

PAUL FOUNDATION

England & Wales · Charity number 1003143

Details

Status Registered

Legal form Trust

Registered 1991-06-10

Register [View on the Charity Commission register](#)

Contact

Address Keystone Law
48-49 Chancery Lane
London
WC2A 1JF

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Activities

Objects: GENERAL CHARITABLE PURPOSES

Activities: Advancing child mental health by creating & using tested diagnostic procedures & technology, implanting monitoring procedures including within autism Advancing sustainable benefits in developing nations by economic, financial support/training; improving Health by clean water, hygiene, education & healthcare Advancing nature conservation by reforestation, agro-forestation & Wildlife Conservation

Classification

- **How:** Makes Grants To Organisations
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- Ghana
- Mozambique
- Sierra Leone
- Syria
- Tanzania
- Uganda
- Zimbabwe
- Gloucestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£883,522	£912,978	£39,101,898	0
2024-03-31	£1,270,784	£1,148,021	£38,390,780	0
2023-03-31	£898,841	£536,037	£36,048,699	0
2022-03-31	£173,571	£290,525	-	-
2021-03-31	£256,784	£576,506	-	-

Trustees

Name	Role	Appointed
CAMILLA BISHOP		2025-08-09
Rory Tilson St Johnston		2025-08-09

PAUL FOUNDATION

England & Wales - Charity number 1003143

Accounts

THE PAUL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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The trustees present their report along with the financial statements of the charity for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's trust deed, Charities Act 2011 and the Charities SORP (FRS102) - Statement of Recommended Practice: Accounting and Reporting by Charities (2019).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R T St.Johnston -appointed 9 August 2025 C Bishop - appointed 9 August 2025 P R D Paul - deceased 16 August 2025 N Michaelis - resigned 9 August 2025 S D P Michaelis - resigned 9 August 2025 E L Carson - resigned 9 August 2025
Governing document	Trust Deed dated 4th April 1991 Deed of Amendment 28 July 2021 Deed of Amendment 9 August 2025
Registered charity number	1003143
Principal address	Keystone Law 48-49 Chancey Lane London WC2A 1JF
Auditors	Nunn Hayward LLP 2-4 Packhorse Road Gerrards Cross Buckinghamshire SL9 7QE
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Investment advisers	Rothschild & Co Bank International Limited Waverton Investment Management Limited Integrated Financial Arrangments Limited t/as Transact McLaren Capital Limited

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust is constituted under a trust deed dated 4th April 1991 and is a registered charity, number 1003143. The trust was established by an initial gift from the founder P R D Paul in 1991. On 28 July 2021 and on 9 August 2025 Deeds of Amendment updated the original 1991 trust deed.

Over the years, the founder, Patrick Paul made substantial gifts to the charity, which have steadily increased in value. Patrick Paul passed away on 16 August 2025 at the age of 78. Under his Will and associated Letter of Wishes, he donates the majority of his substantial estate to the Paul Foundation to leave a lasting legacy. Patrick was passionate about the Foundations objectives. He dedicated substantial effort to advancing the research carried out by the University of Oxford and the Emerging Minds project (<https://www.ox.ac.uk/news/2025-08-06-27-million-gift-funds-new-oxford-centre-emerging-minds-research-focused-young-people>). The new trustees will build on the incredible work carried out by Patrick during his lifetime. Patrick's generous legacy will create new opportunities for the Foundation going forward.

Under the terms of the charity's governing document, the trust deed dated 4th April 1991, the following matters are relevant as regards the trustees:

There should be a minimum of two trustees and no more than five.

Under clause 13 of the deed of amendment dated 28 July 2021 any trustee who is absent from all meetings of the trustees during a period of eighteen months without the consent of the other trustees shall cease to be a trustee.

The power of appointing new and additional trustees is vested in the trustees for the time being. New trustees undergo an orientation session to brief them on their legal obligations under charity law, the Charities Commission guidance on public benefit, and to inform them of the content of the charitable trust deed. Prior to appointment they meet the other trustees and will have been made aware of the decision-making processes and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

In the administration of the trusts of the charity, the trustees have the power to leave the trust fund in the state of investment in which it may be from time to time or to sell, call in or convert and to transpose or convert any investment or property forming part of the trust fund into any other investment or property.

No money or property, subject to the trust, shall in any circumstances be paid or lent or transferred to or applied for the benefit of any settlor or any spouse of any settlor.

The charity trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit.

RISK MANAGEMENT

The charity's trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The main risk affecting the charity is the loss of value of the investments. The trustees review the investment management strategy regularly.

PLANS FOR FUTURE PERIODS

The charity will continue to make grants to a range of organisations in accordance with its grant making policy.

OBJECTIVES AND ACTIVITIES

The Foundation's mission is to promote the advancement of sustainable and long term beneficial improvements in healthcare, relief of poverty in third world countries and nature conservation. Without prejudice to the generality of the objects, there are three specific objectives: to advance child mental health, to advance sustainable long-term benefit in third world countries, to advance conservation and mitigate climate change.

INVESTMENT POLICY

The investment policy is to invest in lower risk listed investments producing both capital growth and income. Investments in companies producing arms are avoided.

GRANT MAKING POLICY

The trustees make grants to UK registered charitable organisations providing care to young children with learning difficulties and other disorders, to hospices and home healthcare for older people and social welfare in Gloucestershire; for sustainable development in third world countries; as well as funding research into improving health, all of which is for the public benefit. Recommendations for grants are presented to meetings of the trustees for review, discussion and approval.

ACHIEVEMENTS AND PERFORMANCE

During the year, as stated in the Statement of Financial Activities, total funds of the charity increased by £711,118. In 2024, total funds increased by £2,342,081. Total income was £883,522 (2024: £1,270,784) which included donations from P R D Paul of £288,725 (2024: £643,456), with a net increase in the value of investments during the year, after taking account of purchases, disposals and revaluations, of £981,413 (Increase in 2024: £5,269,780) and total resources expended were £912,978 (2024: £1,148,021).

During the year, the charity made grants totalling £747,950 (2024: £978,431) as detailed in note 4, out of a gross income of £883,522 (2024: £1,270,784).

FINANCIAL REVIEW

The charity's assets are available and adequate to fulfil the obligations of the charity and the trustees report that the administration costs have been kept to a minimum, though regulatory compliance maintains upward pressure on the administrative costs.

RESERVE POLICY

Capital fund

The capital fund of £33,078,249 (2024: £32,574,943) represents settled property and specific gift aid donations received together with any related tax credits, profit or loss on disposal of investments and net foreign exchange profit or losses.

Revaluation reserve fund

The revaluation reserve fund of £5,404,069 (2024: £5,262,620) represents unrealised gains on revaluation of investments to the market value in accordance with the Charities SORP (FRS102) - Statement of Recommended Practice: Accounting and Reporting by Charities (2019).

RESERVE POLICY (continued)

Income fund - unrestricted

The income fund is an unrestricted fund totalling £523,761 (2024: £553,217) and includes an income reserve fund of £62,044 (2024: £62,044). Given the nature of the activities that the charity supports, and the potential dependence of sick people and their families on that support, it is important that the charity should retain adequate reserves to be able to continue providing assistance in spite of the potential fluctuations in its income.

The level of the income reserve fund should ideally be no less than 30% of the preceding year's grants which were to organisations potentially dependent on regular support from the charity to cover their operating expenses. The trustees may draw down on available resources in the capital fund to address deficits in the income fund where deemed appropriate.

The capital and revaluation reserve together comprise a single expendable endowment whose purpose is unrestricted. The general income fund and reserve income fund are also considered unrestricted.

The reserve policy must be reviewed by the trustees at the time of any substantial commitment to support activities on an ongoing basis, in light of the degree of future dependence on that support and, in any event, at least once each year.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the trustees report and financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Observe the methods and principles in the Charities SORP (2019)(FRS102);
- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by the board of trustees on 29 January 2026 and signed on its behalf by:

C Bishop
Trustee

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION**

OPINION

We have audited the financial statements of The Paul Foundation for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes. 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 charity's affairs as at 31 March 2025 and of the charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Charities Act 2011.

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 charity 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.

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you, if in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit in respect of fraud are to; identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rest with the trustees.

OUR APPROACH WAS AS FOLLOWS:

- We obtained an understanding of the legal and regulatory framework that are applicable to the charity and determined that the most significant are the trust deed dated 4th April 1991 and those that relate to the reporting framework; 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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011, United Kingdom Generally Accepted Practice as it applies from 1 January 2019 and the EU General Data Protection Regulations (GDPR).
- We understood how the charity was complying with the trust deed and those frameworks by making enquiries of the trustees.
- Based on our understanding of the charity, we designed our audit procedures to identify non-compliance with the trust deed and laws and regulations including making enquires of the trustees; testing journal entries, with a focus on manual, large or unusual transactions.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by making enquiries of the trustees
- We considered the controls established to address the risks identified, to prevent, deter or detect fraud, and how trustees monitor those controls.

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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nunn Hayward LLP
Chartered Accountants and Statutory Auditors

2-4 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 7QE

Dated: 30 January 2026

Nunn Hayward LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PAUL FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted Fund £	Endowment Fund £	Total 2025 £	Total 2024 £
INCOME AND ENDOWMENTS					
Donations	3	291,225	-	291,225	682,345
Investment income	3	592,297	-	592,297	588,439
TOTAL INCOME		883,522	-	883,522	1,270,784
EXPENDITURE					
Costs of raising funds:					
Investment management costs		148,210	-	148,210	133,918
Bank charges		18	-	18	-
US Federal taxes paid		-	-	-	18,272
Charitable activities	4	764,750	-	764,750	995,831
TOTAL EXPENDITURE		912,978	-	912,978	1,148,021
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS		(29,456)	-	(29,456)	122,763
Net gains/(losses) on investments		-	795,873	795,873	2,549,212
Gains/(Loss) on foreign exchange		-	(55,299)	(55,299)	(329,894)
NET INCOME/(EXPENDITURE)		(29,456)	740,574	711,118	2,342,081
TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		(29,456)	740,574	711,118	2,342,081
Reconciliation of funds:					
Fund balances brought forward	12,13	553,217	37,837,563	38,390,780	36,048,699
Fund balances carried forward	12,13	523,761	38,578,137	39,101,898	38,390,780

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 12 - 19 form part of these financial statements.

THE PAUL FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
FIXED ASSETS					
Investments	7		34,429,647		33,448,234
CURRENT ASSETS					
Debtors due within one year	8	39,827		88,470	
Debtors due in more than one year	8	38,730		-	
Short term investments					
Cash at bank and in hand	9	4,610,494		5,037,081	
		4,689,051		5,125,551	
CREDITORS - Amounts falling due within one year					
Creditors and accruals	10	16,800		183,005	
NET CURRENT ASSETS			4,672,251		4,942,546
NET ASSETS	13		39,101,898		38,390,780
Endowment funds					
- Capital funds	12		33,174,068		32,574,943
- Revaluation reserve funds	12		5,404,069		5,262,620
Unrestricted funds:					
- Income funds	12		523,761		553,217
TOTAL CHARITY FUNDS	12		39,101,898		38,390,780

Approved by the board of trustees on 29 January 2026 and signed on its behalf by

C Bishop
Trustee

Registered charity number: 1003143

The notes on pages 12 - 19 form part of these financial statements.

THE PAUL FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £	2024 £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	1	<u>(1,064,032)</u>	<u>2,338,957</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		591,197	475,256
Net movements from sale and purchase of investments		46,248	(2,449,400)
		<u>637,445</u>	<u>(1,974,144)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(426,587)	364,813
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,037,081	4,672,268
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2	<u><u>4,610,494</u></u>	<u><u>5,037,081</u></u>
		-	

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

	2025 £	2024 £
1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in income/(expenditure) for the year (as per the statement of financial activities)	711,118	2,342,081
Adjustments for:		
Investment income	(592,297)	(588,439)
Loss/(Gain) on investments	(795,873)	(2,549,212)
Donation of shares	(287,087)	(487,879)
Unrealised loss/(gain) on foreign currency	55,299	329,894
(Increase)/Decrease in debtors	11,013	3,133,507
(Decrease)/Increase in creditors	(166,205)	159,005
Net cash provided by operating activities	<u>(1,064,032)</u>	<u>2,338,957</u>
2 ANALYSIS OF CASH AND CASH EQUIVALENTS	2025 £	2024 £
Cash at bank	38,100	3,058,348
Cash at stockbrokers	<u>4,572,394</u>	<u>1,978,733</u>
Total cash	4,610,494	5,037,081
Cash equivalents	-	-
	<u>4,610,494</u>	<u>5,037,081</u>

3 Non-cash movements

During the year The Foundation received a donation of shares to the value of £287,087 which did not require any cash expenditure.

During the year The Foundation recognised £74,628 of dividends and interest which were satisfied by notional distributions of £62,899 and excess income distributions of £11,730.

1 STATUTORY INFORMATION

The Paul Foundation is a registered charity (number 1003143) constituted under deed of trust, domiciled in the UK and is a public benefit entity. The principal office is Keystone Law, 48-49 Chancey Lane, London, WC2A 1JF.

The entity is a public benefit entity.

The accounts are presented in £ Sterling and rounded to the nearest £1.

2 STATEMENT OF ACCOUNTING POLICIES

The accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the SORP) issued by the Charity Commission for England and Wales (second edition - October 2019); with reference to FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102"); in accordance with the Charities Act 2011 as amended by the Charities Act 2022 and United Kingdom Generally Accepted Accounting Practice.

The Paul Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are prepared in accordance with applicable charity law.

2.2 Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resource will be received and the monetary value can be measured with sufficient reliability.

Donations and any related gift aid are recognised when receivable.

Donations in kind of listed shares are valued using the market value on the date of receipt.

Debtors are recognised at the settlement amount due less any provisions for bad debts.

2.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

Investment management costs represents the charges made by the stockbrokers.

Charitable activities are grants made to third parties in the furtherance of the charitable objectives of the trust.

Governance costs comprises expenditure incurred for constitutional and statutory requirements and are included within expenditure on charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(continued)

2.4 Fixed and current asset investments

Marketable investment assets are included in the financial statements at their values, either at closing market prices (listed investments) or from valuations provided by the investment manager (unlisted hedge funds and private equity).

2.5 Funds

The charity's funds comprise the capital and revaluation reserve fund as an expendable endowment held for the charity's general purpose without restriction and an income fund as described under the reserves policy in the trustees' report.

2.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

2.7 Taxation

The company is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities if applied for charitable purposes.

2.8 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised comprise cash at bank and other debtors. Financial liabilities held at amortised cost comprise other creditors.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and stockbrokers.

2.10 Judgements and estimation

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

THE PAUL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2.11 Going concern

The trustees have considered the effect of the the general state of the stock market on the charity's activities and they believe that it is unlikely to cause significant disruption to the charity's ability to pay grants as it has sufficient liquid assets available. The trustees believe the charity has sufficient assets to enable it to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

The measures put in place to deal with the pandemic has affected how the investment portfolio has performed, particularly in the period January to March 2020. Part of the charity's investment strategy is to retain sufficient liquid assets available to cover cash requirements for one year. With this in mind, the trustees reviewed the investment policy and have agreed that no further changes should be made.

There are no material uncertainties attaching to the use of the going concern principal to prepare these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(continued)

3	INCOME	2025 £	2024 £
	Donations		
	Donations from trustees	288,725	643,456
	Gift aid	2,500	38,889
		<u>291,225</u>	<u>682,345</u>
	Investment income	2025 £	2024 £
	Dividends	365,408	230,042
	Tax refunds	11,043	18,394
	Interest received	215,846	340,003
		<u>592,297</u>	<u>588,439</u>
4	CHARITABLE ACTIVITIES	2025 £	2024 £
	Grants		
	University of Oxford	598,925	978,431
	Medecins Sans Frontiere	50,000	-
	East London Foundation Trust	37,815	-
	Tree Aid	36,860	-
	Microloan	19,350	-
	Autism Early Support	5,000	-
		<u>747,950</u>	<u>978,431</u>
	Support costs	16,800	17,400
	Total charitable activities	<u>764,750</u>	<u>995,831</u>

The comparative has been adjusted to show that all the grants made in FY2024 were in relation to the Oxford University. The £16,680 previously shown as paid to Tree Aid was paid on 13 May 2024 and is included within the value in the current year column.

All of the above are institutional grants given in furtherance of the charity's objects.

At the year end, the Foundation was committed to pay grants totalling £77,897 (2024: £653,682) in the next financial year. These will be paid out of the unrestricted funds.

	2025 £	2024 £
Auditors' remuneration	16,800	17,400
	<u>16,800</u>	<u>17,400</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(continued)

6 ANALYSIS OF TOTAL STAFFING COSTS

There were no employees. The trustees manage all of the affairs of the charity.

No remuneration or expenses were paid to or provided for in respect of the trustees for the year ended 31 March 2025 nor for the year ended 31 March 2024.

7 INVESTMENTS

	UK& Eire listed £	Overseas Unlisted £	Overseas listed £	Total £
As at 1 April 2024	7,746,067	1,187,216	24,514,951	33,448,234
Additions at cost	498,672	10,549	2,217,936	2,727,157
Transfers	-	-	-	-
Revaluations	71,368	(401,328)	178,232	(151,728)
Disposals at cost		(45,709)	(1,548,307)	(1,594,016)
As at 31 March 2025	8,316,107	750,728	25,362,812	34,429,647
Fair value				£
At 31 March 2025				<u>34,429,647</u>
At 31 March 2024				<u>33,448,234</u>

Valuation of private equity investments - these are stated at their estimated fair value based on valuations carried out by the fund managers.

7.1 MATERIAL INVESTMENTS (over 5%)

	Qty	%	2025	%	2024
UK					
R Wealth Management SICAV-SIF New Court Fund GBP UKRep Acc E Cap	286,157	25.33	8,722,661	25.35	8,480,670
R Wealth Management SICAV-SIF New Court Equity Growth Fund E Cap	131,058	11.73	4,037,422	11.67	3,903,192
Short term deposit					
Money marekt funds	-	-	-	-	-

All investments held by the charity have been acquired in accordance with the powers available to the trustees. Material investments are considered to be any individual investment which represents 5% or more of the total portfolio valuation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(continued)

8	DEBTORS	2025 £	2024 £
	Loan debtor - due within one year	38,729	39,581
	Loan debtor - due in more than one year	38,730	-
	Other debtors	1,098	-
	Income tax recoverable	-	48,889
		<u>78,557</u>	<u>88,470</u>
9	CASH AT BANK AND IN HAND	2025 £	2024 £
	Cash held in the investment portfolios	4,572,394	1,978,733
	Cash at bank	38,100	3,058,348
	Cash at bank and in hand	<u>4,610,494</u>	<u>5,037,081</u>
10	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2025 £	2024 £
	Other creditors	-	149,405
	Accruals	16,800	33,600
		<u>16,800</u>	<u>183,005</u>
11	FINANCIAL INSTRUMENTS	2025 £	2024 £
	Financial assets at fair value through the income and expenditure account.	<u>34,429,647</u>	<u>33,448,234</u>
		<u>34,468,377</u>	<u>33,448,234</u>
	Financial liabilities measured at amortised cost	<u>16,800</u>	<u>183,005</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(continued)

12	MOVEMENT IN FUNDS	ENDOWMENT FUNDS		UNRESTRICTED FUNDS		Total funds £
		Capital fund £	Revaluation reserve fund £	Income fund £	Income reserve fund £	
	As at 1 April 2024	32,574,943	5,262,620	491,173	62,044	38,390,780
	Surplus/(deficit) for year	-		(29,456)		(29,456)
	Gain on disposal of investments	366,823				366,823
	Revaluation of investments		429,050			429,050
	Provision against loan debtor					-
	Foreign exchange and other differences	(55,299)				(55,299)
	Revaluation adjustment	287,601	(287,601)			-
						-
	As at 31 March 2025	33,174,068	5,404,069	461,717	62,044	39,101,898

13	ACCUMULATED FUNDS CONSISTS OF:	2025			2024		
		Endowment	Unrestricted	Total	Endowment	Unrestricted	Total
		£	£	£	£	£	£
Investments		34,429,647	-	34,429,647	33,448,234	-	33,448,234
Debtors		-	78,557	78,557	-	88,470	88,470
Cash		4,148,490	462,004	4,610,494	4,389,329	647,752	5,037,081
Short term investments		-	-	0	-	-	-
Creditors		-	(16,800)	(16,800)	-	(183,005)	(183,005)
		38,578,137	523,761	39,101,898	37,837,563	553,217	38,390,780

14 RELATED PARTY

Donations received from trustee Patrick Paul, before gift aid, in the year amounted to £288,725 (2024: £643,456).

The founding trustee and major donor to the Paul Foundation, Patrick Paul, died in August 2025. Prior to his death, the charity appointed Camilla Bishop and Rory St Johnston as trustees of the charity. During the financial year to 31 March 2025 Rory St Johnston was the lead adviser for the charity in connection with its investments made through McLaren Capital Limited. Mr St Johnston is a director and shareholder of McLaren Capital Limited. Since being appointed as a trustee, a new lead adviser to the charity has been appointed by the company. As the appointment was not until after the financial year end, there are no related party transactions to disclose for this year in connection with this relationship.

15 SUBSEQUENT EVENTS

On 4 May 2025 the trustees authorised a grant to The University of Oxford's Emerging Minds project. The total value of the grant was £26,890,114 which is to be paid out over the five years from the grant being agreed. In the first year £13,539,986 of the total grant will be paid-out.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(continued)

16	COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted Fund £	Endowment Fund £	Total 2025 £
	INCOME AND ENDOWMENTS			
	Donations	682,345		682,345
	Investment income	588,439	-	588,439
	TOTAL INCOME	1,270,784	-	1,270,784
	EXPENDITURE			
	Costs of raising funds:			
	Investment management costs	133,918	-	133,918
	US Federal tax paid	18,272	-	18,272
	Charitable activities	995,831	-	995,831
	TOTAL EXPENDITURE	1,148,021	-	1,148,021
	NET INCOME/(EXPENDITURE)	122,763	-	122,763
	Net (losses)/gains on investments	-	2,549,212	2,549,212
	Loan debtor provision	-	-	-
	Gains on foreign exchange	-	(329,894)	(329,894)
	TOTAL INCOME/(EXPENDITURE)	122,763	2,219,318	2,342,081
	TRANSFERS BETWEEN FUNDS	-	-	-
	NET MOVEMENT IN FUNDS	122,763	2,219,318	2,342,081
	Fund balances brought forward	430,454	35,618,245	36,048,699
	Fund balances carried forward	553,217	37,837,563	38,390,780

PAUL FOUNDATION

England & Wales - Charity number 1003143

Accounts

THE PAUL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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THE PAUL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's trust deed, Charities Act 2011 and the Charities SORP (FRS102) - Statement of Recommended Practice: Accounting and Reporting by Charities (2019).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P R D Paul N Michaelis S D P Michaelis E L Carson
Governing document	Trust Deed dated 4th April 1991
Registered charity number	1003143
Principal address	Haycroft House Sherbourne Gloucestershire GL54 3NB
Auditors	Nunn Hayward LLP 2-4 Packhorse Road Gerrards Cross Buckinghamshire SL9 7QE
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Investment advisers	Rothschild & Co Bank International Limited Waverton Investment Management Limited Integrated Financial Arrangments Limited t/as Transact

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust is constituted under a trust deed dated 4th April 1991 and is a registered charity, number 1003143. The trust was established by an initial gift from the founder P R D Paul in 1991.

Over the years the founder P R D Paul has made substantial gifts to the charity that have more than doubled in value.

Under the terms of the charity's governing document, the trust deed dated 4th April 1991, the following matters are relevant as regards the trustees:

There should be a minimum of three trustees and no more than five.

Under clause 7 of the trust deed any trustee who is absent from all meetings of the trustees during a period of eighteen months without the consent of the other trustees shall cease to be a trustee.

The power of appointing new and additional trustees is vested in the trustees for the time being. New trustees undergo an orientation session to brief them on their legal obligations under charity law, the Charities Commission guidance on public benefit, and to inform them of the content of the charitable trust deed. Prior to appointment they meet the other trustees and will have been made aware of the decision-making processes and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

In the administration of the trusts of the charity, the trustees have the power to leave the trust fund in the state of investment in which it may be from time to time or to sell, call in or convert and to transpose or convert any investment or property forming part of the trust fund into any other investment or property.

No money or property, subject to the trust, shall in any circumstances be paid or lent or transferred to or applied for the benefit of any settlor or any spouse of any settlor.

The charity trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit.

RISK MANAGEMENT

The charity's trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The main risk affecting the charity is the loss of value of the investments. The trustees review the investment management strategy regularly.

PLANS FOR FUTURE PERIODS

The charity will continue to make grants to a range of organisations in accordance with its grant making policy.

OBJECTIVES AND ACTIVITIES

The objectives of the charity are that the trustees shall hold the trust funds, and the income thereof, upon trust to pay all the proper costs and expenses incurred by the trustees in establishing the charity and trust funds and apply the income and capital to such charitable institutions, or towards the furtherance of such charitable purposes, in such manner and in such proportions as the trustees may from time to time in their absolute discretion, with power for the trustees at any time to apply the whole or any part of the unrestricted capital fund and its related unrestricted revaluation reserve fund which together comprise the charity's expendable endowment under trust law as if it were income.

The investment policy is to invest in lower risk listed investments producing both capital growth and income. Investments in companies producing arms are avoided.

GRANT MAKING POLICY

The trustees make grants to UK registered charitable organisations providing care to young children with learning difficulties and other disorders, to hospices and home healthcare for older people and social welfare in Gloucestershire, for sustainable development in third world countries, as well as funding research into improving health, all of which is for the public benefit. Recommendations for grants are presented to meetings of the trustees for review, discussion and approval.

ACHIEVEMENTS AND PERFORMANCE

During the year, as stated in the Statement of Financial Activities, total funds of the charity increased by £2,342,081. In 2023, total funds increased by £1,410,311. Total income was £1,270,784 (2023: £898,841) which included donations from the trustees of £643,456 (2023: £619,291), with a net increase in the value of investments during the year, after taking account of purchases, disposals and revaluations, of £5,269,780 (Decrease in 2023: £3,219,571) and total resources expended were £1,148,021 (2023: £536,037). During the year the Foundation recovered the £3,171,538 due to it relating to the loan to the Amigo trust. This has significantly increased the cash held at the bank at the year end.

During the year, the charity made grants totalling £978,431 (2023: £344,499) as detailed in note 4, out of a gross income of £1,270,784 (2023: £898,841).

FINANCIAL REVIEW

The charity's assets are available and adequate to fulfil the obligations of the charity and the trustees report that the administration costs have been kept to a minimum, though regulatory compliance maintains upward pressure on the administrative costs.

RESERVE POLICY

Capital fund

The capital fund of £32,574,943 (2023: £33,381,762) represents settled property and specific gift aid donations received together with any related tax credits, profit or loss on disposal of investments and net foreign exchange profit or losses.

Revaluation reserve fund

The revaluation reserve fund of £5,262,620 (2023: £2,236,483) represents unrealised gains on revaluation of investments to the market value in accordance with the Charities SORP (FRS102) - Statement of Recommended Practice: Accounting and Reporting by Charities (2019).

RESERVE POLICY (continued)

Income fund - unrestricted

The income fund is an unrestricted fund totalling £553,217 (2023: £430,454) and includes an income reserve fund of £62,044 (2023: £62,044). Given the nature of the activities that the charity supports, and the potential dependence of sick people and their families on that support, it is important that the charity should retain adequate reserves to be able to continue providing assistance in spite of the potential fluctuations in its income.

The level of the income reserve fund should ideally be no less than 30% of the preceding year's grants which were to organisations potentially dependent on regular support from the charity to cover their operating expenses. The trustees may draw down on available resources in the capital fund to address deficits in the income fund where deemed appropriate.

The capital and revaluation reserve together comprise a single expendable endowment whose purpose is unrestricted. The general income fund and reserve income fund are also considered unrestricted.

The reserve policy must be reviewed by the trustees at the time of any substantial commitment to support activities on an ongoing basis, in light of the degree of future dependence on that support and, in any event, at least once each year.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the trustees report and financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Observe the methods and principles in the Charities SORP (2019)(FRS102);
- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by the board of trustees on 10 December 2024 and signed on its behalf by:

P R D Paul
Trustee

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION**

OPINION

We have audited the financial statements of The Paul Foundation for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes. 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 charity's affairs as at 31 March 2024 and of the charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Charities Act 2011.

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 charity 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.

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you, if in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit in respect of fraud are to; identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rest with the trustees.

OUR APPROACH WAS AS FOLLOWS:

- We obtained an understanding of the legal and regulatory framework that are applicable to the charity and determined that the most significant are the trust deed dated 4th April 1991 and those that relate to the reporting framework; 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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011, United Kingdom Generally Accepted Practice as it applies from 1 January 2019 and the EU General Data Protection Regulations (GDPR).
- We understood how the charity was complying with the trust deed and those frameworks by making enquiries of the trustees.
- Based on our understanding of the charity, we designed our audit procedures to identify non-compliance with the trust deed and laws and regulations including making enquires of the trustees; testing journal entries, with a focus on manual, large or unusual transactions.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by making enquiries of the trustees
- We considered the controls established to address the risks identified, to prevent, deter or detect fraud, and how trustees monitor those controls.

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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nunn Hayward LLP
Chartered Accountants and Statutory Auditors

2-4 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 7QE

Dated: 11 December 2024

Nunn Hayward LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted Fund £	Endowment Fund £	Total 2024 £	Total 2023 £
INCOME AND ENDOWMENTS					
Donations	3	682,345	-	682,345	619,291
Investment income	3	588,439	-	588,439	279,550
TOTAL INCOME		1,270,784	-	1,270,784	898,841
EXPENDITURE					
Costs of raising funds:					
Investment management costs		133,918	-	133,918	139,770
US Federal taxes paid		18,272	-	18,272	36,768
Charitable activities	4	995,831	-	995,831	359,499
TOTAL EXPENDITURE		1,148,021	-	1,148,021	536,037
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS		122,763	-	122,763	362,804
Net gains/(losses) on investments		-	2,549,212	2,549,212	(3,490,484)
Loan debtor provision	8	-	-	-	3,171,538
Gains/(Loss) on foreign exchange		-	(329,894)	(329,894)	1,366,453
NET INCOME/(EXPENDITURE)		122,763	2,219,318	2,342,081	1,410,311
TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		122,763	2,219,318	2,342,081	1,410,311
Reconciliation of funds:					
Fund balances brought forward	12,13	430,454	35,618,245	36,048,699	34,638,388
Fund balances carried forward	12,13	553,217	37,837,563	38,390,780	36,048,699

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 12 - 19 form part of these financial statements.

THE PAUL FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2024

	Notes	£	2024 £	£	2023 £
FIXED ASSETS					
Investments	7		33,448,234		28,178,454
CURRENT ASSETS					
Debtors due within one year	8	88,470		3,221,977	
Short term investments	7.1	-		4,170,644	
Cash at bank and in hand	9	5,037,081		501,624	
		5,125,551		7,894,245	
CREDITORS -					
Amounts falling due within one year					
Creditors and accruals	10	183,005		24,000	
NET CURRENT ASSETS			4,942,546		7,870,245
NET ASSETS	13		38,390,780		36,048,699
Endowment funds					
- Capital funds	12		32,574,943		33,381,762
- Revaluation reserve funds	12		5,262,620		2,236,483
Unrestricted funds:					
- Income funds	12		553,217		430,454
TOTAL CHARITY FUNDS	12		38,390,780		36,048,699

Approved by the board of trustees on 10 December 2024 and signed on its behalf by

P R D Paul
Trustee

Registered charity number: 1003143

The notes on pages 12 - 19 form part of these financial statements.

THE PAUL FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	2023 £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	1	<u>2,338,957</u>	<u>233,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		475,256	279,550
Net movements from sale and purchase of investments		(2,449,400)	1,095,540
		<u></u>	<u></u>
Net cash (used)/provided by investing activities		<u>(1,974,144)</u>	<u>1,375,090</u>
 INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		 364,813	 1,608,641
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		 4,672,268	 3,063,627
 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2	 <u><u>5,037,081</u></u>	 <u><u>4,672,268</u></u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	2023 £
1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in income/(expenditure) for the year (as per the statement of financial activities)	2,342,081	1,410,311
Adjustments for:		
Investment income	(588,439)	(279,550)
Loss/(Gain) on investments	(2,549,212)	3,490,484
Donation of shares	(487,879)	-
Unrealised loss/(gain) on foreign currency	329,894	(1,366,453)
(Increase)/Decrease in debtors	3,133,507	(3,026,723)
(Decrease)/Increase in creditors	159,005	5,482
Net cash provided by operating activities	<u>2,338,957</u>	<u>233,551</u>
2 ANALYSIS OF CASH AND CASH EQUIVALENTS		
	2024 £	2023 £
Cash at bank	3,058,348	280,621
Cash at stockbrokers	<u>1,978,733</u>	<u>221,003</u>
Total cash	5,037,081	501,624
Cash equivalents	-	4,170,644
	<u>5,037,081</u>	<u>4,672,268</u>

3 Non-cash movements

During the year The Foundation received a donation of shares to the value of £487,879 which did not require any cash expenditure.

During the year The Foundation recognised £113,183 of dividends and interest which were satisfied by notional distributions of £126,879 and capital cost reductions of £13,696.

1 STATUTORY INFORMATION

The Paul Foundation is a registered charity (number 1003143) constituted under deed of trust, domiciled in the UK and is a public benefit entity. The principal office is Haycroft House, Sherbourne, Gloucestershire GL54 3NB.

The entity is a public benefit entity.

The accounts are presented in £ Sterling and rounded to the nearest £1.

2 STATEMENT OF ACCOUNTING POLICIES

The accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the SORP) issued by the Charity Commission for England and Wales (second edition - October 2019); with reference to FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102"); in accordance with the Charities Act 2011 as amended by the Charities Act 2022 and United Kingdom Generally Accepted Accounting Practice.

The Paul Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are prepared in accordance with applicable charity law.

2.2 Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resource will be received and the monetary value can be measured with sufficient reliability.

Donations and any related gift aid are recognised when receivable.

Donations in kind of listed shares are valued using the market value on the date of receipt.

Debtors are recognised at the settlement amount due less any provisions for bad debts.

2.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

Investment management costs represents the charges made by the stockbrokers.

Charitable activities are grants made to third parties in the furtherance of the charitable objectives of the trust.

Governance costs comprises expenditure incurred for constitutional and statutory requirements and are included within expenditure on charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
(continued)

2.4 Fixed and current asset investments

Marketable investment assets are included in the financial statements at their values, either at closing market prices (listed investments) or from valuations provided by the investment manager (unlisted hedge funds and private equity).

2.5 Funds

The charity's funds comprise the capital and revaluation reserve fund as an expendable endowment held for the charity's general purpose without restriction and an income fund as described under the reserves policy in the trustees' report.

2.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

2.7 Taxation

The company is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities if applied for charitable purposes.

2.8 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised comprise cash at bank and other debtors. Financial liabilities held at amortised cost comprise other creditors.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and stockbrokers.

2.10 Judgements and estimation

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

2.11 Going concern

The trustees have considered the effect of the the general state of the stock market on the charity's activities and they believe that it is unlikely to cause significant disruption to the charity's ability to pay grants as it has sufficient liquid assets available. The trustees believe the charity has sufficient assets to enable it to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

The measures put in place to deal with the pandemic has affected how the investment portfolio has performed, particularly in the period January to March 2020. Part of the charity's investment strategy is to retain sufficient liquid assets available to cover cash requirements for one year. With this in mind, the trustees reviewed the investment policy and have agreed that no further changes should be made.

There are no material uncertainties attaching to the use of the going concern principal to prepare these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
(continued)

3	INCOME	2024	2023
		£	£
	Donations		
	Donations from trustees	643,456	619,291
	Gift aid	38,889	-
		<u>682,345</u>	<u>619,291</u>
	Investment income	2024	2023
		£	£
	Dividends	230,042	215,769
	Tax refunds	18,394	10,856
	Interest received	340,003	52,925
		<u>588,439</u>	<u>279,550</u>
4	CHARITABLE ACTIVITIES	2024	2023
		£	£
	Grants		
	University of Oxford	961,571	225,782
	Herona Hospital	-	15,347
	Medecins Sans Frontiere	-	40,000
	Microloan	-	41,510
	Autism Early Support	-	5,000
	Tree Aid	16,860	16,860
		<u>978,431</u>	<u>344,499</u>
	Support costs	17,400	15,000
	Total charitable activities	<u>995,831</u>	<u>359,499</u>

All of the above are institutional grants given in furtherance of the charity's objects.

At the year end, the Charity was committed to pay grants totalling £653,682 in the next financial year.
These will be paid out of the unrestricted funds.

	2024	2023
	£	£
Irrecoverable gift aid	-	-
Provision write-off	-	-
Professional fees	-	-
Auditors' remuneration	17,400	15,000
	<u>17,400</u>	<u>15,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(continued)

6 ANALYSIS OF TOTAL STAFFING COSTS

There were no employees. The trustees manage all of the affairs of the charity.

No remuneration or expenses were paid to or provided for in respect of the trustees for the year ended 31 March 2024 nor for the year ended 31 March 2023.

7 INVESTMENTS

	UK& Eire listed £	Overseas Unlisted £	Overseas listed £	Total £
As at 1 April 2023	2,826,481	2,226,342	23,125,631	28,178,454
Additions at cost	5,265,641	97,228	9,810,619	15,173,488
Transfers	-	-	-	-
Revaluations	289,503	(104,240)	2,282,279	2,467,542
Disposals at cost	(635,558)	(1,032,114)	(10,703,578)	(12,371,250)
As at 31 March 2024	7,746,067	1,187,216	24,514,951	33,448,234
Fair value				£
At 31 March 2024				<u>33,448,234</u>
At 31 March 2023				<u>28,178,454</u>

Valuation of private equity investments - these are stated at their estimated fair value based on valuations carried out by the fund managers.

7.1 MATERIAL INVESTMENTS (over 5%)

	Qty	%	2024	%	2023
UK					
R Wealth Management SICAV-SIF New Court Fund GBP UKRep Acc E Cap	286,157	25.35	8,480,670	26.79	7,548,817
R Wealth Management SICAV-SIF New Court Equity Growth Fund E Cap	131,058	11.67	3,903,192	12.11	3,412,759
Short term deposit					
Money marekt funds	5,244,000	-	-	14.80	4,170,644

All investments held by the charity have been acquired in accordance with the powers available to the trustees. Material investments are considered to be any individual investment which represents 5% or more of the total portfolio valuation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
(continued)

8	DEBTORS	2024 £	2023 £
	Loan debtor - due within one year	39,581	3,211,977
	Loan debtor - due in more than one year	-	-
	Income tax recoverable	48,889	10,000
		<u>88,470</u>	<u>3,221,977</u>
9	CASH AT BANK AND IN HAND	2024 £	2023 £
	Cash held in the investment portfolios	1,978,733	221,003
	Cash at bank	3,058,348	280,621
	Cash at bank and in hand	<u>5,037,081</u>	<u>501,624</u>
10	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2024 £	2023 £
	Other creditors	149,405	-
	Accruals	33,600	24,000
		<u>183,005</u>	<u>24,000</u>
11	FINANCIAL INSTRUMENTS	2024 £	2023 £
	Financial assets measured at amortised cost	-	4,170,644
	Financial assets at fair value through the income and expenditure account.	<u>33,448,234</u>	<u>28,178,454</u>
		<u>33,448,234</u>	<u>32,349,098</u>
	Financial liabilities measured at amortised cost	<u>183,005</u>	<u>24,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
(continued)

12	MOVEMENT IN FUNDS	ENDOWMENT FUNDS		UNRESTRICTED FUNDS		Total funds £
		Capital fund £	Revaluation reserve fund £	Income fund £	Income reserve fund £	
	As at 1 April 2023	33,381,762	2,236,483	368,410	62,044	36,048,699
	Surplus/(deficit) for year	-		122,763		122,763
	Gain on disposal of investments	631,521				631,521
	Revaluation of investments		1,917,691			1,917,691
	Provision against loan debtor					-
	Foreign exchange and other differences	(329,894)				(329,894)
	Revaluation adjustment	(1,108,446)	1,108,446			-
						-
	As at 31 March 2024	32,574,943	5,262,620	491,173	62,044	38,390,780

13	ACCUMULATED FUNDS CONSISTS OF:	2024			2023		
		Endowment	Unrestricted	Total	Endowment	Unrestricted	Total
		£	£	£	£	£	£
	Investments	33,448,234	-	33,448,234	28,178,454	-	28,178,454
	Debtors	-	88,470	88,470	3,171,538	50,439	3,221,977
	Cash	4,389,329	647,752	5,037,081	97,609	404,015	501,624
	Short term investments	-	-	0	4,170,644	-	4,170,644
							-
	Creditors	-	(183,005)	(183,005)	-	(24,000)	(24,000)
		37,837,563	553,217	38,390,780	35,618,245	430,454	36,048,699

14 RELATED PARTY

Donations received from trustees, before gift aid, in the year amounted to £643,456 (2023: £619,291).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
(continued)

16	COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted Fund £	Endowment Fund £	Total 2023 £
	INCOME AND ENDOWMENTS			
	Donations	619,291		619,291
	Investment income	279,550	-	279,550
	TOTAL INCOME	898,841	-	898,841
	EXPENDITURE			
	Costs of raising funds:			
	Investment management costs	139,770	-	139,770
	US Federal tax paid	36,768	-	36,768
	Charitable activities	359,499	-	359,499
	TOTAL EXPENDITURE	536,037	-	536,037
	NET INCOME/(EXPENDITURE)	362,804	-	362,804
	Net (losses)/gains on investments	-	(3,490,484)	(3,490,484)
	Loan debtor provision	-	3,171,538	3,171,538
	Gains on foreign exchange	-	1,366,453	1,366,453
	TOTAL INCOME/(EXPENDITURE)	362,804	1,047,507	1,410,311
	TRANSFERS BETWEEN FUNDS	-	-	-
	NET MOVEMENT IN FUNDS	362,804	1,047,507	1,410,311
	Fund balances brought forward	67,650	34,570,738	34,638,388
	Fund balances carried forward	430,454	35,618,245	36,048,699

PAUL FOUNDATION

England & Wales - Charity number 1003143

Accounts

THE PAUL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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THE PAUL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's trust deed, Charities Act 2011 and the Charities SORP (FRS102) - Statement of Recommended Practice: Accounting and Reporting by Charities (2019).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P R D Paul N Michaelis S D P Michaelis E L Carson
Governing document	Trust Deed dated 4th April 1991
Registered charity number	1003143
Principal address	Haycroft House Sherbourne Gloucestershire GL54 3NB
Auditors	Nunn Hayward LLP 2-4 Packhorse Road Gerrards Cross Buckinghamshire SL9 7QE
Bankers	Coutts & Co 440 Strand London WC2R 0QS

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust is constituted under a trust deed dated 4th April 1991 and is a registered charity, number 1003143. The trust was established by an initial gift from the founder P R D Paul in 1991.

Over the years the founder P R D Paul has made substantial gifts to the charity that have more than doubled in value.

Under the terms of the charity's governing document, the trust deed dated 4th April 1991, the following matters are relevant as regards the trustees:

There should be a minimum of three trustees and no more than five.

Under clause 7 of the trust deed any trustee who is absent from all meetings of the trustees during a period of eighteen months without the consent of the other trustees shall cease to be a trustee.

The power of appointing new and additional trustees is vested in the trustees for the time being. New trustees undergo an orientation session to brief them on their legal obligations under charity law, the Charities Commission guidance on public benefit, and to inform them of the content of the charitable trust deed. Prior to appointment they meet the other trustees and will have been made aware of the decision-making processes and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

In the administration of the trusts of the charity, the trustees have the power to leave the trust fund in the state of investment in which it may be from time to time or to sell, call in or convert and to transpose or convert any investment or property forming part of the trust fund into any other investment or property.

No money or property, subject to the trust, shall in any circumstances be paid or lent or transferred to or applied for the benefit of any settlor or any spouse of any settlor.

The charity trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit.

RISK MANAGEMENT

The charity's trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The main risk affecting the charity is the loss of value of the investments. The trustees review the investment management strategy regularly.

The charity is also exposed to currency fluctuations, which, since a significant part of the grants paid out, are to overseas charities, is managed by having US dollar based investments. Investment returns and economic value is further managed by having a significant part of the charity's investments in overseas companies or those with a significant part of their business overseas.

When larger multi year grants are made, the charity ensures that they will have sufficient funds from income reserves to cover the grants. At the year end, the charity was committed to pay grants totalling £725,915 in the next financial year.

OBJECTIVES AND ACTIVITIES

The objectives of the charity are that the trustees shall hold the trust funds, and the income thereof, upon trust to pay all the proper costs and expenses incurred by the trustees in establishing the charity and trust funds and apply the income and capital to such charitable institutions, or towards the furtherance of such charitable purposes, in such manner and in such proportions as the trustees may from time to time in their absolute discretion, with power for the trustees at any time to apply the whole or any part of the unrestricted capital fund and its related unrestricted revaluation reserve fund which together comprise the charity's expendable endowment under trust law as if it were income.

The investment policy is to invest in lower risk listed investments producing both capital growth and income. Investments in companies producing arms are avoided.

GRANT MAKING POLICY

The trustees make grants to UK registered charitable organisations providing care to young children with learning difficulties and other disorders, to hospices and home healthcare for older people and social welfare in Gloucestershire, for sustainable development in third world countries, as well as funding research into improving health, all of which is for the public benefit. Recommendations for grants are presented to meetings of the trustees for review, discussion and approval.

ACHIEVEMENTS AND PERFORMANCE

During the year, as stated in the Statement of Financial Activities, total funds of the charity increased by £1,410,311. In 2022, total funds increased by £1,034,395. Total income was £898,841 (2022: £173,571) which included donations from the trustees of £619,291 (2022: £nil), with a net decrease in the value of investments during the year, after taking account of purchases, disposals and revaluations, of £3,219,571 (Increase in 2022: £5,458,624) and total resources expended were £536,037 (2022: £290,525). The Foundation reversed the recoverable amount of a provision made, in 2019, which has increased the capital element of the endowment fund by £3,171,538.

During the year, the charity made grants totalling £344,499 (2022: £109,707) as detailed in note 4, out of a gross income of £898,841 (2022: £173,571).

FINANCIAL REVIEW

The charity's assets are available and adequate to fulfil the obligations of the charity and the trustees report that the administration costs have been kept to a minimum, though regulatory compliance maintains upward pressure on the administrative costs.

RESERVE POLICY

Capital fund

The capital fund of £33,381,762 (2022: £29,309,946) represents settled property and specific gift aid donations received together with any related tax credits, profit or loss on disposal of investments and net foreign exchange profit or losses.

Revaluation reserve fund

The revaluation reserve fund of £2,236,483 (2022: £5,260,792) represents unrealised gains on revaluation of investments to the market value in accordance with the Statement of Recommended Practice.

RESERVE POLICY (continued)

Income fund - unrestricted

The income fund is an unrestricted fund totalling £430,454 (2022: £67,650) and includes an income reserve fund of £62,044 (2022: £62,044). Given the nature of the activities that the charity supports, and the potential dependence of sick people and their families on that support, it is important that the charity should retain adequate reserves to be able to continue providing assistance in spite of the potential fluctuations in its income.

The level of the income reserve fund should ideally be no less than 30% of the preceding year's grants which were to organisations potentially dependent on regular support from the charity to cover their operating expenses. The trustees may draw down on available resources in the capital fund to address deficits in the income fund where deemed appropriate.

The capital and revaluation reserve together comprise a single expendable endowment whose purpose is unrestricted. The general income fund and reserve income fund are also considered unrestricted.

The reserve policy must be reviewed by the trustees at the time of any substantial commitment to support activities on an ongoing basis, in light of the degree of future dependence on that support and, in any event, at least once each year.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the trustees report and financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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's financial activities during the year and of its financial position at the year end. In preparing these financial statements, the trustees are required to:

- Observe the methods and principles in the Charities SORP;
- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Approved by the board of trustees on 16 January 2024 and signed on its behalf by:

P R D Paul
Trustee

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION**

OPINION

We have audited the financial statements of The Paul Foundation for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes. 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 charity's affairs as at 31 March 2023 and of the charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Charities Act 2011.

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 charity 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.

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you, if in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit in respect of fraud are to; identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rest with the trustees.

OUR APPROACH WAS AS FOLLOWS:

- We obtained an understanding of the legal and regulatory framework that are applicable to the charity and determined that the most significant are the trust deed dated 4th April 1991 and those that relate to the reporting framework; 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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011, United Kingdom Generally Accepted Practice as it applies from 1 January 2019 and the EU General Data Protection Regulations (GDPR).
- We understood how the charity was complying with the trust deed and those frameworks by making enquiries of the trustees.
- Based on our understanding of the charity, we designed our audit procedures to identify non-compliance with the trust deed and laws and regulations including making enquires of the trustees; testing journal entries, with a focus on manual, large or unusual transactions.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by making enquiries of the trustees
- We considered the controls established to address the risks identified, to prevent, deter or detect fraud, and how trustees monitor those controls.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nunn Hayward LLP
Chartered Accountants and Statutory Auditors

2-4 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 7QE

Dated: -- 16 January 2024

Nunn Hayward LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted Fund £	Endowment Fund £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS					
Donations	3	619,291	-	619,291	-
Investment income	3	279,550	-	279,550	173,571
TOTAL INCOME		898,841	-	898,841	173,571
EXPENDITURE					
Costs of raising funds:					
Investment management costs		139,770	-	139,770	143,445
US Federal taxes paid		36,768	-	36,768	25,133
Charitable activities	4	359,499	-	359,499	121,947
TOTAL EXPENDITURE		536,037	-	536,037	290,525
NET INCOME/(EXPENDITURE)		362,804	-	362,804	(116,954)
Net gains/(losses) on investments			(3,490,484)	(3,490,484)	220,161
Loan debtor provision	8		3,171,538	3,171,538.00	-
Gains/(Loss) on foreign exchange			1,366,453	1,366,453	931,188
TOTAL INCOME/(EXPENDITURE)		362,804	1,047,507	1,410,311	1,034,395
TRANSFERS BETWEEN FUNDS				-	-
NET MOVEMENT IN FUNDS		362,804	1,047,507	1,410,311	1,034,395
Fund balances brought forward	12,13	67,650	34,570,738	34,638,388	33,603,993
Fund balances carried forward	12,13	430,454	35,618,245	36,048,699	34,638,388

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 12 - 18 form part of these financial statements.

THE PAUL FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
FIXED ASSETS					
Investments	7		28,178,454		31,398,025
CURRENT ASSETS					
Debtors due within one year	8	3,221,977		99,841	
Debtors due in more than one year	8	-		95,413	
Short term investments	7.1	4,170,644		2,672,095	
Cash at bank and in hand	9	501,624		391,532	
		<u>7,894,245</u>		<u>3,258,881</u>	
CREDITORS - Amounts falling due within one year					
Creditors and accruals	10	<u>24,000</u>		<u>18,518</u>	
NET CURRENT ASSETS			<u>7,870,245</u>		<u>3,240,363</u>
NET ASSETS	13		<u><u>36,048,699</u></u>		<u><u>34,638,388</u></u>
Capital funds	12		33,381,762		29,309,946
Revaluation reserve funds	12		2,236,483		5,260,792
Unrestricted funds:					
- Income funds	12		<u>430,454</u>		<u>67,650</u>
TOTAL CHARITY FUNDS	12		<u><u>36,048,699</u></u>		<u><u>34,638,388</u></u>

Approved by the board of trustees on 16 January 2024 and signed on its behalf by

P R D Paul
Trustee

Registered charity number: 1003143

The notes on pages 12 - 18 form part of these financial statements.

THE PAUL FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	1	<u>233,551</u>	<u>(281,269)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		279,550	173,571
Net movements from sale and purchase of investments		1,095,540	(4,307,275)
		<u>1,375,090</u>	<u>(4,133,704)</u>
Net cash provided by investing activities			
		<u>1,375,090</u>	<u>(4,133,704)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,608,641	(4,414,973)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3,063,627	7,478,600
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2	<u><u>4,672,268</u></u>	<u><u>3,063,627</u></u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in income/(expenditure) for the year (as per the statement of financial activities)	1,410,311	1,034,395
Adjustments for:		
Dividends received	(279,550)	(173,571)
Loss/(Gain) on investments	3,490,484	(220,161)
Unrealised gains on foreign currency	(1,366,453)	(931,188)
(Increase)/Decrease in debtors	(3,026,723)	938
(Decrease)/Increase in creditors	5,482	8,318
Net cash provided by operating activities	<u>233,551</u>	<u>(281,269)</u>
2 ANALYSIS OF CASH AND CASH EQUIVALENTS	2023 £	2022 £
Cash at bank	280,621	-
Cash at stockbrokers	<u>221,003</u>	<u>391,532</u>
Total cash	501,624	391,532
Cash equivalents	<u>4,170,644</u>	<u>2,672,095</u>
	<u>4,672,268</u>	<u>3,063,627</u>

3 Non-cash transactions

During the year a provision made against debtors in 2019 was reversed. This has increased the Capital Endowment Fund by £3,171,538 at the balance sheet date.

1 STATUTORY INFORMATION

The Paul Foundation is a registered charity (number 1003143) constituted under deed of trust, domiciled in the UK and is a public benefit entity. The principal office is Haycroft House, Sherbourne, Gloucestershire GL54 3NB.

The accounts are presented in £ Sterling and rounded to the nearest £1.

2 STATEMENT OF ACCOUNTING POLICIES

The accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011 and United Kingdom Generally Accepted Practice as it applies from 1 January 2019.

The Paul Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are prepared in accordance with applicable charity law.

2.2 Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resource will be received and the monetary value can be measured with sufficient reliability.

Donations in kind of listed shares are valued using the market value on the date of receipt.

2.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

Investment management costs represents the charges made by the stockbrokers.

Charitable activities are grants made to third parties in the furtherance of the charitable objectives of the trust.

Governance costs comprises expenditure incurred for constitutional and statutory requirements and are included within expenditure on charitable activities.

2.4 Fixed and current asset investments

Marketable investment assets are included in the financial statements at their values, either at closing market prices (listed investments) or from valuations provided by the investment manager (unlisted hedge funds and private equity).

2.5 Funds

The charity's funds comprise the capital and revaluation reserve fund as an expendable endowment held for the charity's general purpose without restriction and an income fund as described under the reserves policy in the trustees' report.

2.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

2.7 Taxation

The company is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities if applied for charitable purposes.

2.8 Financial instruments

The charity only has financial assets and liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised comprise cash at bank and other debtors. Financial liabilities held at amortised cost comprise other creditors.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and stockbrokers.

2.10 Judgements and estimation

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

Valuation of private equity investments - these are stated at their estimated fair value based on valuations carried out by the fund managers.

2.11 Going concern

The trustees have considered the effect of the the general state of the stock market on the charity's activities and they believe that it is unlikely to cause significant disruption to the charity's ability to pay grants as it has sufficient liquid assets available. The trustees believe the charity has sufficient assets to enable it to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

3	INCOME	2023 £	2022 £
	Donations		
	Donations from trustees	619,291	-
	Gift aid	-	-
		<u>619,291</u>	<u>-</u>
	Investment income	2023 £	2022 £
	Dividends	215,769	153,284
	Tax refunds	10,856	15,187
	Interest received	52,925	5,100
		<u>279,550</u>	<u>173,571</u>
4	CHARITABLE ACTIVITIES	2023 £	2022 £
	Grants		
	University of Oxford	225,782	-
	Herona Hospital	15,347	37,615
	Medecins Sans Frontiere	40,000	40,000
	Microloan	41,510	41,510
	Autism Early Support	5,000	5,000
	Tree Aid	16,860	15,222
		<u>344,499</u>	<u>139,347</u>
	Grants no longer payable:		
	Autistica	-	(29,640)
	Total grants	<u>344,499</u>	<u>109,707</u>
	Support costs	15,000	12,240
	Total charitable activities	<u>359,499</u>	<u>121,947</u>

All of the above are institutional grants given in furtherance of the charity's objects.

At the year end, the Charity was committed to pay grants totalling £725,915 in the next financial year.

	2023 £	2022 £
Professional fees	-	4,440
Auditors' remuneration	15,000	7,800
	<u>15,000</u>	<u>12,240</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
 (continued)

6 ANALYSIS OF TOTAL STAFFING COSTS

There were no employees. The trustees manage all of the affairs of the charity.

No remuneration or expenses were paid to or provided for in respect of the trustees for the year ended 31 March 2023 nor for the year ended 31 March 2022.

7 INVESTMENTS

	UK& Eire listed £	Overseas Unlisted £	Overseas listed £	Total £
As at 1 April 2022	2,767,354	2,060,520	26,570,151	31,398,025
Additions at cost	163,247	8,690	3,338,459	3,510,396
Transfers	-	-	-	-
Revaluations	(104,119)	211,019	(2,450,641)	(2,343,741)
Disposals at cost	-	(53,889)	(4,332,337)	(4,386,226)
As at 31 March 2023	2,826,482	2,226,340	23,125,632	28,178,454
Fair value				£
At 31 March 2023				<u>28,178,454</u>
At 31 March 2022				<u>31,398,025</u>

7.1 MATERIAL INVESTMENTS (over 5%)

	Qty	%	2023	%	2022
Overseas					
Bristol Myers Squibb Co	12,700	2.53	711,935	5.02	1,577,488
UK					
R Wealth Management SICAV-SIF New Court Fund GBP UKRep Acc E Cap	286,157	26.79	7,548,817	24.94	7,829,251
R Wealth Management SICAV-SIF New Court Equity Growth Fund E Cap	131,058	12.11	3,412,759	11.32	3,552,991

Short term deposit

Money markets funds	5,244,000	14.80	4,170,644	8.51	2,672,095
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All investments held by the charity have been acquired in accordance with the powers available to the trustees. Material investments are considered to be any individual investment which represents 5% or more of the total portfolio valuation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

8	DEBTORS	2023 £	2022 £
	Loan debtor - due within one year	3,211,977	89,841
	Loan debtor - due in more than one year	-	95,413
	Income tax recoverable	10,000	10,000
		<u>3,221,977</u>	<u>195,254</u>
On 7 November 2023 the Foundation received £3,171,538 from a debtor whose amount receivable of £3,666,610, had been fully impaired in the financial year 2019. The original donation receivable was recognised in the financial year 2018 within the capital endowments fund, together with interest which had been recognised as payable on the balance. The original provision has been reversed by the amount received after the balance sheet date.			
9	CASH AT BANK AND IN HAND	2023 £	2022 £
	Investments - cash at bank and on deposit	221,003	391,532
	Cash at bank and in hand	280,621	-
	Cash at bank and in hand	<u>501,624</u>	<u>391,532</u>
10	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2023 £	2022 £
	Bank loans and overdrafts	-	518
	Accruals	24,000	18,000
		<u>24,000</u>	<u>18,518</u>
11	FINANCIAL INSTRUMENTS	2023 £	2022 £
	Financial assets measured at amortised cost	4,170,644	2,672,095
	Financial assets at fair value through the income and expenditure account.	<u>28,178,454</u>	<u>31,398,025</u>
		<u>32,349,098</u>	<u>34,070,120</u>
	Financial liabilities measured at amortised cost	<u>24,000</u>	<u>18,518</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(continued)

12	MOVEMENT IN FUNDS	ENDOWMENT FUNDS		UNRESTRICTED FUNDS		Total funds £
		Capital fund £	Revaluation reserve fund £	Income fund £	Income reserve fund £	
	As at 1 April 2022	29,309,946	5,260,792	5,606	62,044	34,638,388
	Surplus/(deficit) for year	-		362,804		362,804
	Gain on disposal of investments	(1,000,948)				(1,000,948)
	Revaluation of investments		(2,489,536)			(2,489,536)
	Provision against loan debtor	3,171,538				3,171,538
	Foreign exchange and other differences	1,366,453				1,366,453
	Revaluation adjustment	534,773	(534,773)			-
	Transfer					-
	As at 31 March 2023	33,381,762	2,236,483	368,410	62,044	36,048,699

13	ACCUMULATED FUNDS CONSISTS OF:	Total funds 2023 £	Total funds 2022 £
	Investments	28,178,454	31,398,025
	Debtors	3,221,977	195,254
	Cash and deposits at stockbrokers	4,672,268	3,063,627
	Creditors and accruals	(24,000)	(18,518)
		36,048,699	34,638,388

14 EVENTS AFTER THE REPORTING DATE

On 7 November 2023 the Foundation received £3,171,538 as full and final settlement of a debtor that had been fully provided for in the year to 31 March 2019. The provision has been reversed in this financial year upto the value that was known to be recoverable at the balance sheet date.

15 RELATED PARTY

Donations received from trustees in the year amounted to £619,291 (2022:£Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

16	COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted Fund £	Endowment Fund £	Total 2022 £
	INCOME AND ENDOWMENTS			
	Donations	-	-	-
	Investment income	173,571	-	173,571
	TOTAL INCOME	173,571	-	173,571
	EXPENDITURE			
	Costs of raising funds:			
	Investment management costs	143,445	-	143,445
	US Federal tax paid	25,133	-	25,133
	Charitable activities	121,947	-	121,947
	TOTAL EXPENDITURE	290,525	-	290,525
	NET INCOME/(EXPENDITURE)	(116,954)	-	(116,954)
	Net (losses)/gains on investments	-	220,161	220,161
	Loan debtor provision	-	-	-
	Gains on foreign exchange	-	931,188	931,188
	TOTAL INCOME/(EXPENDITURE)	(116,954)	1,151,349	1,034,395
	TRANSFERS BETWEEN FUNDS	120,000	(120,000)	-
	NET MOVEMENT IN FUNDS	3,046	1,031,349	1,034,395
	Fund balances brought forward	64,604	33,539,389	33,603,993
	Fund balances carried forward	67,650	34,570,738	34,638,388

Accounts

THE PAUL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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THE PAUL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's trust deed, Charities Act 2011 and the Charities SORP (FRS102) - Statement of Recommended Practice: Accounting and Reporting by Charities (2019).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P R D Paul N Michaelis S D P Michaelis E L Carson
Governing document	Trust Deed dated 4th April 1991
Registered charity number	1003143
Principal address	Haycroft House Sherbourne Gloucestershire GL54 3NB
Auditors	Nunn Hayward LLP 2-4 Packhorse Road Gerrards Cross Buckinghamshire SL9 7QE
Bankers	Coutts & Co 440 Strand London WC2R 0QS

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust is constituted under a trust deed dated 4th April 1991 and is a registered charity, number 1003143. The trust was established by an initial gift from the founder P R D Paul in 1991.

Over the years the founder P R D Paul has made substantial gifts to the charity that have more than doubled in value.

Under the terms of the charity's governing document, the trust deed dated 4th April 1991, the following matters are relevant as regards the trustees:

There should be a minimum of three trustees and no more than five.

Under clause 7 of the trust deed any trustee who is absent from all meetings of the trustees during a period of eighteen months without the consent of the other trustees shall cease to be a trustee.

The power of appointing new and additional trustees is vested in the trustees for the time being. New trustees undergo an orientation session to brief them on their legal obligations under charity law, the Charities Commission guidance on public benefit, and to inform them of the content of the charitable trust deed. Prior to appointment they meet the other trustees and will have been made aware of the decision-making processes and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

In the administration of the trusts of the charity, the trustees have the power to leave the trust fund in the state of investment in which it may be from time to time or to sell, call in or convert and to transpose or convert any investment or property forming part of the trust fund into any other investment or property.

No money or property, subject to the trust, shall in any circumstances be paid or lent or transferred to or applied for the benefit of any settlor or any spouse of any settlor.

The charity trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit.

RISK MANAGEMENT

The charity's trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The main risk affecting the charity is the loss of value of the investments. The trustees review the investment management strategy regularly.

The charity is also exposed to currency fluctuations, which, since a significant part of the grants paid out, are to overseas charities, is managed by having US dollar based investments. Investment returns and economic value is further managed by having a significant part of the charity's investments in overseas companies or those with a significant part of their business overseas.

When larger multi year grants are made, the charity ensures that they will have sufficient funds from income reserves to cover the grants. At the year end, the charity did not have any commitments to individual charities.

OBJECTIVES AND ACTIVITIES

The objectives of the charity are that the trustees shall hold the trust funds and the income thereof upon trust to pay all the proper costs and expenses incurred by the trustees in establishing and administering the charity and trust funds and apply the income and capital to such charitable institutions, or towards the furtherance of such charitable purposes, in such manner and in such proportions as the trustees may from time to time in their absolute discretion with power for the trustees at any time apply the whole or any part of the unrestricted capital fund and its related unrestricted revaluation reserve fund which together comprise the charity's expendable endowment under trust law, as it were income.

The investment policy is to invest in lower risk listed investments producing both capital growth and income. Investments in companies producing arms are avoided.

GRANT MAKING POLICY

The trustees make grants to UK registered charitable organisations providing care to young children with learning difficulties and other disorders, to hospices and home healthcare for older people and social welfare in Gloucestershire, for sustainable development in third world countries, as well as funding research into improving health, all of which is for the public benefit. Recommendations for grants are presented to meetings of the trustees for review, discussion and approval.

ACHIEVEMENTS AND PERFORMANCE

During the year, as stated in the Statement of Financial Activities, total funds of the charity increased by £1,034,395. In 2021, total funds increased by £7,125,154. Total income was £173,571 (2021: £256,784) which included donations from the trustees of £nil (2021: £30,861), with a net increase in the value of investments during the year, after taking account of purchases, disposals and revaluations, of £5,458,624 (2021: £3,163,420) and total resources expended were £290,525 (2021: £576,506).

During the year, the charity made grants totalling £109,707 (2021: £416,662) as detailed in note 4, out of a gross income of £173,571 (2021: £256,784).

FINANCIAL REVIEW

The charity's assets are available and adequate to fulfil the obligations of the charity and the trustees report that the administration costs have been kept to a minimum, though regulatory compliance maintains upward pressure on the administrative costs.

RESERVE POLICY

Capital fund

The capital fund of £29,309,946 (2021: £26,207,913) represents settled property and specific gift aid donations received together with any related tax credits, profit or loss on disposal of investments and net foreign exchange profit or losses.

The capital fund is held to generate income in order for the charity to meet its objectives as set out above.

Revaluation reserve fund

The revaluation reserve fund of £5,260,792 (2021: £7,331,476) represents unrealised gains on revaluation of investments to the market value in accordance with the Statement of Recommended Practice.

RESERVE POLICY (continued)

Income fund - unrestricted

The income fund is an unrestricted fund totalling £67,650 (2021: £64,604) and comprise an income reserve fund of £62,044 (2021: £62,044). Given the nature of the activities that the charity supports, and the potential dependence of sick people and their families on that support, it is important that the charity should retain adequate reserves to be able to continue providing assistance in spite of the potential fluctuations in its income.

The level of the income reserve fund should ideally be no less than the greater of 30% of the current year's gross investment income or 30% of the preceding year's grants made in the current year which were to organisations potentially dependent on regular support from the charity to cover their operating expenses. The trustees may draw down on available resources in the capital fund to address deficits in the income fund where deemed appropriate.

The capital and revaluation reserve together comprise a single expendable endowment whose purpose is unrestricted. The general income fund and reserve income fund are also considered unrestricted. There are no restricted or designated funds held by the charity.

The reserve policy must be reviewed by the trustees at the time of any substantial commitment to support activities on an ongoing basis, in light of the degree of future dependence on that support and, in any event, at least once each year.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the trustees report and financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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's financial activities during the year and of its financial position at the year end. In preparing these financial statements, the trustees are required to:

- Observe the methods and principles in the Charities SORP;
- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Approved by the board of trustees on 2nd May 2023 and signed on its behalf by:

P R D Paul
Trustee

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION**

OPINION

We have audited the financial statements of The Paul Foundation for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes. 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 charity's affairs as at 31 March 2022 and of the charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Charities Act 2011.

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 charity 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.

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you, if in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit in respect of fraud are to; identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rest with the trustees.

OUR APPROACH WAS AS FOLLOWS:

- We obtained an understanding of the legal and regulatory framework that are applicable to the charity and determined that the most significant are the trust deed dated 4th April 1991 and those that relate to the reporting framework; 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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011, United Kingdom Generally Accepted Practice as it applies from 1 January 2019 and the EU General Data Protection Regulations (GDPR).
- We understood how the charity was complying with the trust deed and those frameworks by making enquiries of the trustees.
- Based on our understanding of the charity, we designed our audit procedures to identify non-compliance with the trust deed and laws and regulations including making enquires of the trustees; testing journal entries, with a focus on manual, large or unusual transactions.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by making enquiries of the trustees
- We considered the controls established to address the risks identified, to prevent, deter or detect fraud, and how trustees monitor those controls.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAUL FOUNDATION (continued)**

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nunn Hayward LLP
Chartered Accountants and Statutory Auditors

2-4 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 7QE

Dated: 09 May 2023

Nunn Hayward LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted Fund £	Endowment Fund £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS					
Donations	3	-	-	-	30,861
Investment income	3	173,571	-	173,571	225,923
TOTAL INCOME		173,571	-	173,571	256,784
EXPENDITURE					
Costs of raising funds:					
Investment management costs		143,445	-	143,445	149,224
US Federal taxes paid		25,133	-	25,133	-
Charitable activities	4	121,947	-	121,947	427,282
TOTAL EXPENDITURE		290,525	-	290,525	576,506
NET INCOME/(EXPENDITURE)		(116,954)	-	(116,954)	(319,722)
Net gains/(losses) on investments			220,161	220,161	9,430,770
Loan debtor provision	8		-	-	-
Gains/(Loss) on foreign exchange			931,188	931,188	(1,985,894)
TOTAL INCOME/(EXPENDITURE)		(116,954)	1,151,349	1,034,395	7,125,154
TRANSFERS BETWEEN FUNDS		120,000	(120,000)	-	-
NET MOVEMENT IN FUNDS		3,046	1,031,349	1,034,395	7,125,154
Fund balances brought forward	12,13	64,604	33,539,389	33,603,993	26,478,839
Fund balances carried forward	12,13	67,650	34,570,738	34,638,388	33,603,993

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 11 - 18 form part of these financial statements.

THE PAUL FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Investments	7		31,398,025		25,939,401
CURRENT ASSETS					
Debtors due within one year	8	99,841		96,319	
Debtors due in more than one year	8	95,413		99,873	
Short term investments		2,672,095		5,981,416	
Cash at bank and in hand	9	391,532		1,497,184	
		3,258,881		7,674,792	
CREDITORS -					
Amounts falling due within one year					
Creditors and accruals	10	18,518		10,200	
NET CURRENT ASSETS			3,240,363		7,664,592
NET ASSETS	13		34,638,388		33,603,993
Unrestricted funds:					
- Income funds	12		67,650		64,604
- Capital funds	12		29,309,946		26,207,913
- Revaluation reserve funds	12		5,260,792		7,331,476
TOTAL CHARITY FUNDS	12		34,638,388		33,603,993

Approved by the board of trustees on 2nd May 2023 and signed on its behalf by

P R D Paul
Trustee

Registered charity number: 1003143

The notes on pages 11 - 18 form part of these financial statements.

THE PAUL FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	1	<u>(281,269)</u>	<u>(573,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		173,571	225,923
Net movements from sale and purchase of investments		<u>(4,307,275)</u>	<u>4,281,456</u>
Net cash provided by investing activities		<u>(4,133,704)</u>	<u>4,507,379</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(4,414,973)	3,933,929
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		7,478,600	3,544,671
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2	<u><u>3,063,627</u></u>	<u><u>7,478,600</u></u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in income/(expenditure) for the year (as per the statement of financial activities)	1,034,395	7,125,154
Adjustments for:		
Dividends received	(173,571)	(225,923)
Gains on investments	(220,161)	(9,430,770)
Unrealised gains on foreign currency	(931,188)	1,985,894
(Increase)/Decrease in debtors	938	(24,625)
(Decrease)/Increase in creditors	8,318	(3,180)
Net cash provided by operating activities	<u>(281,269)</u>	<u>(573,450)</u>
2 ANALYSIS OF CASH AND CASH EQUIVALENTS		
	2022 £	2021 £
Cash at bank	-	1,315,371
Cash at stockbrokers	<u>391,532</u>	<u>181,813</u>
Total cash	391,532	1,497,184
Cash equivalents	<u>2,672,095</u>	<u>5,981,416</u>
	<u>3,063,627</u>	<u>7,478,600</u>

1 STATUTORY INFORMATION

The Paul Foundation is a registered charity (number 1003143) constituted under deed of trust, domiciled in the UK and is a public benefit entity. The principal office is Haycroft House, Sherbourne, Gloucestershire GL54 3NB.

The accounts are presented in £ Sterling and rounded to the nearest £1.

2 STATEMENT OF ACCOUNTING POLICIES

The accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011 and United Kingdom Generally Accepted Practice as it applies from 1 January 2019.

The Paul Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are prepared in accordance with applicable charity law.

2.2 Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resource will be received and the monetary value can be measured with sufficient reliability.

Donations in kind of listed shares are valued using the market value on the date of receipt.

2.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

Investment management costs represents the charges made by the stockbrokers.

Charitable activities are grants made to third parties in the furtherance of the charitable objectives of the trust.

Governance costs comprises expenditure incurred for constitutional and statutory requirements and are included within expenditure on charitable activities.

2.4 Fixed and current asset investments

Marketable investment assets are included in the financial statements at their values, either at closing market prices (listed investments) or from valuations provided by the investment manager (unlisted hedge funds and private equity).

2.5 Funds

The charity's funds comprise the capital and revaluation reserve fund as an expendable endowment held for the charity's general purpose without restriction and an income fund as described under the reserves policy in the trustees' report.

2.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

2.7 Taxation

The company is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities if applied for charitable purposes.

2.8 Financial instruments

The charity only has financial assets and liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised comprise cash at bank and other debtors. Financial liabilities held at amortised cost comprise other creditors.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and stockbrokers.

2.10 Judgements and estimation

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

Valuation of private equity investments - these are stated at their estimated fair value based on valuations carried out by the fund managers.

2.11 Going concern

The trustees have considered the effect of the Covid-19 pandemic on the charity's activities and they believe that it is unlikely to cause significant disruption to the charity's ability to pay grants as it has sufficient liquid assets available. The charity also has sufficient assets to enable it to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

The measures put in place to deal with the pandemic has affected how the investment portfolio has performed, particularly in the period January to March 2020. Part of the charity's investment strategy is to retain sufficient liquid assets available to cover cash requirements for one year. With this in mind, the trustees reviewed the investment policy and have agreed that no further changes should be made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(continued)

3	INCOME	2022 £	2021 £
	Donations		
	Donations from trustees	-	30,861
	Gift aid	-	-
		<u>-</u>	<u>30,861</u>
	Investment income	2022 £	2021 £
	Dividends	153,284	211,978
	Tax refunds	15,187	6,049
	Interest received	5,100	7,896
		<u>173,571</u>	<u>225,923</u>
4	CHARITABLE ACTIVITIES	2022 £	2021 £
	Grants		
	Action Medical Research	-	35,000
	IMET 2000	-	3,500
	Herona Hospital	37,615	-
	Medecins Sans Frontiere	40,000	20,000
	Microloan	41,510	45,000
	Autism Early Support	5,000	7,500
	East London Foundation Trust	-	280,482
	Village Water	-	10,180
	Tree Aid	15,222	20,000
		<u>139,347</u>	<u>421,662</u>
	Grants no longer payable:		
	Autistica	(29,640)	
	University of Cambridge		(5,000)
	Total grants	<u>109,707</u>	<u>416,662</u>
	Support costs	12,240	10,620
	Total charitable activities	<u>121,947</u>	<u>427,282</u>

All of the above are institutional grants given in furtherance of the charity's objects.

At the year end, the Charity was committed to pay grants totalling £73,942 in the next financial year.

	£	£
Professional fees	4,440	-
Auditors' remuneration	7,800	10,620
	<u>12,240</u>	<u>10,620</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(continued)

6 ANALYSIS OF TOTAL STAFFING COSTS

There were no employees. The trustees manage all of the affairs of the charity.

No remuneration or expenses were paid to or provided for in respect of the trustees for the year ended 31 March 2022 nor for the year ended 31 March 2021.

7 INVESTMENTS

	UK& Eire listed £	Overseas Unlisted £	Overseas listed £	Total £
As at 1 April 2021	40,333	2,641,387	23,257,681	25,939,401
Additions at cost	3,283,565	282,599	8,865,671	12,431,835
Transfers	-	-	-	-
Revaluations	(8,118)	(365,461)	(2,326,731)	(2,700,310)
Disposals at cost	(548,426)	(498,005)	(3,226,470)	(4,272,901)
As at 31 March 2022	2,767,354	2,060,520	26,570,151	31,398,025
Fair value				£
At 31 March 2022				<u>31,398,025</u>
At 31 March 2021				<u>25,939,401</u>

7.1 MATERIAL INVESTMENTS (over 5%)

	Qty	%	2022	%	2021
Overseas					
Silk Road Medical Inc	-	-		3.81	987,594
Bristol Myers Squibb Co	21,600	5.02	1,577,448	3.81	988,408
UK					
R Wealth Management SICAV-SIF	286,157	24.94	7,829,251	25.52	6,620,308
New Court Fund GBP UKRep Acc E Cap					
R Wealth Management SICAV-SIF	131,058	11.32	3,552,991	-	-
New Court Equity Growth Fund E Cap					

Short term deposit

Money markets funds	3,514,500	8.51	2,672,095	7.64	1,981,369
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All investments held by the charity have been acquired in accordance with the powers available to the trustees. Material investments are considered to be any individual investment which represents 5% or more of the total portfolio valuation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
 (continued)

8	DEBTORS	2022 £	2021 £
	Loan debtor - due within one year	89,841	86,319
	Loan debtor - due in more than one year	95,413	99,873
	Income tax recoverable	10,000	10,000
		<u>195,254</u>	<u>196,192</u>
There were two loan debtors at the balance sheet date. In addition to the loan debtor above, full provision was made against another loan debtor in the comparative year as there were concerns surrounding its recoverability and it was difficult to ascertain with certainty the recoverable amount. As a result, the trustees considered it appropriate to provide against the loan debtor until these circumstances become clearer.			
9	CASH AT BANK AND IN HAND	2022 £	2021 £
	Investments - cash at bank and on deposit	391,532	181,813
	Cash at bank and in hand	-	1,315,371
	Cash at bank and in hand	<u>391,532</u>	<u>1,497,184</u>
10	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2022 £	2021 £
	Bank loans and overdrafts	518	-
	Accruals	18,000	10,200
		<u>18,518</u>	<u>10,200</u>
11	FINANCIAL INSTRUMENTS	2022 £	2021 £
	Financial assets measured at amortised cost	2,672,095	5,981,416
	Financial assets at fair value through the income and expenditure account.	<u>31,398,025</u>	<u>25,939,401</u>
		<u>34,070,120</u>	<u>31,920,817</u>
	Financial liabilities measured at amortised cost	<u>18,518</u>	<u>10,200</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(continued)

12	MOVEMENT IN FUNDS	ENDOWMENT FUNDS		UNRESTRICTED FUNDS		Total funds £
		Capital fund £	Revaluation reserve fund £	Income fund £	Income reserve fund £	
	As at 1 April 2021	26,207,913	7,331,476	2,560	62,044	33,603,993
	Surplus/(deficit) for year	-		(116,954)		(116,954)
	Gain on disposal of investments	2,290,845				2,290,845
	Revaluation of investments		(2,070,684)			(2,070,684)
	Provision against loan debtor					-
	Foreign exchange and other differences	931,188				931,188
	Revaluation adjustment					-
	Transfer	(120,000)		120,000		-
	As at 31 March 2022	29,309,946	5,260,792	5,606	62,044	34,638,388

13	ACCUMULATED FUNDS CONSISTS OF:	Total funds 2022 £	Total funds 2021 £
	Investments	31,398,025	25,939,401
	Debtors	195,254	196,192
	Cash and deposits at stockbrokers	3,063,627	7,478,600
	Creditors and accruals	(18,518)	(10,200)
		34,638,388	33,603,993

14 EVENTS AFTER THE REPORTING DATE

The COVID-19 pandemic was recognised in early January 2020 by the World Health Organisation with governments around the world taking action to curb the spread of the virus. The measures put in place has severely affected businesses and, as a consequence, the value of the charity's investment portfolio. The trustees have reviewed the investment policy and have agreed that no further changes should be made.

Subsequent to the year end, a donation totaling £785,433 to the University of Oxford was agreed providing funding for child mental health research, reflecting the principal focus of the charities activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(continued)

14	COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted Fund £	Endowment Fund £	Total 2021 £
	INCOME AND ENDOWMENTS			
	Donations	-	30,861	30,861
	Investment income	225,923	-	225,923
	TOTAL INCOME	225,923	30,861	256,784
	EXPENDITURE			
	Costs of raising funds:			
	Investment management costs	149,224	-	149,224
	US Federal tax paid	-	-	-
	Charitable activities	427,282	-	427,282
	TOTAL EXPENDITURE	576,506	-	576,506
	NET INCOME/(EXPENDITURE)	(350,583)	30,861	(319,722)
	Net (losses)/gains on investments	-	9,430,770	9,430,770
	Loan debtor provision	-	-	-
	Gains on foreign exchange	-	(1,985,894)	(1,985,894)
	TOTAL INCOME/(EXPENDITURE)	(350,583)	7,475,737	7,125,154
	TRANSFERS BETWEEN FUNDS	350,000	(350,000)	-
	NET MOVEMENT IN FUNDS	(583)	7,125,737	7,125,154
	Fund balances brought forward	65,187	26,413,652	26,478,839
	Fund balances carried forward	64,604	33,539,389	33,603,993

PAUL FOUNDATION

England & Wales - Charity number 1003143

Accounts

(Charity Number: 1003143)

THE PAUL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE PAUL FOUNDATION

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THE PAUL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's trust deed, Charities Act 2011 and the Charities SORP (FRS102) - Statement of Recommended Practice: Accounting and Reporting by Charities (2019).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P R D Paul N Michaelis S D P Michaelis E L Carson
Governing document	Trust Deed dated 4th April 1991
Registered charity number	1003143
Principal address	Haycroft House Sherbourne Gloucestershire GL54 3NB
Auditors	Nunn Hayward LLP 2-4 Packhorse Road Gerrards Cross Buckinghamshire SL9 7QE
Bankers	Coutts & Co 440 Strand London WC2R 0QS

THE PAUL FOUNDATION

TRUSTEES' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust is constituted under a trust deed dated 4th April 1991 and is a registered charity, number 1003143. The trust was established by an initial gift from the founder P R D Paul in 1991.

Over the years the founder P R D Paul has made substantial gifts to the charity that have more than doubled in value.

Under the terms of the charity's governing document, the trust deed dated 4th April 1991, the following matters are relevant as regards the trustees:

There should be a minimum of three trustees and no more than five.

Under clause 7 of the trust deed any trustee who is absent from all meetings of the trustees during a period of eighteen months without the consent of the other trustees shall cease to be a trustee.

The power of appointing new and additional trustees is vested in the trustees for the time being. New trustees undergo an orientation session to brief them on their legal obligations under charity law, the Charities Commission guidance on public benefit, and to inform them of the content of the charitable trust deed. Prior to appointment they meet the other trustees and will have been made aware of the decision-making processes and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

In the administration of the trusts of the charity, the trustees have the power to leave the trust fund in the state of investment in which it may be from time to time or to sell, call in or convert and to transpose or convert any investment or property forming part of the trust fund into any other investment or property.

No money or property, subject to the trust, shall in any circumstances be paid or lent or transferred to or applied for the benefit of any settlor or any spouse of any settlor.

The charity trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit

RISK MANAGEMENT

The charity's trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The main risk affecting the charity is the loss of value of the investments. The trustees review the investment management strategy regularly.

The charity is also exposed to currency fluctuations, which, since a significant part of the grants paid out, are to overseas charities, is managed by having US dollar based investments. Investment returns and economic value is further managed by having a significant part of the charity's investments in overseas companies or those with a significant part of their business overseas.

When larger multi year grants are made, the charity ensures that they will have sufficient funds from income reserves to cover the grants. At the year end, the charity did not have any commitments to individual charities.

THE PAUL FOUNDATION

TRUSTEES' REPORT (continued)

OBJECTIVES AND ACTIVITIES

The objectives of the charity are that the trustees shall hold the trust funds and the income thereof upon trust to pay all the proper costs and expenses incurred by the trustees in establishing and administering the charity and trust funds and apply the income and capital to such charitable institutions, or towards the furtherance of such charitable purposes, in such manner and in such proportions as the trustees may from time to time in their absolute discretion with power for the trustees at any time apply the whole or any part of the unrestricted capital fund and its related unrestricted revaluation reserve fund which together comprise the charity's expendable endowment under trust law, as it were income.

The investment policy is to invest in lower risk listed investments producing both capital growth and income. Investments in companies producing arms are avoided.

GRANT MAKING POLICY

The trustees make grants to UK registered charitable organisations providing care to young children with learning difficulties and other disorders, to hospices and home healthcare for older people and social welfare in Gloucestershire, for sustainable development in third world countries, as well as funding research into improving health, all of which is for the public benefit. Recommendations for grants are presented to meetings of the trustees for review, discussion and approval.

ACHIEVEMENTS AND PERFORMANCE

During the year, as stated in the Statement of Financial Activities, total funds of the charity increased by £7,125,154. In 2020, total funds increased by £3,368,499. Total income was £256,784 (2020: £2,733,502) which included donations from the trustees of £30,861 (2020: £2,454,498), with a net increase in the value of investments during the year, after taking account of purchases, disposals and revaluations, of £3,163,420 (2020: £2,748,123) and total resources expended were £576,506 (2020: £495,861).

During the year, the charity made grants totalling £416,662 (2020: £348,484) as detailed in note 4, out of a gross income of £256,784 (2020: £2,733,502).

FINANCIAL REVIEW

The charity's assets are available and adequate to fulfil the obligations of the charity and the trustees report that the administration costs have been kept to a minimum, though regulatory compliance maintains upward pressure on the administrative costs.

RESERVE POLICY

Capital fund

The capital fund of £26,207,913 (2020: £25,012,620) represents settled property and specific gift aid donations received together with any related tax credits, profit or loss on disposal of investments and net foreign exchange profit or losses.

The capital fund is held to generate income in order for the charity to meet its objectives as set out above.

Revaluation reserve fund

The revaluation reserve fund of £7,331,476 (2020: £1,401,032) represents unrealised gains on revaluation of investments to the market value in accordance with the Statement of Recommended Practice.

THE PAUL FOUNDATION

TRUSTEES' REPORT (continued)

RESERVE POLICY (continued)

Income fund - unrestricted

The income fund is an unrestricted fund totalling £64,604 (2020: £65,187) and comprise an income reserve fund of £62,044 (2020: £62,044). Given the nature of the activities that the charity supports, and the potential dependence of sick people and their families on that support, it is important that the charity should retain adequate reserves to be able to continue providing assistance in spite of the potential fluctuations in its income.

The level of the income reserve fund should ideally be no less than the greater of 30% of the current year's gross investment income or 30% of the preceding year's grants made in the current year which were to organisations potentially dependent on regular support from the charity to cover their operating expenses. The trustees may draw down on available resources in the capital fund to address deficits in the income fund where deemed appropriate.

The capital and revaluation reserve together comprise a single expendable endowment whose purpose is unrestricted. The general income fund and reserve income fund are also considered unrestricted. There are no restricted or designated funds held by the charity.

The reserve policy must be reviewed by the trustees at the time of any substantial commitment to support activities on an ongoing basis, in light of the degree of future dependence on that support and, in any event, at least once each year.

STATEMENT OF TRUSTEES RESPONSIBILITIES

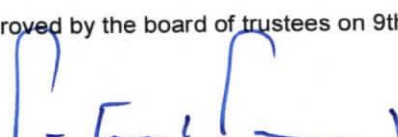
The Trustees are responsible for preparing the trustees report and financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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's financial activities during the year and of its financial position at the year end. In preparing these financial statements, the trustees are required to:

- Observe the methods and principles in the Charities SORP;
- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Approved by the board of trustees on 9th December 2021 and signed on its behalf by:


P R D Paul
Trustee

THE PAUL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAUL FOUNDATION

OPINION

We have audited the financial statements of The Paul Foundation for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes. 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 charity's affairs as at 31 March 2021 and of the charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Charities Act 2011.

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 charity 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.

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you, if in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE PAUL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAUL FOUNDATION (continued)

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit in respect of fraud are to; identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rest with the trustees.

OUR APPROACH WAS AS FOLLOWS:

- We obtained an understanding of the legal and regulatory framework that are applicable to the charity and determined that the most significant are the trust deed dated 4th April 1991 and those that relate to the reporting framework; 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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011, United Kingdom Generally Accepted Practice as it applies from 1 January 2019 and the EU General Data Protection Regulations (GDPR).
- We understood how the charity was complying with the trust deed and those frameworks by making enquiries of the trustees.
- Based on our understanding of the charity, we designed our audit procedures to identify non-compliance with the trust deed and laws and regulations including making enquires of the trustees; testing journal entries, with a focus on manual, large or unusual transactions.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by making enquiries of the trustees
- We considered the controls established to address the risks identified, to prevent, deter or detect fraud, and how trustees monitor those controls.

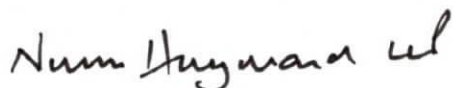
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE PAUL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAUL FOUNDATION (continued)

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nunn Hayward LLP
Chartered Accountants and Statutory Auditors

Dated: 9th December 2021

2-4 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 7QE

Nunn Hayward LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PAUL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Fund £	Endowment Fund £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS					
Donations	3	-	30,861	30,861	2,464,498
Investment income	3	225,923	-	225,923	269,004
TOTAL INCOME		225,923	30,861	256,784	2,733,502
EXPENDITURE					
Costs of raising funds:					
Investment management costs		149,224	-	149,224	136,997
US Federal taxes paid		-	-	-	-
Charitable activities	4	427,282	-	427,282	358,864
TOTAL EXPENDITURE		576,506	-	576,506	495,861
NET INCOME/(EXPENDITURE)		(350,583)	30,861	(319,722)	2,237,641
Net gains/(losses) on investments		-	9,430,770	9,430,770	388,575
Loan debtor provision	8	-	-	-	-
Gains/(Loss) on foreign exchange		-	(1,985,894)	(1,985,894)	742,283
TOTAL INCOME/(EXPENDITURE)		(350,583)	7,475,737	7,125,154	3,368,499
TRANSFERS BETWEEN FUNDS		350,000	(350,000)	-	-
NET MOVEMENT IN FUNDS		(583)	7,125,737	7,125,154	3,368,499
Fund balances brought forward	12,13	65,187	26,413,652	26,478,839	23,110,340
Fund balances carried forward	12,13	64,604	33,539,389	33,603,993	26,478,839

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

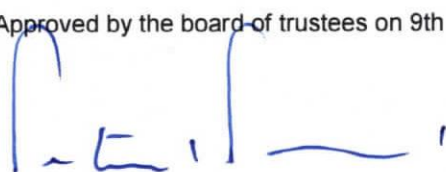
The notes on pages 10 - 18 form part of these financial statements.

THE PAUL FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Investments	7		25,939,401		22,775,981
CURRENT ASSETS					
Debtors due within one year	8	96,319		75,828	
Debtors due in more than one year	8	99,873		95,739	
Short term investments		5,981,416		2,949,762	
Cash at bank and in hand	9	<u>1,497,184</u>		<u>594,909</u>	
		7,674,792		3,716,238	
CREDITORS -					
Amounts falling due within one year					
Creditors and accruals	10	<u>10,200</u>		<u>13,380</u>	
NET CURRENT ASSETS			7,664,592		3,702,858
NET ASSETS	13		<u>33,603,993</u>		<u>26,478,839</u>
 Unrestricted funds:	12		64,604		65,187
- Capital funds	12		26,207,913		25,012,620
- Revaluation reserve funds	12		<u>7,331,476</u>		<u>1,401,032</u>
TOTAL CHARITY FUNDS	12		<u>33,603,993</u>		<u>26,478,839</u>

Approved by the board of trustees on 9th December 2021 and signed on its behalf by



P R D Paul
Trustee

Registered charity number: 1003143

The notes on pages 10 - 18 form part of these financial statements.

THE PAUL FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	1	<u>(573,450)</u>	<u>1,912,048</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		225,923	269,004
Net movements from sale and purchase of investments		<u>4,281,456</u>	<u>(1,617,265)</u>
Net cash provided by investing activities		<u>4,507,379</u>	<u>(1,348,261)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,933,929	563,787
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3,544,671	2,980,884
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2	<u><u>7,478,600</u></u>	<u><u>3,544,671</u></u>

THE PAUL FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in income/(expenditure) for the year (as per the statement of financial activities)	7,125,154	3,368,499
Adjustments for:		
Dividends received	(225,923)	(269,004)
Gains on investments	(9,430,770)	(388,575)
Unrealised gains on foreign currency	1,985,894	(742,283)
(Increase)/Decrease in debtors	(24,625)	(60,969)
(Decrease)/Increase in creditors	(3,180)	4,380
Net cash provided by operating activities	<u>(573,450)</u>	<u>1,912,048</u>
2 ANALYSIS OF CASH AND CASH EQUIVALENTS		
	2021 £	2020 £
Cash at bank	1,315,371	107,982
Cash at stockbrokers	<u>181,813</u>	<u>486,927</u>
Total cash	1,497,184	594,909
Cash equivalents	<u>5,981,416</u>	<u>2,949,762</u>
	<u>7,478,600</u>	<u>3,544,671</u>

1 STATUTORY INFORMATION

The Paul Foundation is a registered charity (number 1003143) constituted under deed of trust, domiciled in the UK and is a public benefit entity. The principal office is Haycroft House, Sherbourne, Gloucestershire GL54 3NB.

The accounts are presented in £ Sterling and rounded to the nearest £1.

2 STATEMENT OF ACCOUNTING POLICIES

The accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

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 1 January 2015) - (Charities SORP (FRS 102)), Charities Act 2011 and United Kingdom Generally Accepted Practice as it applies from 1 January 2019.

The Paul Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are prepared in accordance with applicable charity law.

2.2 Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resource will be received and the monetary value can be measured with sufficient reliability.

Donations in kind of listed shares are valued using the market value on the date of receipt.

2.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

Investment management costs represents the charges made by the stockbrokers.

Charitable activities are grants made to third parties in the furtherance of the charitable objectives of the trust.

Governance costs comprises expenditure incurred for constitutional and statutory requirements and are included within expenditure on charitable activities.

2.4 Fixed and current asset investments

Marketable investment assets are included in the financial statements at their values, either at closing market prices (listed investments) or from valuations provided by the investment manager (unlisted hedge funds and private equity).

2.5 Funds

The charity's funds comprise the capital and revaluation reserve fund as an expendable endowment held for the charity's general purpose without restriction and an income fund as described under the reserves policy in the trustees' report.

THE PAUL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(continued)

2.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

2.7 Taxation

The company is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities if applied for charitable purposes.

2.8 Financial instruments

The charity only has financial assets and liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised comprise cash at bank and other debtors. Financial liabilities held at amortised cost comprise other creditors.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and stockbrokers.

2.10 Judgements and estimation

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

Valuation of private equity investments - these are stated at their estimated fair value based on valuations carried out by the fund managers.

2.11 Going concern

The trustees have considered the effect of the Covid-19 pandemic on the charity's activities and they believe that it is unlikely to cause significant disruption to the charity's ability to pay grants as it has sufficient liquid assets available. The charity also has sufficient assets to enable it to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

The measures put in place to deal with the pandemic has affected how the investment portfolio has performed, particularly in the period January to March 2020. Part of the charity's investment strategy is to retain sufficient liquid assets available to cover cash requirements for one year. With this in mind, the trustees reviewed the investment policy and have agreed that no further changes should be made.

THE PAUL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(continued)

3	INCOME	2021 £	2020 £
	Donations		
	Donations from trustees	30,861	2,454,498
	Gift aid	-	10,000
		<u>30,861</u>	<u>2,464,498</u>
	Investment income	2021 £	2020 £
	Dividends	211,978	208,857
	Tax refunds	6,049	12,890
	Interest received	7,896	47,257
		<u>225,923</u>	<u>269,004</u>
4	CHARITABLE ACTIVITIES	2021 £	2020 £
	Grants		
	Autistica	-	20,000
	Action Medical Research	35,000	35,000
	Dogs for Good	-	1,000
	IMET 2000	3,500	-
	GL11	-	3,000
	Kate's Home Nursing	-	5,000
	Medecins Sans Frontiere	20,000	20,000
	Microloan	45,000	15,000
	Autism Early Support	7,500	-
	Sue Ryder	-	5,000
	The International Medical Education Trust 2000	-	201,000
	The Puzzle Centre	-	18,000
	East London Foundation Trust	280,482	-
	Village Water	10,180	5,484
	University of Cambridge	(5,000)	-
	Tree Aid	20,000	20,000
		<u>416,662</u>	<u>348,484</u>
	Grants	416,662	348,484
	Support costs	10,620	10,380
	Total charitable activities	<u>427,282</u>	<u>358,864</u>
All of the above are institutional grants given in furtherance of the charity's objects.			
5	SUPPORT COSTS	2021 £	2020 £
	Professional fees	-	-
	Auditors' remuneration	10,620	10,380
		<u>10,620</u>	<u>10,380</u>

THE PAUL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

6 ANALYSIS OF TOTAL STAFFING COSTS

There were no employees. The trustees manage all of the affairs of the charity.

No remuneration or expenses were paid to or provided for in respect of the trustees for the year ended 31 March 2021 nor for the year ended 31 March 2020.

7 INVESTMENTS

	UK& Eire listed £	Overseas Unlisted £	Overseas listed £	Total £
As at 1 April 2020	2,398,449	728,079	19,649,453	22,775,981
Additions at cost	1,017,110	538,848	16,228,624	17,784,582
Transfers	-	-	-	-
Revaluations	(10,529)	1,637,156	2,819,406	4,446,033
Disposals at cost	(3,364,697)	(262,696)	(15,439,802)	(19,067,195)
As at 31 March 2021	40,333	2,641,387	23,257,681	25,939,401
Fair value				£
At 31 March 2021				<u>25,939,401</u>
At 31 March 2020				<u>22,775,981</u>

7.1 MATERIAL INVESTMENTS (over 5%)

	Qty	%	2021	%	2020
Overseas					
Silk Road Medical Inc	26,900	3.81	987,594	8.73	1,987,938
Bristol Myers Squibb Co	21,600	3.81	988,408	8.60	1,959,416
UK					
R Wealth Management SICAV-SIF	248,603	25.52	6,620,308	22.14	5,041,676
New Court Fund GBP UKRep Acc E					
Cap					
Short term deposit					
Money markets funds	2,733,500	7.64	1,981,369	11.78	2,682,766

All investments held by the charity have been acquired in accordance with the powers available to the trustees. Material investments are considered to be any individual investment which represents 5% or more of the total portfolio valuation.

THE PAUL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

8	DEBTORS	2021 £	2020 £
	Loan debtor - due within one year	86,319	65,828
	Loan debtor - due in more than one year	99,873	95,739
	Income tax recoverable	10,000	10,000
		<u>196,192</u>	<u>171,567</u>

There were two loan debtors at the balance sheet date. In addition to the loan debtor above, full provision was made against another loan debtor in the comparative year as there were concerns surrounding its recoverability and it was difficult to ascertain with certainty the recoverable amount. As a result, the trustees considered it appropriate to provide against the loan debtor until these circumstances become

9	CASH AT BANK AND IN HAND	2021 £	2020 £
	Investments - cash at bank and on deposit	181,813	486,927
	Cash at bank and in hand	1,315,371	107,982
	Cash at bank and in hand	<u>1,497,184</u>	<u>594,909</u>

10	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
	Accruals	10,200	13,380
		<u>10,200</u>	<u>13,380</u>

11	FINANCIAL INSTRUMENTS	2021 £	2020 £
	Financial assets measured at amortised cost	7,664,792	3,706,238
	Financial assets at fair value through the income and expenditure account.	<u>25,939,401</u>	<u>22,775,981</u>
		<u>33,604,193</u>	<u>26,482,219</u>
	Financial liabilities measured at amortised cost	<u>10,200</u>	<u>13,380</u>

THE PAUL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(continued)

12	MOVEMENT IN FUNDS	ENDOWMENT FUNDS		UNRESTRICTED FUNDS		Total funds £
		Capital fund £	Revaluation reserve fund £	Income fund £	Income reserve fund £	
	As at 1 April 2020	25,012,620	1,401,032	3,143	62,044	26,478,839
	Surplus/(deficit) for year	30,861		(350,583)		(319,722)
	Gain on disposal of investments	3,856,216				3,856,216
	Revaluation of investments		5,574,554			5,574,554
	Provision against loan debtor					-
	Foreign exchange and other differences	(1,985,894)				(1,985,894)
	Revaluation adjustment	(355,890)	355,890			-
	Transfer	(350,000)		350,000		-
	As at 31 March 2021	26,207,913	7,331,476	2,560	62,044	33,603,993

13	ACCUMULATED FUNDS CONSISTS OF:	Total funds 2021 £	Total funds 2020 £
	Investments	25,939,401	22,775,981
	Debtors	196,192	75,828
	Cash and deposits at stockbrokers	7,478,600	3,544,671
	Creditors and accruals	(10,200)	(13,380)
		33,603,993	26,383,100

14 EVENTS AFTER THE REPORTING DATE

The COVID-19 pandemic was recognised in early January 2020 by the World Health Organisation with governments around the world taking action to curb the spread of the virus. The measures put in place has severely affected businesses and, as a consequence, the value of the charity's investment portfolio. The trustees have reviewed the investment policy and have agreed that no further changes should be made.

THE PAUL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(continued)

14	COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted Fund £	Endowment Fund £	Total 2020 £
	INCOME AND ENDOWMENTS			
	Donations	-	2,464,498	2,464,498
	Investment income	269,004	-	269,004
	TOTAL INCOME	<u>269,004</u>	<u>2,464,498</u>	<u>2,733,502</u>
	EXPENDITURE			
	Costs of raising funds:			
	Investment management costs	136,997	-	136,997
	US Federal tax paid	-	-	-
	Charitable activities	358,864	-	358,864
	TOTAL EXPENDITURE	<u>495,861</u>	<u>-</u>	<u>495,861</u>
	NET INCOME/(EXPENDITURE)	(226,857)	2,464,498	2,237,641
	Net (losses)/gains on investments	-	388,575	388,575
	Loan debtor provision	-	-	-
	Gains on foreign exchange	-	742,283	742,283
	TOTAL INCOME/(EXPENDITURE)	<u>(226,857)</u>	<u>3,595,356</u>	<u>3,368,499</u>
	TRANSFERS BETWEEN FUNDS	230,000	(230,000)	-
	NET MOVEMENT IN FUNDS	<u>3,143</u>	<u>3,365,356</u>	<u>3,368,499</u>
	Fund balances brought forward	62,044	23,048,296	23,110,340
	Fund balances carried forward	<u>65,187</u>	<u>26,413,652</u>	<u>26,478,839</u>