



ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Company No. 03290459 Charity No. 1059662





**MIDDLEPORT
POTTERY**

TRUSTEES

Harry Wardill (Chair) (appointed 13 April 2022)

Stephen Musgrave (resigned 6 September 2023)

Alison Beardsley

Manuela Bellè

Amelia Bright

Amanda Brooke

Brian Harris (resigned 5 April 2023)

Ros Kerslake (appointed 13 April 2022)

Simon Lakin

James Pullé (resigned 29 January 2023)

The Trustees are the directors of the company for the purposes
of the Companies Act 2006.

FOUNDING PATRON

HM King Charles III

CHIEF EXECUTIVE

Dr Alasdair Brooks

COMPANY SECRETARY

Dave Poulsom

REGISTERED OFFICE

Middleport Pottery

Port Street, Stoke-on-Trent, ST6 3PE

INDEPENDENT AUDITOR

Crowe UK LLP

Black Country House, Rounds Green Road,
Oldbury, West Midlands, B69 2DG

BANKERS

NatWest Bank

Cavell House,, 2a Charing Cross Road,
London. WC2H 0NN

WEBSITE

www.re-form.org

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CHAIR'S INTRODUCTION



Stephen Musgrave



Harry Wardill
Chair of Trustees

Re-Form Heritage is no different to the whole country in craving economic and political certainty and stability. My Chairman's reports of the last few years have proven to have been a touch repetitive as I have had to continually refer to uncertainty and instability. Recent years have, in many ways, proved challenging for individuals and for businesses, and charities, such as Re-Form Heritage, are not excluded from these challenges. With inflation on a downward path and greater political certainty in the UK in 2024 we can only hope for more stable times to come.

Only through the hard work and dedication of our management team and staff, led by Alasdair Brooks, and with the support of our Trustees does Re-Form Heritage continue to meet and overcome the challenges that we face. People are the key to success, and we continually strive to recruit the best in what is a competitive workplace for talent. The same applies to Trustees and we welcomed Ros Kerslake and Harry Wardill in that role in 2022. Ros was CEO of the Prince's Regeneration Trust (PRT) at the time of the Middleport restoration, and more recently was CEO of The Heritage Lottery Fund, and therefore brings with her a wealth of heritage and fundraising experience. Harry also had a hands-on role as the Project Manager for the restoration of Middleport completed in 2012 by PRT. He is CEO of Turquoise Mountain which seeks to revive traditional crafts across the world to provide jobs, skills and a renewed sense of pride to the communities with which they work – all attributes that supporters of Re-Form Heritage will recognise.

We said good-bye as a Trustee to Brian Harris who for many years has provided us with a wealth of experience and contacts in the world of construction and project management. He epitomises the professionalism and diversity of talents that our trustees bring to the charity. Change brings opportunity and we continue to seek new trustees from Stoke and the region and particularly in the fields of HR and law.

This year I must make particular mention of the National Heritage Lottery Fund (NHLF) whose support for us from the outset has proven to be unwavering. We must earn their trust and prove our ability to meet their challenging targets but, with that trust, comes a business partnership that is of huge benefit to us and extends beyond financial support, however important that is. Without the support of NHLF, the Architectural Heritage Fund and our Patrons our ability to deliver our goals and to continue to transform the challenged communities within which we work would be much diminished.

In many ways I am sad to say that this is my last report as Chairman. For a good number of years, I have had the huge honour and privilege to serve Re-Form Heritage and its predecessors, the United Kingdom Historic Building Preservation Trust and PRT. I have worked with many talented and dedicated people and together to make a difference to the lives of the wonderful communities we serve. There is much that I will miss but in Harry Wardill I am confident that we have found the ideal Chairman to take Re-Form Heritage onto the next and exciting phase of its progression.

Stephen Musgrave

Harry Wardill

Re-Form Heritage (the Charity) specialises in revitalising communities through the regeneration of their historic buildings. We restore heritage buildings at risk of decay and demolition where the resurgence of an existing use, or the creation of a new life and purpose, will have a beneficial effect on the local community.

Re-Form Heritage supports community development through the regeneration of heritage sites of significant importance, identifying and delivering a unique business model for each site, which delivers a long-term benefit to surrounding communities. The Charity was originally part of the Prince's Regeneration Trust and became an independent charity in 2016.

OUR MISSION STATEMENT

Our vision is to be the UK's leading specialist organisation for the restoration and rejuvenation of industrial and commercial heritage buildings at risk, and, through a sustainable business case, and operational delivery, breathe new life into these assets and help drive the regeneration of the local community.

OUR SITES

Middleport Pottery, located on the Trent and Mersey Canal, is one of the most significant ceramics heritage sites in Europe, and is the last continuously operating Victorian pottery in Stoke-on-Trent, the traditional home of the English ceramics industry. The factory was built by the Burgess and Leigh company (Burleigh) in 1888, and remains home to Burleigh and their iconic pottery range. Supported by public and private funding, the Charity acquired the Grade II* listed Middleport Pottery in 2011 and undertook sensitive remodelling and renovation. The site opened to the public in 2014 as a heritage visitor attraction and creative business centre and has won numerous awards including a Europa Nostra Award for Conservation. As a result of the regeneration of the pottery, 50 jobs were saved; a further 70 jobs have been created and Burleigh production continues using traditional hand manufacturing skills. The pottery also includes a heritage visitor centre, creative studio space, a ceramics college, and a canal-side café. The site is supported by a team of volunteers who lead tours and support visitors to understand and enjoy the history of Middleport Pottery, as well as supporting collections research and the delivery of learning visits and events.

Harper Street is a terrace of eleven former pottery workers' houses opposite Middleport Pottery; the restoration of these houses was completed in March 2021. The terrace, which had been derelict for many years, sits within a conservation area of "outstanding industrial archaeological importance". The Charity has provided a sustainable future for this historically significant street by restoring the terrace, delivering a new heritage attraction interpreting daily life in the Potteries in the 1950s, and including additional creative studio space, a new home for the Burleigh archive, and a community hub for the Middleport Matters. This will further drive economic and social regeneration alongside heritage regeneration.

The Grade I-listed Old Duchy Palace in Lostwithiel, Cornwall is over 700 years old. It once formed part of a much larger complex central to the management of the Duchy of Cornwall and the county's internationally significant tin industry. Following a sensitive restoration, the building was opened by Their Royal Highnesses the Duke and Duchess of Cornwall. Re-Form Heritage's project partner, the Cornwall Buildings Preservation Trust, runs the day-to-day operation of the building on a long-term lease.

Re-Form Heritage continues to seek other opportunities to save heritage at risk, using the parameters set out in our current strategic plan.



TRUSTEES' REPORT



INTRODUCTION

The Trustees have the pleasure of presenting the report and accounts for the year ended 31 March 2023. Recent annual reports through 2021 were structured around the organisation's forward plan for 2018/19-2023/24. However, while excellent work had been undertaken by previous Chief Executive Clare Wood and Finance Director Dave Poulson to steward Re-Form Heritage through the financial impact of Covid lockdowns, the broader impact of Covid across the two-year period 2020-2021 required a review of these objectives. For example, year on year projections set in 2018 for visitor number and educational programme growth were no longer valid as a result of Covid disruptions.

A new five-year strategic plan for 2023-27 written by Chief Executive Alasdair Brooks was approved by the Board of Trustees in December 2021, setting new five-year post-lockdown goals for the charity. 2022 was used to prepare the ground for implementation of the strategic plan, with an accompanying post-lockdown operational review assessing which areas of the charity needed to be strengthened in order to support delivery of the plan. The new strategic plan came into effect in January 2023. Early in 2023, the charity's executive, supported by the Trustees, decided that the challenges arising from the post-lockdown heritage environment and cost of living issues that arose in 2022 (notably increases in energy prices and inflation) required an application for a National Lottery Heritage Fund (NLHF) resilience grant in order to strengthen the operational and financial sustainability of Middleport Pottery and Harper Street. While the grant was submitted in April, slightly after the period covered by this report, the application was successful, and the charity was delighted to be awarded £249,962 by the NLHF in May 2023, with funding beginning in June 2023; the grant runs through to October 2024. The activities funded by the grant will be covered in detail in next year's report.

The period covered by this annual review has therefore been a transitional one. An outline is offered on the strategic goals that came into effect in January 2023, with an overview of initial progress in the three months before the end of the reporting period.

NEW STRATEGIC PLAN OBJECTIVES: CHARITY GOALS

In December 2021, the Board approved a new strategic plan drafted by incoming Chief Executive Alasdair Brooks. A key goal of the new plan is to set out a broader strategy for the growth of Re-Form Heritage as a charity rather than focus primarily on goals for specific sites, or to mix goals for the charity alongside goals for the individual sites.

The new goals for the charity for 2023-2027 are as follows:

1) Follow a regional model for expansion in the period 2023-2027

Re-Form Heritage has been advised by the Architectural Heritage Fund (AHF) that the Fund will be launching a new Heritage Development Trust programme in 2023, in collaboration with the NLHF. This programme will provide capacity funding and project development funding to those organisations designated as AHF- and NLHF-supported trusts. The charity is being strongly encouraged by the AHF to apply to the programme when it launches in 2023, and we plan to look closely at this opportunity given the important logistical and financial support it could provide for expansion of the charity's mission.

2) Aim to bring at least 2 more sites under its ownership, and to have begun regeneration work on these new sites by the end of this period.

The opportunities for acquisition of additional sites will be heavily influenced by the AHF programme outlined above. Two sites are currently under discussion as potential targets for regeneration if the charity decides to move ahead with an application to the AHF programme (and is successful with that application), but those discussions will not be completed until towards the end of the 2023 calendar year.

3) Ensure that all sites are financially sustainable: new sites should show an operating profit by year 4 of ownership; existing sites should show an operating profit across the five-year period.

The financial climate in the 2022-23 financial year has been exceptionally challenging. The combination of changes in post-lockdown visitor behaviour, a four-fold increase in energy costs, a decline in Burgess & Leigh retail income, and a significant rise in inflation have had a negative impact on Middleport Pottery and Harper Street, and the sites are operating at a loss. The executive decided in January 2023 to apply for a National Lottery Heritage Fund resilience grant as a direct response to these challenges. The grant application aims to:

Increase visitor numbers through:

- Improving the visitor offer by developing and improving Middleport Pottery's heritage interpretation (this has not been reviewed or changed since the site opened to the public in 2014)
- Improving the learning offer across both our formal learning programmes to local schools and our informal learning programmes delivered during weekends and holidays
- Improving the quality and quantity of our social media activity and other marketing and communications activity across all site programmes
- Reviewing website operation and content to improve the user experience and drive engagement

Increase visitor-based trade income by:

- Further developing and expanding the Middleport Pottery wedding offer
- Developing and re-launching Middleport Pottery as a room hire venue
- Developing and expanding the current paid-for events programme

Establish a philanthropic pipeline of giving to Re-Form Heritage by:

- Revising the patron programme and improving the membership offer
- The development of a corporate sponsor programme
- The development of other philanthropic pipeline offers, such as a legacy donation programme
- The purchase of a recognised CRM software system to manage donor, potential donor, and supporter data

Ensure that Middleport Pottery operates more cost-effectively by:

- Reviewing energy usage for efficiencies
- Exploring options for alternative energy sources
- Reviewing the site maintenance regime



TRUSTEES' REPORT



The grant application was prepared in the closing months of this reporting period, and submitted on 19 April 2023. While falling outside the scope of the 2022/3 financial year, the charity would like to note here that the application was successful, and we were awarded £249,962 in May 2023 to support this important review, and to build long-term operational and financial resilience for Middleport Pottery and Harper Street in this challenging economic climate.

4) Maintain cash backed unrestricted reserves to cover 15% of turnover.

Due to the circumstances outlined in the previous point, the charity is not currently meeting this strategic target. One of the broader strategic goals of the NLHF grant is to re-establish robust reserves.

5) Set science-based net zero carbon targets as an integral part of planning for the regeneration of new sites, and develop and begin to implement net zero carbon plans for existing sites by the end of this planning period.

The NLHF resilience grant includes a review of energy and maintenance costs and delivery at Middleport Pottery. A report on improvements to these areas will be delivered in 2024.

6) Build community engagement outcomes into planning for all new sites, and set community engagement goals for existing sites.

It is anticipated that community engagement will form a core part of the NLHF grant review. The charity continues to develop and grow its strong relationship with local community group Middleport Matters, who are now based at Harper Street. Preliminary conversations over new sites, as per point 1, above, have also involved local community groups.

7) Grow patron and other philanthropic donations to £200,000 a year by 2028.

The charity hired a new Fundraising Manager in 2022. The new NLHF grant offers further funding support for a Fundraising Manager, fixed-term funding for a Fundraising Officer support role, and funding for acquisition of Customer Relationship Management software in order to improve the fundraising offer.

8) Ensure that all new staff posts and reorganisation of existing staff are clearly justified through implementation of this strategic plan; all new sites to be operated by Re-Form Heritage will have a clear site-specific staff plan integrated into costs and 9) Ensure that other administrative reforms are directly tied to delivery of this strategic plan.

These goals are combined here as they are closely related. They continue to guide thinking on HR and administration. The NLHF grant application, for example, clearly ties the creation of fixed-term staff posts and operational delivery of the grant to the overall strategic plan.



NEW STRATEGIC PLAN OBJECTIVES: SITE GOALS

Site-specific goals were also developed jointly for Middleport Pottery and Harper Street. These goals are:

- Reach combined visitor figures of 100,000 by 2028
- Deliver learning outcomes to 9,000 children and young people per annum by 2028 through both formal and informal learning opportunities
- Show an operating profit across the totality of the five-year planning period.
- Host 20 weddings a year by 2028.
- Welcome the equivalent of one researcher a week to access the archive collections by 2028.
- Have at least two fully-funded research collaborations with Staffordshire universities, and at least one fully-funded research collaboration with an international partner, in place by 2028.
- Have individual net zero carbon target plans developed, with implementation beginning by the end of the 2023-2027 period.
- Offer volunteer opportunities for 80 volunteers a year by 2028.
- Ensure that all new staff posts and reorganisation of existing staff are clearly justified through implementation of these goals and the broader strategic plan.
- Ensure that community engagement is a core goal of planning for and use of the Harper Street community space, and is considered in broader event and learning planning.

These goals came into effect in January 2023, and the NLHF grant awarded shortly after this reporting period has transformed the context of goal delivery, allowing the charity to bring in substantial additional funding as well as a fixed-term Head of Operations & Engagement to project-manage resilience delivery. These goals were embedded into the NLHF resilience grant, and will be used as initial qualitative and quantitative guidelines for establishing operational and financial sustainability for Middleport Pottery and Harper Street via the grant.





Re-Form Heritage is a company limited by guarantee (number 3290459). It is governed by its Memorandum and Articles of Association. Its governing body, the Board of Trustees, is responsible for the Charity's long-term direction and overall policy. The current Articles of Association were adopted in December 2016. The Articles provide that there shall be a minimum of three and a maximum of eleven Trustees with each Trustee appointed for a term of up to three years from the adoption of the Articles, after which they must retire at the next following board meeting. A retiring Trustee is eligible for re-appointment. The Articles provide that no Trustee shall serve for more than nine consecutive years, save in exceptional circumstances.

The Trustees, and those who acted during the year, are listed at the start of this report. New trustees are given an induction on the work of the Charity, are briefed on responsibilities and recommended practice as set out in the Charity Governance Code and are encouraged to undertake appropriate training to aid them in undertaking their role. The Trustees are recruited for their knowledge and experience of heritage regeneration, charity administration, finance, legal, education, HR matters or commerce. The Trustees meet five to six times a year. The Trustees approve strategy, which is executed by the Re-Form Heritage executive and management team. The Charity has an audit committee to support the Re-Form Heritage board in its responsibilities for ensuring the adequacy of internal control and governance arrangements. The audit committee is a committee of the Board.

Re-Form Heritage is a charity registered in England and Wales (number 1059662) and a conservation body prescribed under section 38 (4) of the Title Conditions (Scotland) Act 2003.

APPROACH TO FUNDRAISING

In seeking the support of organisations and individuals to pursue its charitable objectives, Re-Form Heritage seeks to develop honest relationships, retain independence, and avoid over-reliance upon any individual funding source. The Charity aims to be professional in its approach to fundraising and commits to comply with the Fundraising Regulator's Code of Fundraising Practice.

The Charity recruited a dedicated Fundraising Manager post in the 2022-23 financial year in order to further support its fundraising offer. The postholder had to step down for personal reasons at the end of the financial year, and the Charity is currently recruiting a new manager. Additional support for fundraising was also successfully requested in the Lottery resilience grant application that was prepared at the end of this reporting period.

Staff leading fundraising activity undertake six-monthly reviews of the Regulator's Code of Fundraising Practice and endeavour to maintain an awareness of changes in fundraising legislation, regulation and best practice. The Charity aims to achieve positive donor experiences and regularly updates donors on the impact of their support. Re-Form Heritage is committed to ensuring that donors can control and influence their relationship with the Charity.

Re-Form Heritage did not receive any complaints from donors or members of the public about its fundraising practice during 2020/2021. Any enquiries or concerns regarding Re-Form Heritage's fundraising practice should be directed to Dr Alasdair Brooks, Chief Executive.

PUBLIC BENEFIT

In setting the Charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's guidance on public benefit. The Charity's activities clearly relate to its legal objectives of securing heritage buildings, advancing education in heritage buildings and the promotion of regeneration in areas of social and economic deprivation for public benefit. Access to Re-Form Heritage's sites is free of charge, welcoming to all and provides free and charged interpretive and educational content throughout the year. Re-Form Heritage presents high-quality engagement and partnerships to facilitate public involvement and understanding of some of the UK's most important and unique industrial and commercial heritage. Programmes of activity for children and young people at our principal site of Middleport Pottery aim to develop creativity, confidence and pride in a supportive environment. The Charity also works closely with local community groups to help build social and economic regeneration. The above statement demonstrates Re-Form Heritage's compliance with the Charities Act 2006 relating to Public Benefit and Charity Commission Guidance.

SUSTAINABILITY POLICY

The Charity is committed to observing high environmental standards and has developed a sustainability policy which includes social, economic and environmental policies.





Group incoming resources (including interest receivable) totalled £625,510 (2022: £2,077,992), comprising grants and donations of £22,245 and rental and other income of £603,265. In the year, £976,104 (2022 £968,771) was spent on charitable expenditure. Net outgoing Group resources for the year including depreciation charges of £467,905 were £566,214 (2022 incoming: £1,010,481). Net outgoing resources when deducted from opening funds of £8,551,262 left the Group with funds of £7,985,048.

The restricted grants and donations received, together with other substantial grants received in previous years, were used to undertake the renovation of Middleport Pottery and Old Duchy Palace. These grants and donations received appear in the Charity's accounts as income, but the expenditure is capitalised in fixed assets. As a result, the net incoming resources in this and previous years arising from these grants and donations does not reflect disposable income available to the Charity.

RESERVES POLICY

Total reserves of the Charity at 31 March 2023 amounted to £7,985,048

The Charity maintains two main types of reserves:

Restricted funds: These occur when income is received by a charity for a purpose specified by the donor and only appropriate expenses may be charged against such income. Specific grants and donations for building preservation projects appear in the accounts as income, but they will only be used in connection with the buildings in respect of which they were granted. This expenditure is capitalised where the Charity has (or is likely to have) an ownership interest in the building and so, as noted above, the net incoming resources in this and future years arising from these grants and donations does not reflect disposable income available to the Charity. At 31 March 2023 the Charity and Group had restricted funds of £7,889,586 (2022: £8,351,068), (note 3).

Unrestricted funds: These arise from income received by a charity where there is no specific purpose specified by a donor. The use of such funds is at the discretion of the Trustees, in accordance with the charity's objects. Within unrestricted funds the Trustees may from time to time designate some funds for use on a specific project. There were no such designations as at 31 March 2023. At 31 March 2023 the Charity's unrestricted funds were £257,206 (2022: £317,704) and its trading subsidiary retained reserves were (£161,746) (2022: (£117,512)); this resulted in Group unrestricted funds of £95,462 (2022: £200,194). [All surpluses generated by the trading subsidiary are gifted to and are fully available to the Charity.

As an organisation not in receipt of regular statutory funding and currently very dependent on sources of income which are capable of being affected by factors outside the Charity's control, the Trustees believe that the optimum level of free reserves in the future should be sufficient to cover the impact of a loss of 15% of annual income. Free reserves at 31st March 2023 were £15,913 which represents 2.5% of annual income (2022 £120,645 23.7%)

GOING CONCERN

As noted above, as a result of the challenges arising from the post-lockdown heritage environment and cost of living issues that arose in 2022 (notably increases in energy prices and inflation) the Charity made an operating deficit for the year. This resulted in a net decrease in unrestricted reserves and a decrease in the non-committed free unrestricted cash balance to less than the optimum level of free reserves needed to cover the impact of a loss of 15% of annual income.

54% of the Charity's unrestricted operating income is derived from visitor-driven sources and in this context there will always be a risk to the Charity of not achieving forecast visitor attendance numbers and associated sales revenue. Early in 2023, the charity applied for a National Lottery Heritage Fund (NLHF) Resilience Grant in order to mitigate this risk and strengthen the long term operational and financial sustainability of Middleport Pottery and Harper Street. As mentioned above, the application was successful, and the charity was delighted to be awarded a grant of £249,962 in May 2023, with funding beginning in June 2023; the grant runs through to October 2024. The activities funded by the grant review all aspects of the Middleport Pottery heritage offer and its associated visitor-driven income as well as covering the first year's costs of establishing a pipeline of philanthropic giving.

The Trustees have considered these factors when considering the Charity's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis. They do, however, acknowledge that if the growth in visitor numbers and related visitor expenditure does not reach the forecast levels it increases the pressure on the level of non-committed free unrestricted cash funds during 2023 and 2024 available to meet operational requirements and accept that this constitutes material uncertainty over the Charity's ability to continue as a going concern as currently outlined in its strategic plan.

RISK MANAGEMENT AND PRINCIPAL RISKS

The Trustees have examined the major strategic, business and operational risks which the Charity faces, and are satisfied that appropriate systems have been established to seek to identify and manage these risks. It is recognised that systems can only provide reasonable but not absolute assurances that major risks have been adequately managed.

The Trustees consider that the principal risks facing the Charity are:

- Failure to maintain a financially resilient business model which can meet the challenges of current and future economic market conditions.
- Failure to meet income targets and manage costs, leading to completed projects not being sustainable.
- Failure to meet capital fundraising targets on new projects leading to insufficient funds to complete projects being undertaken.
- Risks (including insufficient contingency allocation) on future capital projects not being adequately identified leading to cost overruns.
- Non-compliance with funders' requirements/agreements leading to clawbacks in grants received.
- Health & safety issues associated with capital projects and the running of operations in old buildings.

The Charity maintains a risk register to record all risks and mitigation measures in place and each risk is assigned an owner to oversee individual risk management. The risk register is reviewed by the Trustees when the risk profile is identified as changing or at least annually.

GROUP COMPANIES

Re-Form Heritage has a trading subsidiary, Re-Form Heritage Trading Ltd. This company was established to run commercial activities at Middleport Pottery. All profits of Re-Form Heritage Trading Ltd are gifted to Re-Form Heritage.





PAY POLICY FOR SENIOR STAFF

The Trustees consider that Dr Alasdair Brooks and Dave Poulson have been the key management personnel of the Charity, and have been in charge of directing and controlling the Charity on a day-to-day basis. Their remuneration is discussed and approved by the board of Trustees, who ensure that the remuneration packages are appropriate for the size and complexity of the role that each of them undertakes.

TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the profit or loss of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable 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 Charity will continue to operate

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

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

AUDITOR

Crowe U. K. LLP were appointed as auditors on 12th June 2019.

So far as each of the Trustees of the Charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each Trustee has taken all of the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:

Date: 13 October 2023

Harry Wardill
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RE-FORM HERITAGE

Opinion

We have audited the financial statements of Re-Form Heritage ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2023 which comprise consolidated statement of financial activities, consolidated balance sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates the conditions identified that may cast significant doubt on the Charity's ability to continue as a going concern. As stated in note 1, these events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



AUDITOR'S REPORT



Other Information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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 trustees' report have been prepared in accordance with applicable legal requirements.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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 trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety and Employment legislation.



AUDITOR'S REPORT



Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kerry Brown

Kerry Brown (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 10 November 2023

FINANCIAL STATEMENTS

Re-Form Heritage

Consolidated Statement of Financial Activities (Incorporating the Consolidated Income and Expenditure Account)

For The Year Ended 31st March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Group Total 2023 £	Total 2022 £
INCOME					
Grants and donations		21,068	1,177	22,245	1,654,648
Rental and other activities		288,913	-	288,913	277,856
Admissions and tours		76,498	-	76,498	47,306
Café Sales		157,330	-	157,330	32,961
Events and hires		54,276	-	54,276	38,206
Souvenir sales		26,142	-	26,142	26,966
Investment income		155	-	155	49
Total income	2	<u>624,382</u>	<u>1,177</u>	<u>625,559</u>	<u>2,077,992</u>
EXPENDITURE					
Expenditure on charitable activities		513,729	462,659	976,388	968,771
Other operating costs		239,794	-	239,794	98,740
Total expenditure	2	<u>753,523</u>	<u>462,659</u>	<u>1,216,182</u>	<u>1,067,511</u>
NET INCOME/(EXPENDITURE)		(129,141)	(461,482)	(590,623)	1,010,481
Taxation		24,174		24,174	
Transfers		-	-	-	-
Net Movement in Funds		(104,967)	(461,482)	(566,449)	1,010,481
Funds brought forward at 1 April		200,194	8,351,068	8,551,262	7,540,781
Funds carried forward at 31 March		<u>95,227</u>	<u>7,889,586</u>	<u>7,984,813</u>	<u>8,551,262</u>

All amounts related to continuing operations.

This statement includes all gains and losses recognised in the year.

The notes on pages 21 to 34 form part of these financial statements.

FINANCIAL STATEMENTS

Re-Form Heritage

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

For The Year Ended 31st March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Charity Total 2023 £	Total 2022 £
INCOME					
Grants and donations		21,068	1,177	22,245	1,653,454
<i>Income from charitable activities</i>					
Rental and other income		407,599	-	407,599	375,547
Investment income		155	-	155	49
Total income	2	<u>428,822</u>	<u>1,177</u>	<u>429,999</u>	<u>2,029,050</u>
EXPENDITURE					
Expenditure on charitable activities		663,330	462,659	1,125,989	968,771
Total expenditure	2	<u>663,330</u>	<u>462,659</u>	<u>1,125,989</u>	<u>968,771</u>
NET INCOME/(EXPENDITURE)		(234,508)	(461,482)	(695,990)	1,060,279
Taxation		24,174		24,174	
Transfers		-	-	-	-
Net Movement in Funds		(210,334)	(461,482)	(671,816)	1,060,279
Funds brought forward at 1 April		317,704	8,351,068	8,668,772	7,608,493
Funds carried forward at 31 March		<u>107,370</u>	<u>7,889,586</u>	<u>7,996,956</u>	<u>8,668,772</u>

All amounts related to continuing operations.

This statement includes all gains and losses recognised in the year.

The notes on pages 21 to 34 form part of these financial statements.

FINANCIAL STATEMENTS

Re-Form Heritage

Balance Sheets

at 31st March 2023

	Notes	Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
Fixed assets:					
Tangible fixed assets	5a	24,296	20,984	24,296	20,984
Heritage assets	5b	8,275,561	8,729,264	8,275,561	8,729,264
Investments	7	-	-	1	1
		<u>8,299,857</u>	<u>8,750,248</u>	<u>8,299,858</u>	<u>8,750,249</u>
Current assets:					
Stock	8	8,561	9,616	5,719	8,263
Debtors	9	137,298	336,664	132,633	499,760
Cash at bank and in hand		48,856	270,334	25,590	196,827
		<u>194,715</u>	<u>616,614</u>	<u>163,942</u>	<u>704,850</u>
Current liabilities:					
Creditors: amounts falling due within one year	10a	153,680	734,313	110,765	706,025
Net current assets / (liabilities)		<u>41,035</u>	<u>(117,699)</u>	<u>53,177</u>	<u>(1,175)</u>
Creditors: amounts falling due after more than one year	10b	356,079	81,287	356,079	80,302
Total net assets	3	<u>7,984,813</u>	<u>8,551,262</u>	<u>7,996,956</u>	<u>8,668,772</u>
The funds of the charity					
Restricted funds	11	7,889,586	8,351,068	7,889,586	8,351,068
Unrestricted funds	11	95,227	200,194	107,370	317,704
Total charity funds		<u>7,984,813</u>	<u>8,551,262</u>	<u>7,996,956</u>	<u>8,668,772</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act relating to small companies.

The notes on pages 21 to 34 form part of these financial statements.

Approved by the board on 13 October 2023



and signed on their behalf by: H Wardill

Consolidated Cash Flow Statement

For The Year Ended 31st March 2023

	Notes	Group 2023 £	2022 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	12	(119,487)	1,448,275
Cash flows from investing activities		<u>(119,487)</u>	<u>1,448,275</u>
Purchase of heritage assets		(8,956)	(1,938,643)
Purchase of tangible assets		(8,558)	(5,158)
Net cash provided by (used in) investing activities		<u>(137,001)</u>	<u>(495,526)</u>
Cash flows from financing activities			
Loan repayments		(84,477)	(7,629)
Cash inflows from new borrowing		-	-
Net cash provided by (used in) financing activities		<u>(221,478)</u>	<u>(503,155)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		270,334	773,489
Cash and cash equivalents at the end of the reporting period		<u>48,856</u>	<u>270,334</u>
		<u>(221,478)</u>	<u>(503,155)</u>

The notes on pages 21 to 34 form part of these financial statements.

1 Accounting Policies

Company information

Re-Form Heritage is a company limited by guarantee and registered in England and Wales, registration number 3290459, and a registered charity number 1059662. The registered office is Middleport Pottery, Port Street, Stoke-on-Trent ST6 3PE.

Basis of preparation of financial statements

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 (FRS102) (effective January 2015) – (Charities SORP (FRS102)) and the Companies Act 2006.

Re-Form Heritage meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Basis of consolidation

The group financial statements consolidate the financial statements of Re-Form Heritage and all its subsidiary undertakings drawn up to 31 March each year. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Investments

In the parent company financial statements, investments in subsidiaries are accounted for at cost less impairment.

Going concern

As a result of the challenges arising from the post-lockdown heritage environment and cost of living issues that arose in 2022 (notably increases in energy prices and inflation) the Charity made an operating deficit for the year. This resulted in a net decrease in unrestricted free reserves to less than the optimum level of free reserves needed to cover the impact of a loss of fifteen percent of annual income.

Over 50% of the Charity's unrestricted operating income is derived from visitor-driven sources and in this context there will always be a risk to the Charity of not achieving forecast visitor attendance and associated sales revenue. Early in 2023, the charity applied for and was successful in securing a National Lottery Heritage Fund (NLHF) Resilience Grant in order to mitigate this risk and strengthen the long term operational and financial sustainability of Middleport Pottery and Harper Street. The charity was delighted to be awarded £249,962 by the Heritage Fund in May 2023, with funding beginning in June 2023 and running through to October 2024. The activities funded by the grant review all aspects of the Middleport Pottery heritage offer and its associated visitor driven income as well as covering the first year's costs of establishing a pipeline of philanthropic giving.

The Trustees have considered these factors when considering the Charity's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis. They do, however, acknowledge that if the growth visitor numbers does not reach the forecast levels it increases the pressure on the level of non-committed free unrestricted cash funds during 2023 and 2024 available to meet operational requirements and accept that this constitutes material uncertainty over the Charity's ability to continue as a going concern as it currently outlined in its strategic plan.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1 Accounting Policies (contd)

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom exactly equal the related actual results. It is in the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue

Income is recognised once the Charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Income from grants and donations is recognised when the cash is received or committed. Income that is received in advance for a future accounting period is deferred. Income from projects is accounted for on the basis of the level of activity completed.

Expenditure and allocation of support costs

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Support costs and governance costs are split on a time incurred basis between each of the charitable activities.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Financial instruments and cash and cash equivalents

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable. Cash and cash equivalents is comprised of cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Tangible assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, using the reducing balance method as follows:

Computer equipment	25%
General equipment	25%
Improvements to freehold property	25%

Heritage assets

Heritage assets acquired as part of the building preservation objects of the Charity are capitalised at cost or, if donated, at valuation on receipt. Cost includes staff costs which are directly attributable to bringing the assets into working condition for their intended use. The threshold for capitalising heritage assets is £25,000. Heritage assets are depreciated over their estimated economic life. The rate used for completed projects is 4% per annum. The Trustees carry out periodic reviews of the heritage assets held for potential impairment and a provision is made if the continuing value to the charity is determined to be lower than the recorded value of the related asset.

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

1 Accounting Policies (contd)

In accordance with the SORP, inalienable assets have been excluded from the financial statements as reliable cost information is not available and the Charity considers the cost of obtaining a valuation to be onerous compared with the benefit that could be derived by the users of the financial statements in assessing the Trustees' stewardship of the assets.

The inalienable assets of the Charity comprise:

Middleport Pottery Collections - these comprise the factory records, patterns and general correspondence, pottery samples, moulds, tools and furniture.

2 Analysis of Income and Expenditure

Income 2023

	Unrestricted £	Group Restricted £	Total 2023 £	Unrestricted £	Charity Restricted £	Total 2023 £
Grant income	984	-	984	984	-	984
Donation income	20,084	1,177	21,261	20,084	1,177	21,261
Total grant and donation income	21,068	1,177	22,245	21,068	1,177	22,245
Middleport Pottery trading	601,159	-	601,159	405,599	-	405,599
Old Duchy Palace trading	2,000	-	2,000	2,000	-	2,000
Total income from charitable activities	603,159	-	603,159	407,599	-	407,599
Investment income	155	-	155	155	-	155
Total income	624,382	1,177	625,559	428,822	1,177	429,999

Income 2022

	Unrestricted £	Group Restricted £	Total 2022 £	Unrestricted £	Charity Restricted £	Total 2022 £
Grant income	65,258	1,568,422	1,633,680	64,064	1,568,422	1,632,486
Donation income	19,561	1,407	20,968	19,561	1,407	20,968
Total grant and donation income	84,819	1,569,829	1,654,648	83,625	1,569,829	1,653,454
Middleport Pottery trading	421,295	-	421,295	373,547	-	373,547
Old Duchy Palace trading	2,000	-	2,000	2,000	-	2,000
Total income from charitable activities	423,295	-	423,295	375,547	-	375,547
Investment income	49	-	49	49	-	49
Total income	508,163	1,569,829	2,077,992	459,221	1,569,829	2,029,050

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

2 Analysis of Income and Expenditure (contd)

Expenditure 2023

	Unrestricted £	Group Restricted £	Total 2023 £	Unrestricted £	Charity Restricted £	Total 2023 £
Middleport Pottery trading	491,233	-	491,233	643,634	-	643,634
Middleport Pottery depreciation	-	314,177	314,177	-	314,177	314,177
Support costs	17,250	-	17,250	14,450	-	14,450
Total Middleport Pottery	508,483	314,177	822,660	658,084	314,177	972,261
Old Duchy Palace depreciation	-	45,073	45,073	-	45,073	45,073
Total Old Duchy Palace	-	45,073	45,073	-	45,073	45,073
Harriets Trust	-	-	-	-	-	-
CRF20	-	-	-	-	-	-
Arts Council	-	-	-	-	-	-
AHF Recovery funding	-	-	-	-	-	-
Harper Street	-	-	-	-	-	-
Harper Street Depreciation	-	103,409	103,409	-	103,409	103,409
HE Tall Structures	-	-	-	-	-	-
Whitechapel Bell Foundry	-	-	-	-	-	-
Tangible Assets Depreciation	5,246	-	5,246	5,246	-	5,246
Other operating costs	239,794	-	239,794	-	-	-
Total expenditure	753,523	462,659	1,216,182	663,330	462,659	1,125,989

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

2 Analysis of Income and Expenditure (contd)

Expenditure 2022

	Unrestricted £	Group Restricted £	Total 2022 £	Unrestricted £	Charity Restricted £	Total 2022 £
Middleport Pottery trading	443,319	-	443,319	446,119	-	446,119
Middleport Pottery depreciation	-	314,178	314,178	-	314,178	314,178
Support costs	17,250	-	17,250	14,450	-	14,450
Total Middleport Pottery	460,569	314,178	774,747	460,569	314,178	774,747
Old Duchy Palace depreciation	-	45,073	45,073	-	45,073	45,073
Total Old Duchy Palace	-	45,073	45,073	-	45,073	45,073
Harriets Trust	-	4,500	4,500	-	4,500	4,500
CRF20	-	34,563	34,563	-	34,563	34,563
Arts Council	-	7,390	7,390	-	7,390	7,390
AHF Recovery funding	-	10,565	10,565	-	10,565	10,565
Harper Street Tangible Assets	-	87,579	87,579	-	87,579	87,579
Depreciation	4,354	-	4,354	4,354	-	4,354
Other operating costs	98,740	-	98,740	-	-	-
Total expenditure	563,663	503,848	1,067,511	464,923	503,848	968,771

Support costs

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Central staff costs	8,000	8,000	8,000	8,000
Governance costs - Audit	9,250	9,250	6,450	6,450
Total support costs	17,250	17,250	14,450	14,450

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

3 Net assets

	Unrestricted funds 2023 £	Group Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2023 £	Charity Restricted funds 2023 £	Total funds 2023 £
Current assets	145,846	48,869	194,715	115,074	48,868	163,942
Current liabilities	(130,247)	(23,433)	(153,680)	(87,332)	(23,433)	(110,765)
Creditors falling due after more than 1 year		(356,079)	(356,079)		(356,079)	(356,079)
Free reserves	15,599	(330,643)	(315,044)	27,742	(330,644)	(302,902)
Tangible assets	23,406	890	24,296	23,406	890	24,296
Heritage assets	56,222	8,219,339	8,275,561	56,222	8,219,339	8,275,561
Investments					1	1
	95,227	7,889,586	7,984,813	107,370	7,889,586	7,996,956

	Unrestricted funds 2022 £	Group Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2022 £	Charity Restricted funds 2022 £	Total funds 2022 £
Current assets	240,726	375,888	616,614	328,962	375,888	704,850
Current liabilities	(120,081)	(614,232)	(734,313)	(91,793)	(614,232)	(706,025)
Creditors falling due after more than 1 year		(81,287)	(81,287)		(80,302)	(80,302)
Free reserves	120,645	(319,631)	(198,986)	237,169	(318,646)	(81,477)
Tangible assets	20,984	-	20,984	20,984	-	20,984
Heritage assets	58,565	8,670,699	8,729,264	59,551	8,669,713	8,729,264
Investments					1	1
	200,194	8,351,068	8,551,262	317,704	8,351,068	8,668,772

4 Resources expended including staff and trustee costs

	Group	
Analysis of staff costs:	2023	2022
	£	£
Wages and salaries	391,127	314,311
Social security costs	27,288	23,473
Accrued pension contributions	9,388	6,716
	427,803	344,500

No employees received employee benefits (excluding employer pension costs) of more than £60,000

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

	2023 No	2022 No
Café	10	1
Visitor attraction	8	11
Administration	7	6
	25	18

4 Resources expended including staff and trustee costs (contd)

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £92,706 (2022 - £112,328).

The Trustees did not receive any remuneration during the year. Reimbursement of their travel and subsistence expenses was £0 (2022: £0). The Trustees made donations to the charity of £1,000 (2022: £1,000 (unrestricted)).

5a Tangible fixed assets

Group and Charity

	Computer Equipment £	General Equipment	Buildings £	Total £	
Cost or valuation					
At 1st April 2022	8,853	19,018	8,349	36,220	
Additions	1,695	1,899	4,964	8,558	
At 31st March 2023	10,548	20,917	13,313	44,778	
Depreciation					
At 1st April 2022	3,470	8,122	3,644	15,236	
Charge for period	1,346	2,724	1,176	5,246	
At 31st March 2023	4,816	10,846	4,820	20,482	
Net book value					
At 31st March 2023	5,732	10,071	8,493	24,296	
At 31st March 2022	5,383	10,896	4,705	20,984	
	2023 £	2022 £	2021 £	2020 £	2019 £
Cost	44,778	36,220	31,062	27,549	24,965
Depreciation and impairments	(20,482)	(15,236)	(10,882)	(9,012)	(3,694)
Net book value	24,296	20,984	20,180	18,537	21,271

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

5b Heritage assets

	Group and Charity			
	Middleport Pottery £	Harper Street £	Old Duchy Palace £	Total £
Cost or valuation				
At 1st April 2022	7,854,439	2,576,268	1,126,829	11,557,536
Additions	1	8,955	-	8,956
At 31st March 2023	7,854,440	2,585,223	1,126,829	11,566,492
Depreciation				
At 1st April 2022	2,467,742	-	360,530	2,828,272
Charge for period	314,177	103,409	45,073	462,659
At 31st March 2023	2,781,919	103,409	405,603	3,290,931
Net book value				
At 31st March 2023	5,072,521	2,481,814	721,226	8,275,561
At 31st March 2022	5,386,697	2,576,268	766,299	8,729,264

	2023 £	2022 £	2021 £	2020 £	2019 £	2018 £
Cost	11,566,492	11,557,536	9,618,893	9,188,293	9,098,964	9,056,675
Disposals	-	-	-	-	-	-
Depreciation and impairments	(3,290,931)	(2,828,272)	(2,469,021)	(2,107,005)	(1,750,154)	(1,393,176)
Net book value	8,275,561	8,729,264	7,149,872	7,081,288	7,348,810	7,663,499

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

6 Subsidiaries

Re-Form Heritage owns 100% of the issued share capital of Re-Form Heritage Trading Ltd, a company registered in England with its registered office at Middleport Pottery, Port Street, Stoke-on-Trent ST6 3PE (Co no 07169150)

A summary of the subsidiary results is shown below:

	Re-Form Heritage Trading Ltd	
	2023 £	2022 £
Turnover	220,560	73,942
Resources expended	(264,794)	(123,740)
Net resources	(44,234)	(49,798)
Amount granted or gift aided to the parent	-	-
	(44,234)	(49,798)
Funds brought forward	(117,512)	(67,714)
Funds carried forward	(161,746)	(117,512)
Represented by:		
Current assets	30,769	82,475
Current liabilities	(192,514)	(199,986)
Share capital	(1)	(1)
	(161,746)	(117,512)

7 Investments

Shares in subsidiary undertaking

	Charity	
	2023 £	2022 £
Ordinary shares of £1 each	1	1

8 Stocks

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Books and souvenirs	5,034	7,546	5,034	7,543
Café Stock	2,842	1,350		
Air dry clay for activities	685	720	685	720
	8,561	9,616	5,719	8,263

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

9 Debtors	Group		#	Charity	
	2023	2022		2023	2022
	£	£		£	£
Trade debtors	27,538	48,329		24,747	47,633
Amount due from subsidiary company	-	-		-	167,011
Accrued income	37,835	109,002		37,835	109,002
Other debtors	48,424	152,687		48,424	156,390
Prepayments	23,501	26,646		21,627	19,724
	137,298	336,664		132,633	499,760

10a Creditors: Amounts falling due within one year

	Group			Charity	
	2023	2022		2023	2022
	£	£		£	£
Trade creditors	46,368	197,663		34,306	185,823
Accruals	36,232	137,261		16,090	120,811
Other creditors	50,817	18,872		40,106	18,874
Heritage Mortgage	12,357	2,611		12,357	2,611
Nat West Bounce Back Loan	7,906	7,906		7,906	7,906
LEP Harper Street Loan	-	370,000		-	370,000
	153,680	734,313		110,765	706,025

Included in other creditors is an interest free loan of £12,131 (2021 £12,131) from Stoke on Trent City Council. The loan is repayable on demand by monthly instalments.

The Heritage Mortgage is secured by way of a first legal charge over 93-113 Harper Street, ST6 3QT.

10b Creditors: Amounts falling due after more than one year

	Group		#	Charity	
	2023	2022		2023	2022
	£	£		£	£
Accruals	-	985		-	-
Heritage Mortgage	324,659	43,383		324,659	43,383
LEP Harper Street Loan	-	-		-	-
Nat West Bounce Back Loan	31,420	36,919		31,420	36,919
	356,079	81,287		356,079	80,302

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

11 Statement of Funds

Group	1st April 2022	Incoming resources	Expenditure	Depreciation	Taxation	Transfers	31st March 2023
	£	£	£	£	£	£	£
Restricted funds							
Heritage assets							
Harper Street	2,183,764			(103,409)	-	87,805	2,168,160
Middleport Pottery	5,311,103	-	-	(314,177)	-	-	4,996,926
Old Duchy Palace	705,721	-	-	(45,073)	-	-	660,648
Other							
Harriets Trust	1,500	-	-	-	-	(1,500)	
Narrow Boat Dane	60,000	-	-	-	-	-	60,000
NLHF Recovery		-	-	-	-	-	-
Arts Council	4,610	-	-	-	-	-	4,610
AHF Recovery funding		-	-	-	-	-	-
HE Recovery funding		-	-	-	-	-	-
Shaffer legacy	86,305	-	-	-	-	(86,305)	
Save the Whitechapel							
Bell Foundry campaign	(1,935)	1,177	-	-	-	-	(758)
Total restricted funds	8,351,068	1,177		(462,659)			7,889,586
Unrestricted funds							
Revenue reserve	200,194	624,382	(748,277)	(5,246)	24,174	-	95,227
	200,194	624,382	(748,277)	(5,246)	24,174	-	95,227
Total funds of the group	8,551,261	625,559	(748,277)	(467,905)	24,174	-	7,984,812
Charity							
Restricted funds							
Heritage assets							
Harper Street	2,183,764	-	-	(103,409)	-	87,805	2,168,160
Middleport Pottery	5,331,103	-	-	(314,177)	-	-	5,016,926
Old Duchy Palace	685,721	-	-	(45,073)	-	-	640,648
Other							
Harriets Trust	1,500	-	-	-	-	(1,500)	
Narrow Boat Dane	60,000	-	-	-	-	-	60,000
NLHF Recovery		-	-	-	-	-	-
Arts Council	4,610	-	-	-	-	-	4,610
AHF Recovery funding		-	-	-	-	-	-
HE Tall Structures		-	-	-	-	-	-
Shaffer legacy	86,305	-	-	-	-	(86,305)	
Save the Whitechapel							
Bell Foundry campaign	(1,935)	1,177	-	-	-	-	(758)
Total restricted funds	8,351,068	1,177	-	(462,659)	-	-	7,889,586
Unrestricted funds							
Revenue reserve	317,704	428,822	(658,084)	(5,246)	24,174	-	107,370
Total funds of the charity	8,668,772	429,999	(658,084)	(467,905)	24,174	-	7,996,956

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

Harriet's Trust funding is to fund research into "Family, household and work in Burslem and the Potteries"

The Narrow Boat Dane restricted reserve represents the valuation of Dane when it was gifted to Re-Form Heritage

NLHF Recovery funding is Covid-19 pandemic recovery funding made available by the National Lottery Heritage Fund to enable a review and refresh of Re-Form Heritages strategic and operational plans in light of the post pandemic operating environment.

Arts Council funding is for "*Meeting Point*" an Arts Council England funded national programme which presents artworks in unexpected places.

AHF Recovery funding is for the creation of a virtual factory tour of the Burgess and Leigh factory at Middleport Pottery.

HE Tall Structures is funding received from Historic England for the employment of specialist heritage skilled trades in the ongoing maintenance of the chimney and other tall structures on the Middleport Pottery Site. The negative reserve position was cleared by the receipt of further funding from Historic England after the year end.

The Shaffer legacy is a restricted fund as the proceeds of the legacy may only be used for capital projects.

At the year end the Save the Whitechapel Bell Foundry campaign restricted reserve was temporarily in deficit due to the timing of the receipt of donations and expenditure.

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

Statement of Funds (contd)

Group	1st April 2021	Incoming resources	Expenditure	Depreciation	Transfers	31st March 2022
	£	£	£	£	£	£
Restricted funds						
Heritage assets						
Harper Street	749,487	1,521,856	(87,579)	-	-	2,183,764
Middleport Pottery	5,625,281	-	-	(314,178)	-	5,311,103
Old Duchy Palace	750,794	-	-	(45,073)	-	705,721
Other						
Harriets Trust	6,000	-	(4,500)	-	-	1,500
Narrow Boat Dane	60,000	-	-	-	-	60,000
NLHF Recovery	2,127	32,916	(34,563)	-	(480)	-
Arts Council	12,000	-	(7,390)	-	-	4,610
AHF Recovery funding	3,090	7,400	(10,565)	-	75	-
HE Tall Structures	(19,945)	6,250	-	-	13,695	-
Shaffer legacy	100,000	-	-	-	(13,695)	86,305
Save the Whitechapel Bell Foundry campaign	(3,342)	1,407	-	-	-	(1,935)
Total restricted funds	7,285,492	1,569,829	(144,597)	(359,251)	(405)	8,351,068
Unrestricted funds						
Revenue reserve	255,289	508,163	(559,309)	(4,354)	405	200,194
	255,289	508,163	(559,309)	(4,354)	405	200,194
Total funds of the group	7,540,781	2,077,992	(703,906)	(363,605)	-	8,551,262
Charity						
Restricted funds						
Heritage assets						
Harper Street	749,487	1,521,856	(87,579)	-	-	2,183,764
Middleport Pottery	5,625,281	-	-	(314,178)	-	5,311,103
Old Duchy Palace	750,794	-	-	(45,073)	-	705,721
Other						
Harriets Trust	6,000	-	(4,500)	-	-	1,500
Narrow Boat Dane	60,000	-	-	-	-	60,000
NLHF Recovery	2,127	32,916	(34,563)	-	(480)	-
Arts Council	12,000	-	(7,390)	-	-	4,610
AHF Recovery funding	3,090	7,400	(10,565)	-	75	-
HE Tall Structures	(19,945)	6,250	-	-	13,695	-
Shaffer legacy	100,000	-	-	-	(13,695)	86,305
Save the Whitechapel Bell Foundry campaign	(3,342)	1,407	-	-	-	(1,935)
Total restricted funds	7,285,492	1,569,829	(144,597)	(359,251)	(405)	8,351,068
Unrestricted funds						
Revenue reserve	323,001	459,221	(460,569)	(4,354)	405	317,704
Total funds of the charity	7,608,493	2,029,050	(605,166)	(363,605)	-	8,668,772

NOTES TO THE ACCOUNTS

Re-Form Heritage

Notes to the Accounts

For The Year Ended 31st March 2023

12 Reconciliation of cash flows from operating activities

	Group	
	2023	2022
	£	£
Net income (expenditure) for the reporting period	(566,449)	1,010,481
Adjustments for :		
Depreciation charges	467,905	363,605
Decrease (Increase) in stocks	1,055	3,023
(Increase) in debtors	199,366	(4,867)
(Decrease) Increase in creditors	(221,364)	76,033
Net cash provided by operating activities	<u>(119,487)</u>	<u>1,448,275</u>
Analysis of cash and cash equivalents		
Cash in hand	<u>48,856</u>	<u>270,334</u>

13 Related Party Transactions

There have been no other related party transactions that require disclosure other than transactions with the subsidiary company, Re-form Heritage Trading Ltd, as set out below:

	2023	2022
	£	£
Staff costs	60,187	59,351
Licence fee	25,000	25,000