
for the year ended 31 March 2011

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**Auditors**

The auditors, Dains LLP, were appointed during the year and have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees on *1 November 2011* and signed on their behalf, by:



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A T Hurrell, Chairman

**Sharpe's Pottery Heritage and Arts Trust Limited**  
(A company limited by guarantee)

**Independent auditors' report to the members of Sharpe's Pottery Heritage and Arts Trust Limited**

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We have audited the financial statements of Sharpe's Pottery Heritage and Arts Trust Limited for the year ended 31 March 2011 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets the consolidated cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993.

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

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Sharpe's Pottery Heritage and Arts Trust Limited**  
**(A company limited by guarantee)**

**Independent auditors' report to the members of Sharpe's Pottery Heritage and Arts Trust Limited**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Fort Dunlop, Birmingham

Date: *1 November 2011*

**Sharpe's Pottery Heritage and Arts Trust Limited**  
**(A company limited by guarantee)**

**Consolidated statement of financial activities**  
**(incorporating income and expenditure account)**  
**for the year ended 31 March 2011**

	Note	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	344,128	38,839	382,967	182,299
Activities for generating funds	3	-	32,270	32,270	36,852
Investment income	4	-	28	28	158
Incoming resources from charitable activities					
	5	-	36,824	36,824	45,813
Other incoming resources	6	-	14,086	14,086	4,982
<b>Total incoming resources</b>		<b>344,128</b>	<b>122,047</b>	<b>466,175</b>	<b>270,104</b>
<b>Resources expended</b>					
Costs of generating funds:					
Fundraising expenses and other costs	3	-	16,449	16,449	18,818
Charitable activities	11	82,441	104,841	187,282	180,429
Governance costs	8	1,050	3,150	4,200	3,114
<b>Total resources expended</b>	10	<b>83,491</b>	<b>124,440</b>	<b>207,931</b>	<b>202,361</b>
<b>Movement in total funds for the year -</b>					
<b>Net income/(expenditure) for the year</b>		<b>260,637</b>	<b>(2,393)</b>	<b>258,244</b>	<b>67,743</b>
Total funds at 1 April 2010					
		351,059	33,108	384,167	316,424
<b>Total funds at 31 March 2011</b>					
		<b>611,696</b>	<b>30,715</b>	<b>642,411</b>	<b>384,167</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 25 form part of these financial statements.

Sharpe's Pottery Heritage and Arts Trust Limited

(A company limited by guarantee)

Registered number: 03820001

Consolidated balance sheet  
as at 31 March 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Tangible assets	14		608,848		355,123
<b>Current assets</b>					
Stocks	16	8,968		10,678	
Debtors	17	54,446		2,248	
Cash at bank and in hand		47,130		64,765	
			<u>110,544</u>	<u>77,691</u>	
<b>Creditors: amounts falling due within one year</b>	18	(76,981)		(48,647)	
<b>Net current assets</b>			<u>33,563</u>		<u>29,044</u>
<b>Total assets less current liabilities</b>			<u>642,411</u>		<u>384,167</u>
<b>Charity Funds</b>					
Restricted funds	19		611,696		351,059
Unrestricted funds	19		30,715		33,108
			<u>642,411</u>		<u>384,167</u>

The financial statements were approved by the Trustees on *1 November 2011* and signed on their behalf, by:



A T Hurrell, Chairman

The notes on pages 14 to 25 form part of these financial statements.

Sharpe's Pottery Heritage and Arts Trust Limited

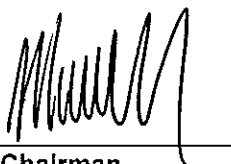
(A company limited by guarantee)

Registered number: 03820001

Company balance sheet  
as at 31 March 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Tangible assets	14		608,848		355,123
Investments	15		1		1
			<u>608,849</u>		<u>355,124</u>
<b>Current assets</b>					
Debtors	17	70,349		18,995	
Cash at bank and in hand		36,434		56,388	
		<u>106,783</u>		<u>75,383</u>	
<b>Creditors: amounts falling due within one year</b>	18	(73,221)		(46,340)	
<b>Net current assets</b>			<u>33,562</u>		<u>29,043</u>
<b>Total assets less current liabilities</b>			<u>642,411</u>		<u>384,167</u>
<b>Charity Funds</b>					
Restricted funds	19		611,696		351,059
Unrestricted funds	19		30,715		33,108
			<u>642,411</u>		<u>384,167</u>

The financial statements were approved by the Trustees on *1 November 2011* and signed on their behalf, by:



A T Hurrell, Chairman

The notes on pages 14 to 25 form part of these financial statements.

Sharpe's Pottery Heritage and Arts Trust Limited  
(A company limited by guarantee)

Consolidated cash flow statement  
for the year ended 31 March 2011

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	Note	2011 £	2010 £
Net cash flow from operating activities	21	246,618	39,190
Returns on investments and servicing of finance	22	28	158
Capital expenditure and financial investment	22	(264,281)	(95,441)
<b>Decrease in cash in the year</b>		<b>(17,635)</b>	<b>(56,093)</b>

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Reconciliation of net cash flow to movement in net funds  
for the year ended 31 March 2011

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	2011 £	2010 £
Decrease in cash in the year	(17,635)	(56,093)
<b>Movement in net debt in the year</b>	<b>(17,635)</b>	<b>(56,093)</b>
Net funds at 1 April 2010	64,765	120,858
<b>Net funds at 31 March 2011</b>	<b>47,130</b>	<b>64,765</b>

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The notes on pages 14 to 25 form part of these financial statements.

## **1. Accounting policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

### **1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

### **1.3 Fund accounting**

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

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

### **1.4 Incoming resources**

All incoming resources are included in the statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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

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



**1. Accounting policies (continued)**

**1.5 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

**1.6 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long leasehold land and buildings	-	2% straight line
Fixtures, fittings and equipment	-	25% straight line

During 2003, renovation work was carried out on the property. At that time the directors sought a professional valuation of the building. It was decided to impair the property to a net book value of £250,000. The balance remaining is being written off over 50 years.

**1.8 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**1.9 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**Sharpe's Pottery Heritage and Arts Trust Limited****(A company limited by guarantee)****Notes to the financial statements  
for the year ended 31 March 2011****2. Voluntary income**

	<b>Restricted funds 2011 £</b>	<b>Unrestricted funds 2011 £</b>	<b>Total funds 2011 £</b>	<b>Total funds 2010 £</b>
Donations	-	7,040	7,040	4,738
Grants	344,128	31,799	375,927	177,561
	<u>344,128</u>	<u>38,839</u>	<u>382,967</u>	<u>182,299</u>

**3. Commercial trading operations and investment in trading subsidiary**

The charity has a wholly owned trading subsidiary (Sharpe's Museum Trading Co Limited) which is incorporated in England and Wales.

A summary of the trading results is shown below.

	<b>2011 £</b>	<b>2010 £</b>
<b>Charity trading income</b>		
Turnover	32,270	36,852
	<u>32,270</u>	<u>36,852</u>
<b>Fundraising trading expenses</b>		
Cost of sales	14,234	16,167
Administration expenses	2,215	2,651
	<u>16,449</u>	<u>18,818</u>
Net income from commercial trading operations	<u>15,821</u>	<u>18,034</u>

The net income from commercial trading operations for the year of £15,821 (2010 - £18,034), was gift aided to the parent charity.

**The assets and liabilities of the subsidiary were:**

	<b>2011 £</b>	<b>2010 £</b>
Current assets	21,657	20,343
Creditors: amounts falling due within one year	(21,656)	(20,342)
	<u>1</u>	<u>1</u>

**Sharpe's Pottery Heritage and Arts Trust Limited**  
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**Notes to the financial statements**  
**for the year ended 31 March 2011**

**Represented by:**

	2011 £	2010 £
Profit and loss account	-	-
Aggregate share capital and reserves	1	1
<b>Total net assets</b>	<b>1</b>	<b>1</b>

**4. Investment income**

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Bank interest received	-	28	28	158

**5. Incoming resources from charitable activities**

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Operation of museum	-	36,824	36,824	45,813

**6. Other incoming resources**

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Rent receivable and sundry income	-	14,086	14,086	4,982

**7. Expenditure by charitable activity**

**Summary by fund type**

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Operation of Museum	71,546	104,841	176,387	179,610
Tourist Information Centre	10,895	-	10,895	819
<b>Total</b>	<b>82,441</b>	<b>104,841</b>	<b>187,282</b>	<b>180,429</b>

Sharpe's Pottery Heritage and Arts Trust Limited  
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Notes to the financial statements  
for the year ended 31 March 2011

7. Expenditure by charitable activity (continued)

Summary by expenditure type

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Operation of Museum	101,358	10,556	64,473	176,387	179,610
Tourist Information Centre	-	-	10,895	10,895	819
	<u>101,358</u>	<u>10,556</u>	<u>75,368</u>	<u>187,282</u>	<u>180,429</u>

8. Governance costs

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Auditors' remuneration	1,050	3,150	4,200	3,114
	<u>1,050</u>	<u>3,150</u>	<u>4,200</u>	<u>3,114</u>

9. Direct costs

	Operation of Museum £	Tourist Information Centre £	Total 2011 £	Total 2010 £
Staff training	30	-	30	819
Purchases for resale	11,589	-	11,589	12,598
Sundry expenses	2,751	-	2,751	2,255
Light and heat	9,398	2,350	11,748	11,081
Rent, rates and water	9,628	1,199	10,827	4,040
Advertising and marketing	940	-	940	2,033
Equipment purchases	1,738	-	1,738	3,265
Equipment maintenance	3,360	840	4,200	2,595
Educational costs	601	-	601	1,087
Cleaning	9,413	2,354	11,767	13,117
Insurance	3,647	912	4,559	4,439
Printing, postage and stationary	4,432	354	4,786	5,256
Security	991	1,235	2,226	3,359
Professional Fees	5,955	1,651	7,606	7,552
Wages and salaries	101,358	-	101,358	97,474
Depreciation	10,556	-	10,556	9,459
	<u>176,387</u>	<u>10,895</u>	<u>187,282</u>	<u>180,429</u>

Sharpe's Pottery Heritage and Arts Trust Limited  
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Notes to the financial statements  
for the year ended 31 March 2011

10. Analysis of resources expended by expenditure type

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Fundraising expenses	-	-	16,449	16,449	18,818
<b>Costs of generating funds</b>	<b>-</b>	<b>-</b>	<b>16,449</b>	<b>16,449</b>	<b>18,818</b>
Operation of museum	101,358	10,556	64,473	176,387	179,610
Tourist information centre	-	-	10,895	10,895	819
<b>Charitable activities</b>	<b>101,358</b>	<b>10,556</b>	<b>75,368</b>	<b>187,282</b>	<b>180,429</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>4,200</b>	<b>4,200</b>	<b>3,114</b>
	<b>101,358</b>	<b>10,556</b>	<b>96,017</b>	<b>207,931</b>	<b>202,361</b>

11. Analysis of resources expended by activities

	Activities undertaken directly 2011 £	Support costs 2011 £	Total 2011 £	Total 2010 £
Operation of museum	176,387	-	176,387	179,610
Tourist information centre	10,895	-	10,895	819
<b>Total</b>	<b>187,282</b>	<b>-</b>	<b>187,282</b>	<b>180,429</b>

12. Net income / (Expenditure)

This is stated after charging:

	2011 £	2010 £
Depreciation of tangible fixed assets: - owned by the charitable group	10,556	9,459
Auditors' remuneration	4,200	3,114

During the year, no Trustees received any remuneration (2010 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2010 - £NIL).

**Sharpe's Pottery Heritage and Arts Trust Limited****(A company limited by guarantee)****Notes to the financial statements  
for the year ended 31 March 2011****13. Staff costs**

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	<u>101,358</u>	<u>97,474</u>

The average monthly number of employees during the year was as follows:

	2011 No.	2010 No.
Museum Operations	4	3
Tourist Information Centre	3	2
Catering Services	7	6
Administration	2	1
	<u>16</u>	<u>12</u>

No employee received remuneration amounting to more than £60,000 in either year.

**14. Tangible fixed assets**

Group and Company	Building renovation costs £	Long leasehold land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost</b>				
At 1 April 2010	1,496,068	130,685	26,211	1,652,964
Additions	71,346	171,380	21,555	264,281
At 31 March 2011	<u>1,567,414</u>	<u>302,065</u>	<u>47,766</u>	<u>1,917,245</u>
<b>Depreciation</b>				
At 1 April 2010	1,269,332	5,322	23,187	1,297,841
Charge for the year	5,713	2,836	2,007	10,556
At 31 March 2011	<u>1,275,045</u>	<u>8,158</u>	<u>25,194</u>	<u>1,308,397</u>
<b>Net book value</b>				
At 31 March 2011	<u>292,369</u>	<u>293,907</u>	<u>22,572</u>	<u>608,848</u>
At 31 March 2010	<u>226,736</u>	<u>125,363</u>	<u>3,024</u>	<u>355,123</u>

**Sharpe's Pottery Heritage and Arts Trust Limited**

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Notes to the financial statements  
for the year ended 31 March 2011

**15. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Holding	Shares in group undertakings
Sharpes Museum Trading Co Ltd	100%	£
<b>Company Cost</b>		<b>£</b>
At 1 April 2010 and 31 March 2011		<u>1</u>

**16. Stocks**

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Goods for resale	<u>8,968</u>	<u>10,678</u>	<u>-</u>	<u>-</u>

The difference between purchase price and the replacement cost is not material.

**17. Debtors**

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	53,532	1,706	51,540	419
Amounts owed by group undertakings	-	-	17,895	18,034
Prepayments and accrued income	914	542	914	542
	<u>54,446</u>	<u>2,248</u>	<u>70,349</u>	<u>18,995</u>

The amounts due from the subsidiary undertaking represent the gift aid payment due together with normal commercial recharges.

Sharpe's Pottery Heritage and Arts Trust Limited  
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Notes to the financial statements  
for the year ended 31 March 2011

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18. Creditors:  
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	71,531	9,197	70,770	8,890
Other creditors	-	35,000	-	35,000
Accruals and deferred income	5,450	4,450	2,451	2,450
	<u>76,981</u>	<u>48,647</u>	<u>73,221</u>	<u>46,340</u>

Included in other creditors is an amount of £Nil (2010 - £35,000) held in trust on behalf of People Express, charity number 1005753.



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**Notes to the financial statements**  
**for the year ended 31 March 2011**

**19. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
<b>Unrestricted funds</b>				
General funds	33,108	122,047	(124,440)	30,715
<b>Restricted funds</b>				
Heritage Lottery Fund	250,928	-	(5,552)	245,376
Tourist Information Centre	7,865	48,510	(50,366)	6,009
Kiln Restoration Fund	-	77,885	(713)	77,172
Cafe project	92,266	172,573	(2,284)	262,555
Project Manager	-	24,368	(24,368)	-
National Forest Display	-	20,792	(208)	20,584
	<u>351,059</u>	<u>344,128</u>	<u>(83,491)</u>	<u>611,696</u>
<b>Total of funds</b>	<u><u>384,167</u></u>	<u><u>466,175</u></u>	<u><u>(207,931)</u></u>	<u><u>642,411</u></u>

**Restricted Funds**

**Heritage Lottery Fund**

This fund was received to enable the restoration and conversion of the buildings which make up the museum, cafe and conference facilities. The fund balance is represented by tangible fixed assets.

**Tourist Information Centre**

This fund was started to cover the costs of the information centre. The fund balance is represented by current assets.

**Kiln Restoration Fund**

This fund was received to enable the restoration of the kiln. The fund balance is represented by tangible fixed assets.

**Café Project**

This fund was received to enable the construction of a new Café on the site to help to enable the charity to be able to fund its charitable objectives. The fund balance is represented by tangible fixed assets.

**Project Manager**

This fund relates to the reimbursement of the employment costs of a project manager to oversee the Kiln restoration project, the National Forest Display and the Café project.

**National Forest Display**

This fund was received for the funding of a new interactive exhibit at the museum concerning the National Forest. The fund balance is represented by tangible fixed assets.

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Notes to the financial statements  
for the year ended 31 March 2011

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	33,108	122,047	(124,440)	30,715
Restricted funds	351,059	344,128	(83,491)	611,696
	<u>384,167</u>	<u>466,175</u>	<u>(207,931)</u>	<u>642,411</u>

20. Analysis of net assets between funds

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Tangible fixed assets	605,687	3,161	608,848	355,123
Current assets	6,009	104,535	110,544	77,691
Creditors due within one year	-	(76,981)	(76,981)	(48,647)
	<u>611,696</u>	<u>30,715</u>	<u>642,411</u>	<u>384,167</u>

21. Net cash flow from operations

	2011 £	2010 £
Net incoming resources before revaluations	258,244	67,743
Returns on investments and servicing of finance	(28)	(158)
Depreciation of tangible fixed assets	10,556	9,459
Decrease/(increase) in stocks	1,711	(501)
(Increase)/decrease in debtors	(52,199)	1,134
Increase/(decrease) in creditors	28,334	(38,487)
<b>Net cash inflow from operations</b>	<u>246,618</u>	<u>39,190</u>

22. Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>28</u>	<u>158</u>

**Sharpe's Pottery Heritage and Arts Trust Limited**  
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**Notes to the financial statements**  
**for the year ended 31 March 2011**

**22. Analysis of cash flows for headings netted in cash flow statement (continued)**

	2011 £	2010 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(264,281)</u>	<u>(95,441)</u>

**23. Analysis of changes in net debt**

	1 April 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
Cash at bank and in hand:	64,765	(17,635)	-	47,130
<b>Net funds</b>	<u>64,765</u>	<u>(17,635)</u>	<u>-</u>	<u>47,130</u>

**24. Operating lease commitments**

At 31 March 2011 the Group and Company had annual commitments under non-cancellable operating leases as follows:

	2011 £	Other 2010 £
<b>Group and Company</b>		
<b>Expiry date:</b>		
Within 1 year	203	-
Between 2 and 5 years	-	347
	<u>203</u>	<u>347</u>