

Charity Registration No. 1160430

THE CLAY FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

THE CLAY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|---|
| Trustees | A Diggins I Ellis (interim chair) A Graves D Hawkins R G Hill K Oakes F Swann C Twomey A R Wedgwood (chair) M Wilcox D Figueiredo (appointed 17 January 2019) |
| Executive Director | I N Cartwright |
| Artistic Director | B M Hare Duke |
| Charity number | 1160430 |
| Registered office | Room 416 Flaxman Building Staffordshire University College Road Stoke-on-Trent Staffordshire ST4 2DE |
| Independent examiner | K Staley FCA Geens Limited 68 Liverpool Road Stoke on Trent Staffordshire ST4 1BG |
| Bankers | Cooperative Bank PO Box 250 Delf House Southway Skelmersdale WN8 6WT |

THE CLAY FOUNDATION

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THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The aims and objectives of the charity for the public benefit are to promote public appreciation of, and advance public education in the arts, in particular, but not exclusively, the art of ceramics, in such ways as the charity trustees of the CIO may decide.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Clay Foundation was established as a registered charity, with the express purpose to build on the achievements of the British Ceramics Biennial (Ltd) and creating a legacy for the City Of Stoke on Trent in a new cultural agency.

The Clay Foundation set the following aims:

- To continue to build the reputation of Stoke on Trent as a cultural city, through the Biennial programme;
- To help make Stoke on Trent an active centre, fostering and giving opportunity for the generation of ideas for new, creative ceramic innovation
- To embed within the City the potential for clay as an agent for learning, wellbeing and empowerment.

These were delivered through three distinct and connected programmes:

- The British Biennials: The UK's premier festival of ceramics, in Stoke on Trent, celebrating the best new work by established and emerging artists, designers and potters.
- Working with Stoke on Trent as a national centre for ceramic creative innovation.
- Public Engagement Programme: Making a positive difference to people's lives, working with communities and groups in Stoke.

THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

ARTISTIC REPORT on activities undertaken 2019/20 to further The Clay Foundation's charitable purposes.

The British Ceramics Biennial returned to Stoke-on-Trent in 7 September - 13 October 2019, bringing together more than 300 contemporary artists in a programme of exhibitions, installations and events taking place in iconic cultural venues across the city. A key element of the programme was the 'Four Sites' project which comprised of:

- 'Resonating Spaces' at Middleport Pottery,
- 'Cultural Icons' at The Potteries Museum and Art Gallery,
- 'Externalising the Archive' at Spode Works,
- '22 Hands' at World of Wedgwood,

The post-industrial setting of the original Spode factory site in the heart of the city was once again the main hub of the festival, bringing together thirteen exhibitions in the China Hall, alongside live workshop areas where visitors could explore and experience clay for themselves, and an exchange place for buying work and sharing ideas and inspiration.

At the centre of the biennial were BCB's two flagship exhibitions, AWARD and Fresh. AWARD brought together new work created by ten ceramic artists competing for the prize, which was increased to £10,000 to mark BCB's 10th anniversary.

Alongside this, 'Fresh' returned with a showcase of work by 20 of the UK's most talented recent ceramics graduates as a platform from which the next generation of ceramic artists can advance their creative careers. This year saw no less than four residencies awarded to the following members of this cohort:

- the Wedgwood residency: Alice Walton
- the Guldagergaard: International Ceramic Research Centre residency: Toni De Jesus
- the Staffordshire University residency: Pam Su
- and the British Ceramics Biennial residency: Laura Plant.

'International Exchange' also showcased the work of artists from Korea and India, forming part of reciprocal exchanges to develop ceramics practice and reach new audiences. As one of these artists - Wookjae Maeng – commented:

"I have experienced artist-in-residence in various countries. But I have never had a chance to display my work there at such a big event as BCB... Experience in unusual places always has a profound influence on artist. I could feel and learn a lot by watching the process of making the biennale. And it was also meaningful because the place have history of pottery."

THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

BCB 2019 attracted 69,000 visitors in 2019. 64% were local people, and the remaining 36% visiting from outside the area (Stoke-on-Trent and Newcastle-under-Lyme). The number of visits overall saw an increase on 2017, up from 60,847.

The festival had a positive impact on the perception of Stoke-on-Trent as a place with 66% having a positive impression of the City post visit, with 54% of visitors indicating that there was a high likelihood that they would recommend the event.

British Ceramics Biennial has brokered several high profile international and national partnerships bringing Stoke-on-Trent to the attention of national and international stakeholders and audiences.

<https://www.britishceramicsbiennial.com/>

Another exhibition 'Cast of Thousands' was conceived by British Ceramics Biennial as a way of bringing every schoolchild in Stoke-on-Trent together with leading ceramic artists to create and participate in a large-scale public art event. In total, 5,500 ceramic figures were made.

Figures were installed across four venues in the city to tie in with the Four Sites project that was a headline feature of BCB2019. These venues were: Spode China Hall, World of Wedgewood, Middleport Pottery, and Potteries Museum and Art Gallery.

Cast of Thousands was the first project from the BCB Education programme to be given prominence within the display of work at a festival. This meant that the work of the school children on this project sat alongside that of internationally recognised and emerging ceramic artists for the first time.

THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

BCB's year-round engagement programme also includes an Education Programme which uses big ideas and innovation to develop engaging, hands-on activity that creates enthusiasm for clay at all stages of learning: Early Years, Primary, and Secondary.

Using a cross-curricular approach to clay in and out of the classroom our programme seeks to facilitate an understanding of self and place, pride, creativity, and a connection to heritage which includes the diversity and regeneration of the city. These aims are supported by our partnerships across education, industry, and cultural sectors who, like us, believe that every child in Stoke-on-Trent should have the opportunity to get clay under their finger nails and experience the material that built their city.

The BCB Studio, based in the heart of Stoke on Trent at Spode Works continued to host adult learning courses and family 'Clay Together' sessions for beginners; as well as membership with access to the studio and its facilities. There are also regular opportunities to join in on collaborative projects and commissions alongside professional artists. The studio regularly hosts residencies for both UK-based and international artists.

The BCB Health Programme works with community and health organisations in Stoke-on-Trent to create opportunities for people to explore how creativity best works for them. BCB has worked in partnership with Stoke Recovery Service since 2018 on the ReCast project and with Starfish Social Hub since 2019 as part of the Clay Works project which continued throughout the year. Whilst for the Clay Works project, BCB has collaborated with Starfish Social Hub, Able and Changes Health and Wellbeing to create opportunities for people to explore ideas and experiences through clay.

"It really does generate a feeling of wellbeing. Everybody is around you, but you're still in your own world. What's in front of you, (the clay) that's all that matters." - member of ReCast group

Early 2020 saw the organisation join Factory - a partnership between Staffordshire Chambers of Commerce, Staffordshire University, British Ceramics Biennial and ACAVA. The programme is part funded by the European Regional Development Fund (ERDF). This a free programme for creatives in Staffordshire, supporting artists, designers, makers and other creatives to develop their practice and business. Every month, experienced creatives deliver practical and interactive workshops online.

The end of the year saw the onset of Covid19 and with it, lockdown. This in turn led to the closure of the office, the studio and furloughing of the staff. A couple of major projects which were due to commence: 'Foundations' and 'Generation' were put on hold. In parallel, plans were commenced for moving some of the programme online and resources began to be developed by the team to facilitate this. At time of writing it is difficult to foresee how the pandemic will affect the organisation's activities in the future, in particular the planning around the staging of the BCB festival in 2021.

THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial review

The charity has sustained a deficit of £28,842 on unrestricted funds. As TCF did not inherit any reserves when it commenced activities the building of reserves remains an important priority.

Cashflow management has remained challenging throughout the period under review. Notwithstanding the receipt of some significant grants in advance, most of the charity's revenue is received at the same time or subsequently to defrayed expenditure.

Risk Management

TCF's Executive team are responsible for the organisation's risk management processes and for keeping these systems under review. In order to manage and mitigate failure - whether operational, artistic or financial - risks are regularly reviewed at executive team meetings (held monthly). Significant risks are reported to the Board, either directly to the chair or at board meetings.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Reserves

TCF still intends to build sufficient reserves to support the organisation's sustainability, making it capable of adapting to change as appropriate. In light of the public funding received by TCF the board considers it to be appropriate to devote its resources for purposes intended for public benefit. It does not, therefore, seek to divert income to building substantial reserves

The board recognises however that the benefit of the additional security afforded by an appropriate level of resources and therefore seeks, when circumstances allow generating reserves, building to no more than 20% of the variation in annual income. The company aims to build and maintain free reserves (unrestricted reserves not invested in fixed assets or otherwise designated) to this level over the coming years.

The trustees believe that the charity does not face any imminent or substantial threat to its ability to continue operating. Accordingly, these accounts are prepared on a going concern basis.

THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

PRINCIPAL FUNDING SOURCES

Arts Council

Arts Council's award of NPO status/funding, provides a degree of security and with it the ability to plan across four years, with funding for the period 2018/19-2021/22 of £175,000 per annum.

Stoke-on-Trent City Council

Throughout the previous year the organisation was actively involved in preparations and planning for the city's bid to be City of Culture 2021, with the judges visiting, and commenting favourably on, BCB 2017. Although Stoke-on-Trent was ultimately unsuccessful in its bid, this process led to a number of conversations and initiatives which have further strengthened TCF and embedded it within the cultural life of the city. It has led directly to a number of partnerships, which are already beginning to bear fruit and indicate major developments for the future. Continuing support from SCC is crucial, and welcome in this regard.

Staffordshire University

TCF's relationship with Staffordshire University (SU) is long-standing. TCF were involved in a variety of initiatives throughout the year. The university continues to support TCF by providing office space, fee-of-charge to the organisation as well as some project support.

Other partnerships developed apace. That with World of Wedgwood continued to develop throughout the year with discussions around how to have a greater BCB presence at Wedgwood's Barlaston site in festival years and with a closer working relationship between TCF's Education Manager (Natalie Armitage) and her World of Wedgwood opposite number, developing further, together with a financial contribution from World of Wedgwood to the education programme.

Potteries Museum & Art Gallery

TCF's historic partnership with SCC's Potteries Museum & Art Gallery (PMAG) – which has been a programming partner since 2009 – also developed significantly. In June 2018 the two organisations signed a formal partnership agreement which saw TCF's Education Manager, employed on a two-year, fractional (0.2 FTE) contract by PMAG, on a project to drive more children and young people to the museum by delivering a programme of activity, based on the TCF Clay School model. This provides funding over a two-year period, running from June 2018 to May 2020 in excess of £80,000.

Studio Earned income

The studio continued to provide useful amounts of earned income from a membership scheme whereby members can use the studio's amenities by subscribing £60 per month, with additional project income and charges for kiln use by associates.

SCC/ CIF

The year also saw the organisation purchased an electric van (see 'Clay On Wheels') with a capital award from the city council through its Community Investment Fund.

THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

FUTURE PLANS

TCF is working with three organisations (Wedgwood; SCC/PMAG and Middleport/UKHBPT) to devise and deliver the Four Sites project. In late 2018 the partnership submitted a bid to Arts Council's scheme to support work of National Significance. In March 2019 the funding for this major new initiative was confirmed, securing £120,000 from Arts Council and a further £64,000 in matched funding from partners. Four Sites – will see a significant programme of work across four sites in the city for BCB 2019, from Middleport in the north to Wedgwood in the south via Spode and Potteries Museum & Art Gallery (PMAG) in the centre. This is important as this approach begins to inform new thinking around subsequent festivals, programmed at sites across the city. This project formed the centre-piece of BCB 2019.

A further new partnership, again resulting directly from the City of Culture process, saw TCF signing 'the Keele Deal' as a key partner of Keele University. The Memorandum of Understanding Between the two parties suggests a number of areas of work, in particular around joint project working and research as well as furthering developments on the Spode regeneration site.

Regarding the Spode site, it became apparent during the year that a promising opportunity was emerging as part of the council's re-development of the site. Having already worked with ACAVA - a studio provider with over thirty years expertise in the sector – Stoke-on-Trent City Council have secured the resources to undertake a further development on the Spode. Discussions between TCF and ACAVA revealed a shared vision about developing a building together, with a specific focus on ceramics. This could act as TCF's permanent base (as its existing studio is no longer tenable in the long-term), from which to run its engagement programme and to support its artistic programming further, in particular around residencies and international collaborations. Should this come about, it is unlikely that the move will take place before late 2020. However such a proposition is further evidence that the organisation has come a long way in a relatively short time and has much potential to fulfil, as a contributor both to the life of the city and to contemporary ceramics practice.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO) governed by its foundation document registered on February 11 2015, and as such is registered with the Charity Commission for England and Wales.

The trustees who served during the year and up to the date of signature of the financial statements were:

A Diggins
I Ellis
A Graves
D Hawkins
R G Hill
K Oakes
F I Swann
C Twomey
A R Wedgwood
M Wilcox
D Figueiredo

THE CLAY FOUNDATION

TRUSTEES' REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Members of the charity/Appointment of trustees

The board meets approximately four times a year to agree on policy and overall furtherance of the charity's objectives. The day-to-day running of the charity is delegated to the Executive team comprising the Artistic Director and the Executive Director along with managers. The board remains the decision-making body of last resort and receives regular reports from officers, approves all major operational and financial decisions. TCF's governing document states that the minimum number of trustees shall be three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Trustee induction and training

The trustees regularly review the balance of trustees and the recruitment of trustees and seek to achieve an appropriate overall balance of skills and experience, reflecting the communities served. Trustees are invited to meet key staff, to attend events and the office as well as studio space. Trustees are expected to regularly attend activities and opportunities are made to familiarise trustees with different aspects of the organisation's work. A standing agenda item at board meetings being a team member presenting their work directly to the board.

The trustees' report report was approved by the Board of Trustees.



A R Wedgwood

Dated: 14 October 2020

THE CLAY FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE CLAY FOUNDATION

I report to the trustees on my examination of the financial statements of The Clay Foundation (the charity) for the charity year ended 31 March 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

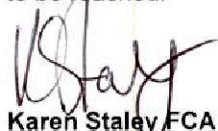
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Karen Staley FCA BSc (Hons)
for and on behalf of Geens Limited

68 Liverpool Road
Stoke on Trent
Staffordshire
ST4 1BG

Dated: 14 October 2020

THE CLAY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Total 2019 £ |
|---|-------|------------------------------------|----------------------------------|----------------------|----------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 125 | - | 125 | - |
| Charitable activities | 4 | 292,818 | 331,310 | 624,128 | 410,850 |
| Total income | | <u>292,943</u> | <u>331,310</u> | <u>624,253</u> | <u>410,850</u> |
| Expenditure on: | | | | | |
| Charitable activities | 5 | 351,601 | 265,298 | 616,899 | 381,386 |
| Net (outgoing)/incoming resources before transfers | | (58,658) | 66,012 | 7,354 | 29,464 |
| Gross transfers between funds | | <u>29,816</u> | <u>(29,816)</u> | <u>-</u> | <u>-</u> |
| Net (expenditure)/income for the year/ Net movement in funds | | (28,842) | 36,196 | 7,354 | 29,464 |
| Fund balances at 1 April 2019 | | <u>(7,919)</u> | <u>31,651</u> | <u>23,732</u> | <u>(5,732)</u> |
| Fund balances at 31 March 2020 | | <u><u>(36,761)</u></u> | <u><u>67,847</u></u> | <u><u>31,086</u></u> | <u><u>23,732</u></u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE CLAY FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------------|---------------|-----------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 18,943 | | 20,697 |
| Current assets | | | | | |
| Debtors | 10 | 33,068 | | 9,603 | |
| Cash at bank and in hand | | 3,704 | | 20,414 | |
| | | <u>36,772</u> | | <u>30,017</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(24,629)</u> | | <u>(26,982)</u> | |
| Net current assets | | | 12,143 | | 3,035 |
| Total assets less current liabilities | | | <u>31,086</u> | | <u>23,732</u> |
| Income funds | | | | | |
| Restricted funds | 12 | | 67,847 | | 31,651 |
| Unrestricted funds | | | (36,761) | | (7,919) |
| | | | <u>31,086</u> | | <u>23,732</u> |

The financial statements were approved by the Trustees on 14 October 2020



A R Wedgwood
Trustee

THE CLAY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|--------------|-----------|---------------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 15 | | (12,441) | | 43,009 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (4,269) | | (24,108) | |
| Net cash used in investing activities | | | (4,269) | | (24,108) |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (16,710) | | 18,901 |
| Cash and cash equivalents at beginning of year | | | 20,414 | | 1,513 |
| Cash and cash equivalents at end of year | | | <u>3,704</u> | | <u>20,414</u> |

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

The Clay Foundation is a Charitable Incorporated Organisation that was formed on 11 February 2015.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Despite the coronavirus global pandemic, at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Grant income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income is deferred when conditions attached to a donation or grant have not been met, including where conditions require a level of performance before entitlement can be obtained. In these circumstances income is deferred until those conditions are fully met.

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Earned income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back-office functions, staff costs and professional fees. The basis of allocations are set out in the notes to the financial statements.

1.6 Tangible fixed assets

Individual Tangible fixed assets costing over £1,000 are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---------------------|----------------------|
| Plant and equipment | 20% reducing balance |
| Motor vehicles | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The entity only has basic financial instruments which are initially recorded at cost.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

For these financial statements the principal estimates relate to the following:

- The allocation of costs (including support costs) as between projects and funds
- The extent to which restricted funds grants should be carried forward or matched against expenditure in the accounting period
- The requirement to make provision for the return of certain restricted fund income to the grantor

3 Donations and legacies

| | Unrestricted funds | Total |
|---------------------|-----------------------|-----------|
| | 2020 £ | 2019 £ |
| Donations and gifts | 125 | - |

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

| | Charitable Income 2020 £ | Charitable Income 2019 £ |
|-------------------------------|-----------------------------------|--------------------------------|
| Stoke City Council | 75,000 | 75,000 |
| Staffordshire University | 4,011 | 11,224 |
| Product sales | 15,569 | 18,184 |
| Project grants | 516,703 | 293,078 |
| Clay School Members | 5,640 | 5,460 |
| Other income | 7,205 | 7,904 |
| | <u>624,128</u> | <u>410,850</u> |
| Analysis by fund | | |
| Unrestricted funds | 292,818 | 116,092 |
| Restricted funds | 331,310 | 294,758 |
| | <u>624,128</u> | <u>410,850</u> |
| Project grants | | |
| Arts Council England-Biennial | 175,000 | 175,000 |
| Ceramic City Four Site | 184,000 | - |
| SCC/PMAG | 55,400 | - |
| Heritage Lottery | 27,050 | - |
| Sundry Project Income | 6,033 | 60,778 |
| Garfield Weston | 10,000 | - |
| BBC Children in Need | 17,691 | - |
| Other | 21,529 | 39,000 |
| Esmee Fairbairn Foundation | 10,000 | - |
| SCC Community Investment Fund | 10,000 | 18,300 |
| | <u>516,703</u> | <u>293,078</u> |

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Charitable activities

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Staff costs | 186,803 | 187,012 |
| Depreciation and impairment | 6,023 | 3,411 |
| Seconded, freelance & other staff | 42,393 | 21,078 |
| Project costs | 187,660 | 31,198 |
| Marketing | 125,476 | 76,724 |
| Travel & training costs | 5,891 | 14,222 |
| General expenses | 604 | 3,463 |
| | <u>554,850</u> | <u>337,108</u> |
| Share of support costs (see note 6) | 59,489 | 42,678 |
| Share of governance costs (see note 6) | 2,560 | 1,600 |
| | <u>616,899</u> | <u>381,386</u> |
| Analysis by fund | | |
| Unrestricted funds | 351,601 | 283,290 |
| Restricted funds | 265,298 | 98,096 |
| | <u>616,899</u> | <u>381,386</u> |

6 Support costs

| | Support costs £ | Governance costs £ | 2020 £ | Support costs £ | Governance costs £ | 2019 £ |
|---|--------------------|-----------------------|---------------|--------------------|-----------------------|---------------|
| Office Costs | 59,489 | - | 59,489 | 42,678 | - | 42,678 |
| Accountancy | - | 2,560 | 2,560 | - | 1,600 | 1,600 |
| | <u>59,489</u> | <u>2,560</u> | <u>62,049</u> | <u>42,678</u> | <u>1,600</u> | <u>44,278</u> |
| Analysed between Charitable activities | <u>59,489</u> | <u>2,560</u> | <u>62,049</u> | <u>42,678</u> | <u>1,600</u> | <u>44,278</u> |

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year (2019: £nil).

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Employees

Number of employees

| 2020 Number | 2019 Number |
|----------------|----------------|
| 6 | 6 |

Employment costs

| | 2020 £ | 2019 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 176,324 | 168,892 |
| Social security costs | 6,287 | 14,022 |
| Other pension costs | 4,192 | 4,098 |
| | <u>186,803</u> | <u>187,012</u> |

There were no employees whose annual remuneration was £60,000 or more (2018: none).

9 Tangible fixed assets

| | Plant and Motor vehicles equipment | | Total |
|------------------------------------|---------------------------------------|---------------|---------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2019 | - | 24,108 | 24,108 |
| Additions | 4,269 | - | 4,269 |
| At 31 March 2020 | <u>4,269</u> | <u>24,108</u> | <u>28,377</u> |
| Depreciation and impairment | | | |
| At 1 April 2019 | - | 3,411 | 3,411 |
| Depreciation charged in the year | 849 | 5,174 | 6,023 |
| At 31 March 2020 | <u>849</u> | <u>8,585</u> | <u>9,434</u> |
| Carrying amount | | | |
| At 31 March 2020 | <u>3,420</u> | <u>15,523</u> | <u>18,943</u> |
| At 31 March 2019 | <u>-</u> | <u>20,697</u> | <u>20,697</u> |

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Debtors

| | 2020 | 2019 |
|--------------------------------------|---------------|--------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 11,307 | 3,585 |
| Other debtors | 17,693 | - |
| Prepayments and accrued income | 4,068 | 6,018 |
| | <u>33,068</u> | <u>9,603</u> |

11 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 9,583 | 11,926 |
| Other creditors | 11,846 | 11,328 |
| Accruals and deferred income | 3,200 | 3,728 |
| | <u>24,629</u> | <u>26,982</u> |

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | Movement in funds | | | | Balance at 31 March 2020 £ |
|--|---------------------------------|----------------------------|----------------------------|------------------|---------------------------------|----------------------------|----------------------------|-----------------|----------------------------------|
| | Balance at 1 April 2018 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 1 April 2019 £ | Incoming resources £ | Resources expended £ | Transfers £ | |
| Weston Jerwood Charitable Foundation | 9,703 | 1,022 | (18,219) | 7,494 | - | - | - | - | - |
| Stoke City Council - Typecast Partnership | 5,764 | - | (7,660) | 1,896 | - | - | - | - | - |
| Stoke City Council - Growing Cultures | 6,450 | - | - | (6,450) | - | - | - | - | - |
| Headley Trust | 15,000 | 15,000 | - | (13,269) | 16,731 | - | (16,731) | - | - |
| EU Creative Europe Fund | - | 11,856 | (14,649) | 2,793 | - | - | - | - | - |
| Stoke City Council P.M.A.G - Clay Museum | - | 40,627 | (11,474) | (29,153) | - | 62,040 | (42,985) | (15,055) | 4,000 |
| Arts Council NPO | - | 175,000 | (33,194) | (141,806) | - | - | - | - | - |
| Arts Connect | - | 24,080 | (9,520) | (14,560) | - | - | - | - | - |
| Stoke City Council Community Investment Fund | - | 18,300 | (3,380) | - | 14,920 | 10,000 | (6,023) | - | 18,897 |
| Others | - | 8,873 | - | (8,873) | - | - | - | - | - |
| Ceramic City Four Site | - | - | - | - | - | 184,000 | (184,221) | 221 | - |
| The Rayne Foundation (ReCast project) | - | - | - | - | - | 12,600 | (5,390) | (2,210) | 5,000 |
| BBC Children in need | - | - | - | - | - | 17,691 | - | (3,841) | 13,850 |
| CAL Project | - | - | - | - | - | 7,929 | (4,533) | (3,396) | - |
| Heritage Lottery fund | - | - | - | - | - | 27,050 | - | (950) | 26,100 |
| Garfield Weston Foundation (Clay Works) | - | - | - | - | - | 10,000 | (5,415) | (4,585) | - |
| | <u>36,917</u> | <u>294,758</u> | <u>(98,096)</u> | <u>(201,928)</u> | <u>31,651</u> | <u>331,310</u> | <u>(265,298)</u> | <u>(29,816)</u> | <u>67,847</u> |

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Restricted funds

(Continued)

Weston Jerwood Charitable Foundation

To fund a bursary for a placement by BCB.

Stoke City Council - Typecast Partnership

A grant to work with groups of people in recovery.

Stoke City Council - Growing Cultures

A grant to work in schools on an arts/science project.

Headley Trust

A grant towards TCF's education programme.

EU Creative Europe fund

A grant to work with European partners and activity during the festival in 2017.

Stoke City Council P.M.A.G - Clay Museum

Funding to support work in schools with Potteries Museum and Art Gallery.

Arts Council NPO grant

NPO award towards TCF's core activities

Arts Connect

A grant towards TCF's education programme.

Stoke City Council Community Investment Fund

A grant towards to purchase of and kitting out of an electric vehicle to deliver work across the City, and to assist with purchases of kiln equipment.

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Restricted funds

(Continued)

Ceramic City Four Sites

The Centre-piece project for BCB 2019 to support work of material importance and see a significant programme of works across four sites in the City. Funding for this project came from The Arts Council England (£120,000), Cultural Destinations (£24,000), Stoke City Council for Spode and PMAG (£20,000), Wedgwood/Fiskars (£10,000) and UKHBPT/Re-form for Middleport (10,000).

Heritage Lottery Fund

A project working with young people up to the age of 25 looking into projects around ceramics in Stoke on Trent.

BBC Children in Need

Working in conjunction with The Hubb Foundation to help disadvantaged children and families across the City.

Re Cast

The ReCast project combines creativity, addiction recovery and clay. ReCast is delivered in partnership with Stoke Recovery Service. ReCast is supported by the Rayne Foundation, Arts Council England and Stoke on Trent City Council.

Clay Works

Changes Health & Wellbeing in Stoke on Trent worked with us to explore creativity, wellbeing and clay in workshops held at Changes and in the BCB's studio. The Clay Works project is supported by the Garfield Weston Foundation and Arts Council England..

THE CLAY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ | Total 2019 £ |
|--|----------------------------|--------------------------|---------------------|--------------------|
| Fund balances at 31 March 2020 are represented by: | | | | |
| Tangible assets | - | 18,943 | 18,943 | 20,697 |
| Current assets/(liabilities) | (36,761) | 48,904 | 12,143 | 3,035 |
| | <u>(36,761)</u> | <u>67,847</u> | <u>31,086</u> | <u>23,732</u> |

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2020 £ | 2019 £ |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>84,170</u> | <u>84,177</u> |

TCF also worked closely with BCB Ltd as well as project partners such as Stoke on Trent City Council and Staffordshire University in working towards delivering joint objectives.

15 Cash generated from operations

| | 2020 £ | 2019 £ |
|--|-----------------|---------------|
| Surplus for the year | 7,354 | 29,464 |
| Adjustments for: | | |
| Depreciation and impairment of tangible fixed assets | 6,023 | 3,411 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (23,465) | 78,903 |
| (Decrease) in creditors | (2,353) | (68,769) |
| Cash (absorbed by)/generated from operations | <u>(12,441)</u> | <u>43,009</u> |

16 Analysis of changes in net funds

The charity had no debt during the year.