

**THE PETWORTH COTTAGE TRUST**  
(a company limited by guarantee with no share capital)

(Company No. 3016747)

(Registered charity No. 1044840)

**Trustees' report and financial statements**

**for the year ended 31 January 2011**

Comprising

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<b>Patrons</b>	The Lord Egremont, DL The Lady Egremont	
<b>Trustees</b>	P A Jerrome MBE MA Mrs A Bradley Mrs A S Brown Miss Y Butterick R G Harris Mrs A M Simmons Mrs D E Stevenson G C Stevenson M E Tudor	(Chairman)   (Appointed April 2010)   (Secretary)
<b>Registered Office</b>	346 High Street Petworth West Sussex GU28 0AU	
<b>Company Number</b>	3016747	
<b>Charity Number</b>	1044840	
<b>Bankers</b>	NatWest Bank Plc Market Square Petworth West Sussex GU28 0AL	
<b>Solicitors</b>	Solnick & Co 9 Chiswick High Road London W4 2ND	
<b>Auditors</b>	Sheen Stickland LLP 7 East Pallant Chichester West Sussex PO19 1TR	

## **Trustees' report for the year ended 31 January 2011**

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The trustees present their annual report and the financial statements for the year ended 31 January 2011

### **Governance, Structure and Management**

#### *Governing instrument*

The Petworth Cottage Trust was incorporated in England & Wales on 31 January 1995 as a private limited company with no share capital, registered no 3016747, and is also registered as a charity, no 1044840

The Lord and Lady Egremont are patrons of the Petworth Cottage Trust

#### *Trustee recruitment, appointment and training*

The charity is run solely by the trustees who meet at least four times in a year and take all decisions, based where necessary on advice given. The charity's articles of association require there to be not less than three trustees, but there is no maximum. The first trustees were appointed on incorporation of the charity in March 1995. They are Mrs A Bradley, Mrs J E Duncton, Mrs J E Golden, L L Golden, R G Harris, P A Jerrome and Mrs A M Simmons

Subsequent trustees appointed were Mrs J M Robertson (17/9/1997), M J N Leathers (17/4/2001), Mrs D E Stevenson (26/8/2003), G C Stevenson (11/10/2005), M E Tudor (5/7/2006), Mrs A S Brown (2/9/2008) and Miss Y Butterick (27/04/2010), all only until the following annual general meeting. Despite that limitation and the requirements contained in the articles of association that at annual general meetings one third of the trustees shall retire from office, they have all, except for Mrs J E Golden (deceased 19/12/2005), M J N Leathers (resigned 12/2/2008), Mrs J E Duncton (resigned 8/7/2008), L L Golden (resigned 30/09/2009) and Mrs J M Robertson (resigned 20/01/2010), remained trustees because by a resolution passed in February 1996 the charity in general meeting elected to dispense with the holding of annual general meetings

New trustees are appointed by the serving trustees from amongst people of known ability who are interested in the trust's work

#### *Related parties*

The trustees received no remuneration from the charity in the year (2010 £Nil). Expenses reimbursed were £ Nil (2010 £Nil)

#### *Risk review*

The only risks to which the charity is exposed are those associated with investment, which the trustees guard against so far as possible by investing as mentioned below. Damage to the cottage, to its contents, to visitors or to stewards is covered by insurance

### **Objectives and Activities**

The charity's objects are to advance the education of the public by affording them access to the cottage at 346 High Street in Petworth restored and furnished as a typical cottage on the Leconfield Estate as it might have been in Petworth's heyday as an estate town in 1910 or thereabouts

#### *Investment policy*

The trustees are empowered under the charity's articles of association to invest as they see fit. In fact the trust holds only equity units in a common investment fund and in an exempt unit trust, and property units in a common investment fund. Money awaiting investment is held in the COIF Charities Deposit Fund. By the end of the year the cumulative unrealised gains on investments, being their market value in excess of their cost, was £14,592 (2010 £7,937)

**Continued**

**Trustees' report for the year ended 31 January 2011**  
.....Continued

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***Public Benefit***

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit

The trustees have considered the objectives of the Charity and are satisfied that they fulfil the requirements of public benefit, with the advancement of education to the public by affording them access to the cottage at 346 High Street, Petworth

**Achievements and Performance**

The charity's sole activity relates to the cottage, a lease of which was granted to it at a nominal rent for 21 years from 21 September 1995, a period which was extended on 4 December 2001 by the grant of a supplemental lease which expires on 19 September 2041

The cottage is open during the afternoon of Tuesdays, Wednesdays, Thursdays, Fridays, Saturdays and bank holidays from the beginning of April to the end of October. The total number of visitors was a welcome increase on the previous year. It is hoped that the number will rise as the cottage's facilities become better known. More effective advertising and publicity continues to occupy the minds of the trustees

**Financial Review**

During the year the operating fund incurred a deficit of £3,893 which was met by a transfer from the endowment fund, so maintaining the operating fund at £2,500. Besides that transfer there was an increase of £6,656 in the value of investments, so the endowment fund rose to £67,616, an increase of £5,339.

The receipt of subscriptions from the Friends of the Petworth Cottage Trust remains an important source of annual financial support and the trustees are grateful to Yvonne Butterick for her able administration of the Friends.

The trustees are aware and recognise with thanks the considerable burden of stewarding at the cottage, a task which is undertaken voluntarily by a host of dedicated volunteers. Without their help it would not be possible to continue. Fortunately that task is usually an enjoyable and rewarding one, made the more so when visitors often remark on the warmth of their reception.

***Reserves policy***

The trust funds comprise an operating fund and an endowment fund, both of which may be expended on the charity's objects without restriction.

Any deficits incurred by the operating fund are met by transfer from the endowment fund, and any surpluses enjoyed by the operating fund are removed by transfer to the endowment fund.

**Plans for the future**

The trustees plan to continue to advance the education of the public by affording them access to the cottage at 346 High Street in Petworth.

**Continued**

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

..... **Continued**

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**Statement of Trustees Responsibilities**

The trustees are responsible for preparing 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. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those 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,  
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

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

**Statement as to disclosure of information to auditors**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**Small companies provision**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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This report and the financial statements have been approved by the trustees, and they have authorised me to sign them on their behalf.

Date 11 OCT 2011

*C.A. Tewling*  
Chairman

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure account)**  
**For the year ended 31 January 2011**

	Oper- ating fund 2011 £	Endow- ment fund 2011 £	Total funds 2011 £	Total funds 2010 £
<b>Incoming resources</b>				
from charitable activities				
cottage entrance fees	3,810		3,810	3,706
gain on sale of guides	174		174	72
gain on sale of postcards	66		66	52
from generated funds				
voluntary income				
grants and donations (note 2)		172	172	235
Friends' subscriptions		2,054	2,054	1,948
fund raising events		-	-	-
investment income (note 3)		350	350	364
<b>Total incoming resources</b>	<b>4,050</b>	<b>2,576</b>	<b>6,626</b>	<b>6,377</b>
<b>Resources expended</b>				
charitable activities				
cottage expenses (note 4)	4,766		4,766	4,171
governance costs (note 5)	3,177		3,177	2,048
<b>Total resources expended</b>	<b>7,943</b>	<b>-</b>	<b>7,943</b>	<b>6,219</b>
<b>Net incoming resources before transfers</b>	<b>- 3,893</b>	<b>2,576</b>	<b>- 1,317</b>	<b>158</b>
<b>Transfers between funds</b>	<b>3,893</b>	<b>- 3,893</b>	<b>-</b>	<b>-</b>
<b>Net incoming resources before other gains/(losses)</b>	<b>-</b>	<b>- 1,317</b>	<b>- 1,317</b>	<b>158</b>
<b>Unrealised gains on investments (note 6)</b>	<b>-</b>	<b>6,656</b>	<b>6,656</b>	<b>7,054</b>
<b>Net movement in funds</b>	<b>-</b>	<b>5,339</b>	<b>5,339</b>	<b>7,212</b>
<b>Total funds brought forward at beginning of year</b>	<b>2,500</b>	<b>62,277</b>	<b>64,777</b>	<b>57,565</b>
<b>Total funds carried forward at end of year</b>	<b>2,500</b>	<b>67,616</b>	<b>70,116</b>	<b>64,777</b>

All activities of the charity are classed as continuing

**Balance Sheet as at 31 January 2011**

		2011	2010
	£	£	£
<b>Fixed assets</b>			
tangible assets			
listed investments (note 6)	49,400	42,744	
leasehold cottage (note 7)	5,490	5,669	
cottage contents (note 8)	7,943	7,943	
total fixed assets		62,833	56,356
<b>Current assets</b>			
stocks at cost (note 9)	2,222	298	
COIF charities deposit fund	3,971	5,448	
debtors and prepayments	654	626	
bank balances and cash in hand	791	2,405	
total current assets	7,638	8,777	
<b>Current liabilities</b>			
creditors amounts falling due within one year & accrued charges	355	356	
<b>Net current assets less liabilities</b>		7,283	8,421
<b>Net assets</b>		70,116	64,777
<b>Represented by unrestricted funds</b>			
Endowment fund		67,616	62,277
Operating fund		2,500	2,500
<b>Total funds</b> (note 10)		70,116	64,777

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies

Approved by the trustees and signed on their behalf by

Date 11 OCT 2011

*C. A. Tewome.*  
Chairman

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

**1 Accounting policies**

The accounts have been prepared in accordance with applicable accounting standards. They comply with both the Accounting and Reporting by Charities Statement of Recommended Practice published in March 2005 by the Charity Commission for England and Wales and the Companies Act 2006.

Amounts of income and expenditure include accruals and exclude prepayments. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The Charity is exempt from corporation tax on its charitable activities.

	£	2011 £	£	2010 £
<b>2 Grants and donations</b>				
General donations	172		235	
	<u>172</u>	<u>172</u>	<u>235</u>	<u>235</u>

**3 Investment income**

Interest on deposits				
COIF charities deposit fund	22		44	
bank clubs reserve account	1		1	
Distributions on common investment units	327		319	
	<u>350</u>	<u>350</u>	<u>319</u>	<u>364</u>

**4 Cottage expenses**

Repairs & garden maintenance	624		448	
Caretaking	1,733		1,299	
Insurance	738		614	
Electricity	282		452	
Telephone	254		269	
Gas	242		298	
Firewood and coal	135		163	
Water	215		220	
Council Tax	217		217	
Lease amortisation	179 (note 7)		179	
Rent	15		12	
Sundry expenses	132		0	
	<u>4,766</u>	<u>4,766</u>	<u>4,171</u>	<u>4,171</u>



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

..... ..Continued

	£	2011 £	£	2010 £
<b>5 Governance costs</b>				
Advertising and publicity	1,065		498	
Leaflets	756		815	
Auditors' remuneration	476		176	
Postage and stationery	732		372	
Subscriptions to tourist boards	92		172	
Website expenses	41		0	
Companies House filing fee	15		15	
		3,177		2,048
		=====		=====

**6 Listed investments**

in common investment fund units  
and exempt fund units

Market value, 1 February 2010	42,744		35,690	
Unrealised gains	6,656		7,054	
Market value, 31 January 2011				
Cost £34,808 (2009 £34,808)		49,400		42,744
		=====		=====

The market value of £49,400 comprises holdings in The Equities Investment Fund for Charities (£28,506), The COIF Charities Property Fund (£11,272) and The Growth Fund for Charities (£9,622)

	£	£	£	£
<b>7 Leasehold cottage</b>				
Costs incurred on grant of lease and cottage restoration				
Balance as at 1 February 2010		10,122		10,122
Amount written off				
as at 1 February 2010	4,453		4,274	
during the year	179	4,632	179	4,453
Balance at 31 January 2011		5,490		5,669
		=====		=====

The costs have been written off evenly, initially over the term of the 21 year lease granted on 21 September 1995 but since 4 December 2001, when a supplemental lease to 19 September 2041 was granted, over the period from 4 December 2001 to 19 September 2041

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

.... . Continued

	2011 £	2010 £
<b>8 Cottage contents</b>		
Balance of costs incurred as at 1 February 2010	7,943	7,943
Additions/(disposals) during year	0	0
Balance at 31 January 2011	7,943	7,943
	=====	=====
<b>9 Stocks</b>		
Museum guides at cost	2,212	227
Postcards at cost	10	71
	<u>2,222</u>	<u>298</u>
	=====	=====

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items

**10 Total funds**

The endowment fund comprises the accumulated resources stemming from Friends' subscriptions, from fund-raising activities, from investment income, from grants and donations, and from gains less losses on investments. It may be expended on the charity's objects without restriction.

The operating fund, which may be expended similarly, receives the income derived from visitors to the cottage and bears the necessary expenditure on its maintenance and on management and administration of the trust, with any deficit thereby incurred recovered by a transfer from the endowment fund but with any surplus thereby enjoyed transferred to the endowment fund.

## Five Year Review

### ENDOWMENT FUND

years ended 31st January

	Friends' subscrip- tions	fund raising events	invest ment income	grants and donations	gains on investm'ts	net growth
	£	£	£	£	£	£
2007	2,034	-468	409	3,750	7,990	13,715
2008	2,575	495	602	183	-5,776	-1,921
2009	2,131	65	614	184	-12,955	-9,961
2010	1,949	0	364	235	7,212	9,760
2011	2,054	0	350	172	5,339	7,915

### OPERATING FUND

years ended 31st January

	cottage entrance fees	postcards and guides	cottage expenses	govern- ance costs	deficit	surplus
	£	£	£	£	£	£
2007	3,248	121	-4,963	-1,551	-3,145	
2008	2,488	90	-3,082	-1,657	-2,161	
2009	3,139	77	-3,921	-2,962	-3,667	
2010	3,706	124	-4,171	-2,048	-2,389	
2011	3,810	240	-4,766	-3,177	-3,893	

### TOTAL FUNDS

as at 31st January, after the transfer of operating fund deficits and surpluses to the endowment fund

	endowment fund	operating fund	total funds
	£	£	£
2007	72,951	2,500	75,451
2008	68,693	2,500	71,193
2009	55,065	2,500	57,565
2010	62,277	2,500	64,777
2011	67,616	2,500	70,116

### NOTES

- 1 Friends' subscriptions and fundraising events are shown net of the relevant expenses
- 2 Gains on investments comprise both unrealised and realised gains
- 3 The amount for postcards and guides are the sums received in excess of their cost

**Summary Income and Expenditure Account**  
**Year ended 31 January 2011**

	2011	2010
	£	£
Gross income of continuing operations	4,050	3,830
Non-charitable trading activities net income	0	0
Total income of continuing operations	<u>4,050</u>	<u>3,830</u>
Total expenditure of continuing operations	7,943	6,219
Net income before transfers and investment asset disposals	<u>-3,893</u>	<u>-2,389</u>
Transfer to endowment fund	0	0
Transfer from endowment fund	3,893	2,389
Net expenditure before investment asset disposals	<u>0</u>	<u>0</u>
Gains/(losses) on investment asset disposals	0	0
Net expenditure	<u>0</u>	<u>0</u>
	=====	=====

This account has been prepared in accordance with the Companies Act 2006 which, unlike the statement of financial activities required by the Charity Commission, calls for the omission of unrealised gains or losses on investments and of movements on the endowment fund other than transfers to or from that fund, as shown above

The account has therefore been derived from the statement of financial activities on page 6 which, together with the notes to the accounts on pages 8 to 10, provides full information of the movements on both funds of the charity

**Independent auditors' report to the members**  
**Year ended 31 January 2011**

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We have audited the financial statements of The Petworth Cottage Trust for the year ended 31<sup>st</sup> January 2011 on pages six to twelve. The financial statements have been prepared under the accounting policies set out therein.

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 trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st January 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 and

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

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

**The Petworth Cottage Trust**  
(a company limited by guarantee)

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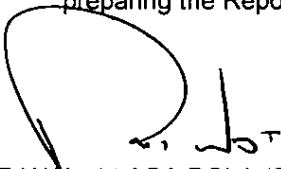
**Independent auditors' report to the members**  
**Year ended 31 January 2011 - (Continued)**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees



P E H Wright ACA DChA (Senior Statutory Auditor)  
for and on behalf of Sheen Stickland LLP  
Chartered Accountants  
Registered Auditors  
7 East Pallant  
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Date 11/12/11